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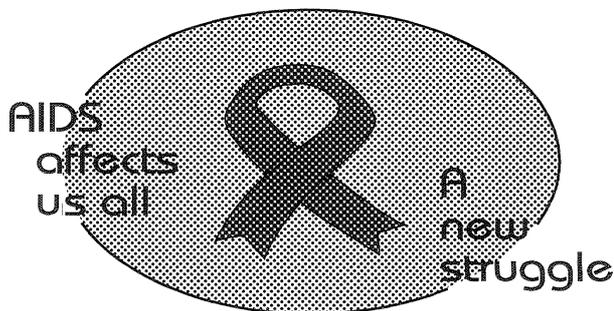
**Vol. 7**

**PIETERMARITZBURG,**

5 DECEMBER 2013  
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**No. 1061**

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**PROVINCIAL NOTICE**

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**No. 195**

**5 December 2013**



**KWAZULU-NATAL GAMING AND BETTING  
BOARD**

**GAMING RULES 2013**

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## PART 1 GENERAL

### CHAPTER 1 CONSTRUCTION AND DEFINITIONS

#### 1.1 Promulgation, Amendment, Modification and Repeal

- (1) The following Rules are issued in terms of Section 7 of the KwaZulu-Natal Gaming and Betting Act, No. 08 of 2010. The Board will, from time to time, promulgate, amend and repeal these Rules, consistent with the objects and purposes of the Act, as it may deem necessary in carrying out the provisions of that Act.
- (2) These Rules come into effect on the first day of the sixth month following the publication in the Provincial Gazette.
- (3) All Gaming rules previously made by the Board are repealed on the date on which these Gaming Rules come into effect.

#### 1.2 Applicability

- (1) These Rules are applicable to all applicants and/or licensees within the Gaming Industry, including holders of National licences operating in the province in terms of the KZN Gaming and Betting Act, and are set out in the following manner:
  - (a) **Part 1** is applicable to all applicants and licensees within the Casino, LPM and Bingo sectors of the Gaming Industry.
  - (b) **Part 2** is applicable to all applicants, casino licensees, manufacturers, suppliers and maintenance providers within the casino industry.
  - (c) **Part 3** is applicable to all applicants, route operator, site operator licensees, manufacturers, suppliers and maintenance providers within the LPMs industry.
  - (d) **Part 4** is applicable to all applicants, bingo licensees, manufacturers, suppliers and maintenance providers within the bingo industry.

#### 1.3 Dispensation

- (1) A licensee may apply to the Board for a dispensation in respect of any aspect contained in these Rules, the Board's Minimum Internal Control Standards and Procedures, Schedule 1 to these Rules, in the manner prescribed in the Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (2) Notwithstanding anything to the contrary contained in these Rules, the Board may, on prior written application, or as may be determined by the Board from time to time, condone non-compliance with these Rules and grant special dispensations with

regard to anything contained in these Rules in the manner and under the conditions determined by the Board.

#### 1.4 Construction

- (1) Any provision of the Act, Regulations or any other applicable statute will take precedence over these Rules in the event of any conflict therewith.
- (2) Where applicable, the Board's requirements for minimum internal control standards and procedures, (Schedule 1 to these Rules), must be applied in conjunction with the relevant Rules.
- (3) Schedule 2 to these Rules includes the relevant application forms to be used by applicants/licenseses.

#### 1.5 Severability

If any provision of these Rules is held to be invalid, unenforceable, or in conflict with the Act, Regulations, or any other applicable statute, the validity of the remaining Rules shall not in any way be affected.

#### 1.6 Enforcement Provision

Any failure to comply with, or any contravention of any provision of these Rules, will be regarded as an offence and the Board may conduct an enquiry into any alleged contravention of the Rules, and take appropriate action in accordance with Section 87 of the Act.

#### 1.7 Definitions in the Act

In these Rules, any word or expression defined in the Act must have the meaning ascribed to it in the Act, unless no such definition is contained therein, in which case the definitions in the Rules will apply.

#### 1.8 General Definitions

In these Rules, unless the context indicates otherwise:-

**"Act"** means the KwaZulu-Natal Gaming and Betting Act (Act No 08 of 2010);

**"Board"** means the KwaZulu-Natal Gaming and Betting Board established in terms of Section 5 of the KwaZulu-Natal Gaming and Betting Act, Act 8 of 2010;

**"Cheating device"** includes any device or equipment that is used for cheating or conducting fraudulent activities in contravention with the Act, Regulations and Rules;

**"Company"** means any company as defined in the Companies Act, 2008 (Act No 71 of 2008);

**"Establishment"** means any licensed premises contemplated in the Act where business is

conducted, and includes all buildings, improvements, equipment and facilities used, or maintained, in connection with such business;

**"Funds"** means money, or any other instrument of value;

**"ICS"** means the approved internal control standards of the holder of a licence containing the gambling-related provisions prescribed by the Act, or required by the Board and includes, without limitation, all gambling-related policies, operating, administrative and accounting procedures and standards to be adhered to by the operator, or on a licensed site.

**"Incompatible functions"** means functions, including accounting and control functions, where employees of different departments are not supervised independently of one another, which functions overlap and have the potential to enable a person, or department, to commit fraud and/or conceal errors in the normal course of their duties.

**"Manufacturer, maintenance provider or supplier"** means a person contemplated by section 66 of the Act;

**"Modification"** means a change, or alteration, to an approved gaming device, which affects the manner or mode of play, of the machine, including a change to the control or graphics programmes, but excluding -

- (a) Any gaming device conversion;
- (b) The replacement of one component with another pre-approved component;
- (c) The rebuilding of a previously approved device with pre-approved components;
- (d) A change in the return to player, or theoretical hold percentage, of a gaming machine: provided that the altered return to player, or hold percentage, meets the requirements of the regulations; or
- (e) A change in the return to player, or theoretical hold percentage, of a gaming machine, which results from a top award jackpot or bonus jackpot payment, which is paid directly by the licensee and which is not accounted for by the gaming machine;

**"National Gambling Act"** means Act 7 of 2004, as amended;

**"Registered employee"** means the holder of a key, or gambling employee licence, contemplated in the Act;

**"Regulations"** mean the Regulations made in terms of the Act;

**"SABS"** means the South African Bureau of Standards;

**"SANS"** means the South African National Standards;

**"Significant events"** means a set of operational conditions recorded by the Monitoring Control System for gaming machines and equipment during a game, during idle mode, or during data interchange with another gaming device;

**"Supplier"** means any person who is registered as a supplier in terms of the Regulations and who makes, sells, leases, markets, offers, or otherwise distributes, any gaming equipment for use, or play, in the province, or sells, leases, or otherwise distributes, any gaming equipment from a location within the province; and

**"Wager"** means the staking of money, cash equivalent, or other thing of value, on the unknown result of a future event, for the sake of a return at the risk of losing all, or a portion of, the stake.

## CHAPTER 2 GENERAL RULES (CASINO, LPM AND BINGO)

### 2.1 Calculation of Time Periods

Where any time period is prescribed in these Rules, that time period will exclude the first day and include the last day.

### 2.2 Requests for Information, Documents or Records of the Board

- (1) No person may directly or indirectly procure, or attempt to procure, from the records of the Board, any information that is not made available by proper authority.
- (2) A licensee must obtain information from the Board as contemplated in the Promotion of Access to Information Act, 2000, in accordance with that Act.
- (3) The person requesting information, documents or records from the Board must apply to the Board in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules, and must provide reasons for such request.

### 2.3 Applications to the Board

- (1) Where applicable, every application that requires approval from the Board in terms of the Act, Regulations, or these Rules, must be undertaken in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (2) Licensees must utilise the respective prescribed forms as detailed in Schedule 2 to these Rules and, where applicable, make the required payment in terms of Schedule 2 of the Act.

#### 2.3.1 Application for Consent to Acquire a Controlling or Financial Interest in a Licensee

Any person who wishes to acquire a controlling interest, or a financial interest of five percent or more in a business to which the licence relates, must apply to the Board for consent in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

#### 2.3.2 Application for Transfer of Licence

A licensee who wishes to transfer his/her licence to another person must apply to the Board for the granting of such transfer, in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

### **2.3.3 Application for Amendment, Substitution or Rescission of a Condition Attached to a Gaming Licence or Certificate of Registration**

Any licensee or registrant who wishes to apply to the Board for the amendment, substitution or rescission of a condition attached to a gaming licence, including amendment to a licence for the purposes of changing any gaming equipment, or gaming machine, specified therein, or a condition attached to a certificate of registration, must do so in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

### **2.3.4 Application for Renewal of Licence**

At least sixty (60) days prior to the date on which a licence becomes renewable, a licensee must apply to the Board for renewal of such licence in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to the Rules.

## **2.4 Internal Control Standards ("ICS")**

- (1) Each licensee must develop, maintain and implement ICS that ensure that:
  - (a) The integrity of its gambling operation is maintained at all times;
  - (b) Adequate controls are in place to effectively manage and minimise gambling-related risks;
  - (c) Gambling-related devices, documents and information are properly controlled and safeguarded;
  - (d) Financial and other gambling-related records are accurate and reliable;
  - (e) Gambling-related transactions are performed with the necessary authorisation;
  - (f) Gambling-related transactions are recorded in sufficient detail;
  - (g) The proper reporting of gambling revenue, taxes and other fees due; and
  - (h) Gambling-related functions, duties and responsibilities are appropriately segregated and performed in accordance with sound practices by appropriately registered/licensed employees.
- (2) A licensee must apply to the Board for approval of its ICS in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (3) A licensee must not commence any gambling or gambling-related activities prior to the approval of its internal control systems and procedures having been granted by the Board.

- (4) Notwithstanding the required general standards and those specific to the Casino, LPMs and Bingo sectors, as contained in Schedule 1 to these Rules (Minimum Internal Control Standards and Procedures), all licensees ICS must contain, where applicable detailed provisions and procedures relating to the following –
- (a) Organisational structure;
  - (b) Jobs' compendium;
  - (c) Maintenance of employee records;
  - (d) Operating hours;
  - (e) Measures for the maintenance of gambling areas and licensed premises to ensure compliance with the provisions of the Act, Regulations, these Rules and relevant legislation;
  - (f) Control measures to preclude persons under the age of eighteen (18) years from having access to gambling areas at a site;
  - (g) Access to all gambling areas, including secured areas on the premises;
  - (h) Resolution of patron disputes/complaints;
  - (i) Authorisation of the allocation of user-access rights;
  - (j) Ordering, receipt, securing, distribution responsibility of all controlled stationery;
  - (k) Retention of unclaimed monies;
  - (l) Controls relating to monitored keys; damaged, stolen, duplicated and unused keys and the disposal thereof;
  - (m) Payment of gratuities to staff; and
  - (n) Any other document as may be determined by the Board.
- (5) A licensee must not amend its internal control systems, or implement any new, or revised, policies, procedures or standards contained, or required to be contained, in its internal control standards without the prior written approval of the Board.
- (6) The Board may order a licensee to amend its internal control systems and procedures if, in the opinion of the Board, they do not comply with the requirements of sub-rule (1).
- (7) If the licensee contravenes any provision or procedure of its approved systems, or omits to amend its ICS (internal control systems and procedures) within thirty (30) days of receiving an order from the Board to do so, such contravention or omission will be regarded as an offence.

## 2.5 Amendments to Internal Control Standards

A licensee may apply to the Board for approval of amendments to ICS in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

## 2.6 Organisational Structures

- (1) Every licensee must develop and implement for inclusion in its ICS, an organisational structure that provides for the following:
  - (a) A system of personnel and a chain of command that permits management and supervisory personnel to be held accountable for actions, or omissions, within their areas of responsibility;
  - (b) The segregation of incompatible functions so that employees are not able to make errors or commit fraud, and to conceal such errors or fraud, in the course of their duties;
  - (c) Primary and secondary supervisory positions, which permit the authorisation or supervision of transactions at all relevant times;
  - (d) The division of responsibility and accountability so as to prevent any area of accountability or responsibility, to become so extensive that it becomes impractical for one person to perform, supervise, or control, and
  - (e) Any other function the Board may determine from time to time.
- (2) Every licensee must, at all times, maintain a level of staffing which ensures the proper operation and effective supervision of all gambling-related activities.

## 2.7 Jobs' Compendium

- (1) Every licensee must prepare and maintain a jobs' compendium within its ICS, detailing job descriptions and lines of authority for all personnel engaged in the gaming operations, in accordance with the Regulations and Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (2) Unless otherwise directed by the Board, the jobs' compendium referred to in sub-rule (1) must be submitted to the Board for approval at least sixty (60) days prior to the projected date of commencement of operations.
- (3) No licensee may commence gaming operations unless, and until, the jobs' compendium has been approved by the Board.
- (4) Any proposed amendment to a previously approved jobs' compendium must be submitted to the Board, in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules, at least sixty (60) days prior to the proposed date on which the amendment is to be implemented, and must be approved by the Board prior to its implementation.

- (5) Should the Board determine that any job description and/or tables of organisation contained in a jobs' compendium fails to conform with the licensing, registration and chain-of-command requirements of the Act, Regulations or Rules, the licensee may be required to effect the appropriate alterations prior to approval being granted.

## **2.8 Registration of Persons**

- (1) A licensee must ensure that all employees required to be registered in terms of the Act, Regulations and the Rules, are registered in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (2) The Board may grant an application for registration with or without conditions, and may refuse an application in accordance with the Act.

## **2.9 Registration of Persons Associated With Provision of Gaming Equipment**

Any person who wishes to manufacture, sell, make available, lease, distribute, import, market, maintain, service, or repair any gaming equipment must first apply to the Board for registration in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

## **2.10 Suitability of Third Parties/Certificate of Suitability**

- (1) Where the Board requires a licensee to disclose the detail of any contract or agreement in terms of Section 46, such information must be provided to the Board within ten (10) days of written request issued by the Board.
- (2) Where the Board requires any supplier for the purchase, hire, or lease, of gaming equipment, goods and services and any lender, borrower, lessee or lessor, to make application to the Board for a certificate of suitability, the procedure, as prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules, must be followed.

## **2.11 Control of Premises**

- (1) Whenever the premises to which an application relates is not wholly owned by the applicant, the applicant must furnish the Board with the following:
- (a) Name and address of the owner, or owners, of such premises;
  - (b) A copy of the agreement whereby the applicant is entitled to occupancy of the premises; and
  - (c) Such other information as the Board may require.

- (2) Every licensee must furnish the Board with complete written information as to any change of ownership of the premises within thirty (30) days after becoming aware of such change.

#### **2.12 Gambling Premises**

- (1) Licensees must comply with the requirements of the National Gambling Regulations pertaining to:
  - (a) Cash dispensing machines and the placement thereof;
  - (b) Signage, posters and pamphlets pertaining to addictive and problem gambling; and
  - (c) Information signs warning of gambling activities.
- (2) In addition to the above, licensees are required to clearly display information in respect of the following:
  - (a) Underage gambling – that no persons under the age of eighteen (18) are allowed in the gambling areas; and
  - (b) Details of where patrons may have access to the licensee's Terms and Conditions and gaming information.

#### **2.13 Relocation of Business to Other Premises**

- (1) A licensee may not relocate to other premises without prior written approval from the Board.
- (2) A licensee must apply to the Board for the relocation, whether permanently or temporarily, of his or her business from the premises specified in the licence to other premises, in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

#### **2.14 Access to Premises and Production of Records**

- (1) A licensee may not neglect or refuse to produce records or evidence, or give information, upon proper and lawful demand by the Board or its agent, nor may he or she otherwise interfere, or attempt to interfere with any proper and lawful efforts by the Board, or any authorised agent, to produce such information.
- (2) Every licensee must on request make available for inspection by the Board or its agent, all records required to be maintained in terms of the Act, the Regulations and these Rules.
- (3) Every licensee must allow the Board or its agent access to its premises, including examination of any equipment used directly or indirectly in the conducting of gaming activities.

### **2.15 Record Retention**

Unless the Board approves, or requires otherwise in writing, each licensee must retain such records as may be specified by the Act, Regulations or these Rules for a period of at least five (5) years after they are produced.

### **2.16 Notification to Board of Disqualifying Information**

- (1) A licensee must notify the Board in writing within twenty-four (24) hours upon becoming aware of any disqualifying information in terms of the Act of any owner, director, officer or registered employee in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (2) In so far as is possible, the licensee must disclose the nature of the disqualifying information referred to in sub-rule (1) above.

### **2.17 Reports of Cheating or Contravention of the Act, Regulations or Rules**

- (1) Every licensee must record any acts of cheating or contravention of the Act, Regulations or Rules in its daily surveillance log and must notify the Board in writing, in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules, within twenty-four (24) hours of the discovery thereof.
- (2) Every licensee must provide the Board with details in writing of any action taken, or being taken, by such licensee, within seven (7) days of the action having been taken against any person for cheating or contravening the Act, Regulations or Rules.

### **2.18 Control of Evidence and Destruction of Cheating Devices**

The licensee must develop internal control systems and procedures for the handing over of any article or property which article, or property, constitutes a cheating device to the Board, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

### **2.19 Extension of Time for Reporting**

- (1) The Board may on application, extend any time period prescribed in the Act, Regulations and Board Rules.
- (2) A licensee must apply in writing to the office of the Board, in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules, providing reasons for any extension of time for filing any report or document required by the Act, the Regulations, or these Rules.

## **2.20 Excluded Persons**

- (1) A licensee must develop and implement procedures to enable patrons to lodge a request to be excluded from participating in gambling in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (2) Each licensee must ensure that all persons who have been placed on a self-exclusion list are removed from its mail-marketing list and guest loyalty programmes, and precluded from further participating in the licensee's credit facilities.
- (3) The licensee must, on a monthly basis, supply the Board with details of persons who requested to be excluded from gambling.

## **2.21 Credit Extension**

A licensee may extend credit to a patron only in accordance with the requirements of the National Gambling Regulations, 2004 and subject to the National Credit Act, No. 34 of 2005, the Consumer Protection Act No. 68 of 2008 and other relevant legislation.

## **2.22 Advertising**

All licensees must comply with the restrictions and requirements pertaining to advertising as specified in the National Gambling Regulations, 2004, as contained in the Board's Minimum Internal Control Standards and Procedures, Schedule 1 to these Rules.

## **2.23 Management of Complaints or Disputes**

### **2.23.1 Record of Complaints or Disputes**

- (1) Every licensee must record, resolve, or refer to the Board, complaints or disputes.
- (2) All complaints or disputes raised by player/patron(s) must be recorded in a Complaints/Disputes Register.
- (3) The licensee must develop procedures for the recording, resolving and referral to the Board, of disputes or complaints, in accordance with the Board's Minimum Internal Control Standards and Procedure, as contained in Schedule 1 to these Rules.

### **2.23.2 Lodging of Gaming Dispute to the Board**

- (1) Any patron or licensee may refer a gaming dispute to the Board.
- (2) Any patron, or licensee, who wishes to submit a gaming dispute to the Board, must do so in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

- (3) If any party to a dispute fails to appear before the Board after having received not less than fourteen (14) days written notice to do so, the Board may proceed to consider and adjudicate upon the dispute in his or her absence.

## **2.24 Disciplinary Proceedings (Section 87)**

- (1) When a licensee is summonsed to a Section 87 enquiry by the Board, such licensee or duly authorised representative must attend such enquiry on the date and time specified in a charge sheet.
- (2) A licensee is entitled to legal representation at such proceedings.
- (3) Failure to attend any such enquiry, without a valid reason, may result in a finding being made against such licensee in his/her absence.

## **2.25 Administration and Accounting Systems**

### **2.25.1 Calculation of Taxes and Levies**

- (1) A licensee must maintain all hard and soft records used to calculate gross gaming revenue, or any other applicable taxes, fees or levies, failing which the Board may calculate, or estimate, the amounts due upon the basis of any information within the Board's possession, including statistical analysis.
- (2) A licensee must supply to the Board all required documentation and access to its systems to verify the reported taxes, fees and levies.
- (3) A licensee must develop internal control systems and procedures to ensure the accurate calculation of taxes, fees and levies, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

### **2.25.2 Additional Assessment in Respect of Underpayment of Gaming Tax**

Where the licensee is issued with an additional tax assessment in respect of underpaid gaming taxes, the licensee must pay the amount due within seven (7) days of the date of receipt thereof, or such longer period as the Board may determine.

### **2.25.3 Claims for Refund or Overpaid Gaming Tax**

- (1) Any claim for a refund of overpaid gaming tax must be lodged with the office of the Board within three (3) years after the financial year-end relating to the year in which the overpayment was made, failing which, such overpayment will be forfeited to the Provincial Revenue Fund.
- (2) Such claim must contain the legal basis for the claim and the licensee's calculations of the amount of the refund.

- (3) A licensee must apply to the Board for any claims for the refund or overpaid gaming tax in the manner prescribed in the Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

#### **2.25.4 Patron Cash or Cash Equivalent Deposits**

- (1) A licensee must maintain accurate records of all patron deposits, running totals and reconciliations.
- (2) A licensee must develop internal control systems and procedures to properly account for patron cash, or cash equivalent, deposits, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

#### **2.25.5 Retention of Unclaimed Money or Instruments of Value**

- (1) A licensee must maintain a register of all money, or instruments of value, which have not been claimed at the end of a shift.
- (2) Access to the records of unclaimed money must be restricted to authorised personnel only.
- (3) A licensee must notify the Board of the details of any unclaimed amounts every six (6) months.
- (4) Any unclaimed prizes must not be deducted for purposes of calculating gaming tax.
- (5) A licensee must develop internal control systems and procedures to deal with the retention of unclaimed monies, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

#### **2.25.6 Cash Desk Funds**

The licensee must include in its ICS, internal control systems and procedures pertaining to Cash Desk Funds, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

### **2.26 Gaming Machines and Gaming Equipment**

#### **2.26.1 Certification of Gaming Machines and Gaming Equipment by the South African Bureau of Standards (SABS)**

- (1) All gaming machines and gaming equipment submitted to the Board, for approval, must be certified by the SABS as meeting the requirements of SANS 1718, or such standard as the Board may determine in terms of Section 59.
- (2) All costs involved in obtaining the certification and approval by the SABS and obtaining the Board's approval and registration of such machines and/or equipment must be borne by the person making the submission.

### **2.26.2 Gaming Machine and Gaming Equipment Standards**

- (1) A licensee must not install, or use, gaming equipment without the prior written approval of the Board, who will maintain a list of such equipment.
- (2) In considering an application for approval of gaming equipment, the Board may take into account the approval of such equipment by another gaming jurisdiction.
- (3) A licensee must not alter the manner in which gaming equipment operates without the prior written approval of the Board.
- (4) All gaming machines in respect of functioning meters and gaming machines with currency acceptors must comply with the requirements as contained in the Board's Minimum Internal Control Standards and Procedures, Schedule 1 to these Rules.
- (5) Machines must retain the same assigned asset number for as long as the machine is in the licensee's possession.

### **2.26.3 Registration of Gaming Machines and Gaming Equipment**

- (1) A licensee required to register any gaming equipment or machines in accordance with Section 59 of the Act must apply to the Board for approval of such registration in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (2) Every application for registration of new gaming machines and gaming equipment must include, in addition to such other information as may be required by the Act, a Letter of Certification "LOC" (i.e. complete, comprehensive and technically accurate description and explanation, in both technical and lay language, of the manner in which the machines and/or equipment may operate).
- (3) The Board may approve such registration of gaming machines, or gaming equipment, subject to any conditions, or it may refuse such application.

### **2.26.4 Deregistration of Gaming Machines and Gaming Equipment**

A licensee required to deregister any gaming equipment, or machine, in accordance with the Regulations must apply to the Board for approval of such deregistration in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

### **2.26.5 Alterations or Modification of Gaming Machines and Gaming Equipment**

- (1) A licensee who intends to alter the operation of, or modify any properly registered and approved gaming machines and equipment, in accordance with the Regulations, must apply to the Board for prior approval of such alteration or modification.

- (2) A licensee must comply with the Board's application procedure as contained in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (3) The Board may approve such alteration of or modification to, registered or approved gaming machines and equipment, subject to any condition, or it may refuse such application.
- (4) Any modifications to a gaming machine, or gaming equipment, must be undertaken by persons who are registered, or licensed, by the Board and must only be made on receipt of the written approval of the Board.
- (5) A registered manufacturer, maintenance provider, or the licensee's technical personnel who converts a gaming machine from one approved game configuration to another, must maintain complete and accurate records of all such conversions.

#### **2.26.6 Marking and Distribution of Gaming Machines and Gaming Equipment**

- (1) A manufacturer or supplier registered by the Board, or a licensee, must not supply gaming machines or gaming equipment to a person who is not licensed, or authorised to possess, such gaming machines or gaming equipment, or deliver to a destination where possession of such gaming machines or equipment is unlawful.
- (2) Except as otherwise provided in the Regulations, a manufacturer, supplier or licensee registered by the Board must not distribute a gaming machine or equipment, within the province, or from a location within the province, to outside of the province, unless the gaming machine or equipment:
  - (a) Has the machine's unique serial number permanently stamped or engraved, in lettering on the metal frame, or other permanent component of the machine, as well as on a removable plate attached to the cabinet of the machine, which will allow easy review by a Board official without the opening of any part of the machine;
  - (b) In respect of gaming machines and equipment distributed within the province, have the Board registration number and, if a machine has been modified since initial approval of the machine or equipment, has the modification approval number affixed on all programme storage media placed in the machine or equipment; and
  - (c) Has obtained other Gaming/Gambling Boards' approvals and transportation details prior to date of transportation.
- (3) The provisions governing the approval distribution into and out of the province, and alterations, or modifications, of gaming machines or equipment, must apply *mutatis mutandis* to promotional machines or equipment.
- (4) A manufacturer, supplier or licensee must notify the Board of its intention to distribute gaming machines, or equipment, prior to the distribution thereof.

### **2.26.7 Distribution Records of Gaming Machines and Gaming Equipment**

A manufacturer, supplier or licensee must maintain distribution records of gaming machines and equipment, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

### **2.26.8 Sale, Transfer or Destruction of Gaming Machines and Gaming Equipment**

- (1) A licensee, manufacturer or supplier registered by the Board wishing to sell, transfer or destruct gaming machines or equipment, must apply to the Board for prior approval of such sale, transfer or destruction, in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (2) Any sale, transfer or destruction of gaming machines, or equipment, may only be undertaken by persons who are registered by the Board, on receipt of the written approval of the Board.
- (3) All gaming machines, or equipment, approved for destruction must be destroyed in the manner specified by the Board.
- (4) Irrespective of the nature of the application, the Board may order destruction of the machine or equipment, in the manner to be determined by the Board.

### **2.26.9 Maintenance of Gaming Machines**

Licensees must maintain gaming machines available to the public for play in a suitable condition, and no person must make changes or repairs to parts of the gaming machine that affect the game outcome, unless specifically authorised to do so by the Board.

### **2.27 Amusement Machines**

Any person who wishes to apply to the Board for the registration of an amusement machine; for authority to keep and make amusement machines available; and for the amendment of registration, or transfer of authority, to keep and make amusement machines available, must do so in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

## PART 2 CASINO RULES

### CHAPTER 3 DEFINITIONS AND APPLICATION OF RULES

#### 3.1 Definitions

For the purposes of Part 2, unless the context indicates otherwise:-

**"An announced bet"** is a wager made without chips, plaques or cash and includes marker bets, which are supplemented bets made during a hand of play;

**"Business day"** means any day, excluding Saturday and Sunday and a public holiday;

**"Call bet"** means a bet called to the Dealer, accompanied by an amount in chips or cash sufficient to cover the value of the bet.

**"Cards"** means playing cards used in a table game to determine the outcome of that game.

**"Cash desk"** also known as **"cage"** means a physical structure to house the cashiers and to serve as:

- (a) custody of the cage inventory, comprising of currency, including patrons' deposits, coins, patron credit instruments, gaming chips and plaques, forms, documents and records normally associated with the operation of a cage/cash desk;
- (b) approval, exchange, redemption, and consolidation of patron cheques/slot shorts received for the purposes of gaming;
- (c) issue, receipt, distribution, and redemption of gaming chips, tokens, integrated circuit card/smart card, plaques and other face value instruments;

**"Cash equivalents"** means:

- (a) guaranteed cheques, personal cheques, cashier's cheques, recognised travellers cheques or recognised money orders, any of which are made payable to the licence holder or to the bearer thereof; and
- (b) recognised credit and/or bank cards.

**"Cash transaction"** means the physical transaction of money.

**"Conversion"** means a change in a gaming machine from one pre-approved configuration to another pre-approved configuration, or from one approved mode of play to another approved mode of play;

**"Count supervisor"** means an employee required to be physically present in the count room during the count process for the purpose of performing a supervisory function, as described in the licensee's approved jobs' compendium.

**"Face value instrument"** means:

- (a) a cheque, promissory note, bill of exchange, security, or any document or thing representing money; and
- (b) items, including, but not limited to, tokens, plaques and chips issued –
  - (i) to a patron by a licensee for use in gambling, on the face of which their monetary value is reflected;
  - (ii) against payment by such patron to the licensee of the face value thereof.

**"Game outcome"** means the final result of a wager;

**"Gaming day"** means an accounting period, not exceeding twenty-four (24) hours, representing one operating day in the operation of a casino, which begins and terminates at such times as specified in a licence holder's ICS;

**"Hand pay"** means physical payout of cash;

**"Handle"** means the total rand value played through a gaming machine;

**"Integrated circuit card"** also known as a "smart card", means a device which may be similar in shape and dimensions to a credit card, which is used to electronically store monetary value, for use by a customer of a gambling operator to enter into gambling transactions with such gambling operator, by activating automated gambling devices;

**"Jackpot"** means any money, merchandise or thing of value to be paid to a patron as a result of -

- (a) A specific winning combination of characters indicated on a gaming machine; or
- (b) The winning of a table game progressive jackpot;

**"LOC"** means Letter of Certification issued by the relevant authority;

**"Managing Director"** means the person who is charged, by a casino licensee, with responsibility for the daily conduct of the licensee's business, irrespective of the title which such person may hold;

**"Non-banking casino game"** means a gambling game in which the licence holder is not party to the wager, other than to facilitate the game and from which the licence holder receives compensation in the form of a rake-off, a time buy-in, or any other fee or payment, and includes the following gambling games: poker, bridge, whist, solo, and panguinui;

**"On-site cash bureau facility"** means an external financial facility which a licensee may utilise for on-site banking services;

**"Shift"** means a work period of a group of employees, including those employees conducting and supervising the operation of the mandatory functions prescribed by the Rules, working in relay with another group of employees within specific time frames, as determined by a licence holder;

**"Slot short"** means a document used to record short pay, special pay, jackpot, progressive jackpot, credit win and supplementary prize payouts to patrons and includes hopper fills;

**"Table game"** means any gambling game played in a casino other than on a slot machine, including, without limitation, blackjack, roulette, poker, punto banco, dice, non-banking casino games and wheel of fortune;

**"Theoretical return to player percentage"**, also known as **"theoretical hold"**, means the theoretical ratio, expressed as a percentage, of all amounts won, to all amounts staked, in respect of a particular gambling game or device over a stipulated period of time; and

**"Value transaction"** means any instrument of monetary value which can be exchanged for cash.

### **3.2 Application of Rules**

These Rules must be applicable to all applicants, casino licensees, manufacturers, suppliers and maintenance providers within the casino industry.

## **CHAPTER 4 CASINO OPERATIONS**

### **4.1 Application for Licence**

A person who wishes to obtain a Casino licence must apply to the Board in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

### **4.2 Organisational Structure / Jobs' Compendium**

- (1) Unless otherwise approved by the Board, every casino licensee's organisational structure and internal control systems must include certain mandatory functions that are responsible for the following:
  - (a) Surveillance
  - (b) Compliance
  - (c) Security
  - (d) Gaming (Tables and Gaming Machines)
  - (e) Electronic Data Processing/Information Technology
  - (f) Cash Desk/Cashier's Cage
  - (g) Internal Audit
  - (h) Accounts
- (2) Every licensee must develop and maintain a jobs' compendium, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

### **4.3 Regulatory Inspectorate**

The casino licensee must provide permanent facilities for the accommodation of at least two Inspectors of the Board.

### **4.4 Electronic Data Processing / Information Technology**

#### **4.4.1 Access Control**

- (1) The electronic data processing / IT area must be separate from the gaming areas.
- (2) The licensee must ensure that all main computers, including computer hardware, software, source documents and live data files, excluding test data, for each function, are secured and accessible to authorised persons only.
- (3) The licensee must ensure that computer systems, including application software, are secured through the use of passwords or other approved means, and management personnel, or persons independent of the function being controlled, must assign and control access to system functions.

- (4) The licensee must develop internal control systems and procedures pertaining to the restriction and control of access to computers, hardware, software and data, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

#### **4.4.2 Modems**

- (1) The licensee must maintain an access log whenever remote dial-up to any associated equipment is required.
- (2) The licensee must develop internal control systems and procedures for the control of such access records, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

#### **4.4.3 Electronic Storage Media**

- (1) The licensee must scan, or directly store, all documents to electronic storage media.
- (2) The licensee must develop internal control systems and procedures pertaining to all electronic storage media, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

#### **4.4.4 Personnel Access to Computerised Gaming Machine Systems**

- (1) The licensee must maintain a personnel access list in respect of all computerised gaming machine systems, in accordance with the Board's minimum standards, as contained in Schedule 1 to these Rules.
- (2) The licensee must maintain an audit trail of all changes made to any individual's access to the system, in accordance with the Board's minimum standards, as contained in Schedule 1 to these Rules.

#### **4.4.5 Duplication of Programme Storage Media**

- (1) A registered manufacturer, a designated employee, or the SABS, are the only persons who may duplicate the contents of gaming machine programme storage media.
- (2) Every licensee must develop internal control systems and procedures for performing duplication of programme storage for inclusion in its ICS for approval by the Board.

#### **4.4.6 Table Games Computer-Generated Documentation**

- (1) Computer systems used to record table games' transactions must be capable of generating adequate documentation of all information recorded on the source documents and transaction detail, including fill, or credit slips and markers.
- (2) Access to, and perusal of, the computer-generated documentation contemplated in

sub-rule (1) must be restricted to authorised personnel who have no incompatible functions.

- (3) A licensee must include specific information in the computer-generated documentation contemplated in sub-rule (1), in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

#### **4.5 Key Control Standards**

A licensee must develop internal key control systems and procedures for all controlled keys used on the licensed premises, which must include controls relating to the usage of keys; as well as controls for damaged, stolen, duplicated and unused keys, and the disposal thereof, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

## CHAPTER 5 TABLES

### 5.1 Table Games

- (1) A licensee must apply to the Board for approval of all types of casino games, table games' equipment and the respective rules pertaining to all such casino table games, which include, but are not limited to, the following:
  - (a) American roulette
  - (b) Blackjack
  - (c) Poker
  - (d) Dice
  - (e) Punto banco
- (2) Any amendments to existing approved casino table games, table game equipment, or table games rules, must be approved by the Board prior to the implementation thereof.
- (3) A licensee must apply and submit details of such casino table games, equipment and rules, or any amendments thereto, to the Board for evaluation and approval in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

### 5.2 Table Operations

A licensee must develop internal control systems and procedures relating to the day-to-day operation of the casino tables, including table opening and closing times; table limits; and order of payouts.

### 5.3 Accounting and Auditing of Table Games

- (1) Table games accounting and auditing procedures must be performed by authorised personnel who are independent of the transactions being audited or accounted for, and who have no incompatible functions.
- (2) Any improper transactions or unusual occurrences discovered during the review of exception reports must be investigated, and the results of such investigation must be documented and retained for Board inspection for a period of at least five (5) years.
- (3) All follow-up performed on any noted exceptions, must be documented and retained for Board inspection for a period of at least five (5) years.
- (4) Follow-up must be performed for any table game having an unresolved variance in excess of ten (10) percent, or one thousand (1000) rand, whichever is the lesser, between the actual drop and the soft count.
- (5) A licensee must develop internal control systems and procedures pertaining to the accounting and auditing of table games, in accordance with the Board's Minimum

Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

#### **5.4 Call and Announced Bets**

- (1) A licensee may only permit call bets and no announced bets are permitted.
- (2) A licensee must develop procedures pertaining to Call Bets for inclusion in its ICS for approval by the Board.

#### **5.5 Emergency Clearances of Tables**

- (1) In certain instances an emergency clearance of notes or chips may be required from gaming tables.
- (2) A licensee must include in its ICS, internal control systems and procedures in respect of emergency clearances of gaming tables, for approval by the Board.

#### **5.6 Fills and Credits**

A licensee must develop internal control systems and procedures to properly account for table fills and credits, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules, which must include the distribution, usage and control of fill and credit slips.

#### **5.7 Count Room**

- (1) Every licensee must have a secure count room where all counts are performed.
- (2) A licensee must ensure that the count room meets the requirements as contained in the Board's Minimum Internal Control Standards and Procedures, Schedule 1 to these Rules.

#### **5.8 Soft Count**

A licensee must develop internal control systems and procedures in respect of the soft count procedure, detailing authorised personnel for such procedures in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

## **CHAPTER 6 CASINO GAMING MACHINES AND GAMING EQUIPMENT**

### **6.1 Activation of Gaming Machines**

All gaming machines in a casino must be activated by South African coinage, approved gaming machine tokens, or such other method as may be approved by the Board; provided that South African currency will be used on gaming machines that are fitted with bill validators, as approved by the Board.

### **6.2 EPROM or Gaming Software Control**

The licensee must develop internal control systems and procedures, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules, in respect of the following:

- (a) Receipt and verification of EPROMs or gaming software from manufacturer;
- (b) Maintenance of EPROMs or gaming software register;
- (c) Electronic storage and copying of EPROMs or gaming software;
- (d) Sealing of EPROMs or gaming software into the machines; and
- (e) Controls pertaining to competition and promotional EPROMs or gaming software.

### **6.3 Machine Payouts**

#### **6.3.1 Theoretical and Actual Hold**

- (1) A licensee must develop internal control systems and procedures in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules, in respect of the following:
  - (a) Determining theoretical and actual hold percentages;
  - (b) Maintenance and storage of accurate and current records of the theoretical and actual hold for each gaming machine;
  - (c) Investigation and resolution of discrepancies; and
  - (d) Changes to gaming machines' theoretical hold percentages.
- (2) A licensee must display the applicable theoretical return to player on every gaming machine exposed for play, or such device or system, approved by the Board.
- (3) A licensee must maintain and store accurate and current records for a period of five (5) years of the theoretical and actual hold for each gaming machine.

- (4) The theoretical hold percentages used in the gaming machine analysis reports must be within the performance rules set by the manufacturer, and any discrepancies or exceptions must be investigated by the licensee and resolved immediately, and reported to the Board.
- (5) Appropriate documentation must be prepared for the investigation and resolution of discrepancies and such documentation must be retained for Board inspection for a period of five (5) years.
- (6) The meter readings for every gaming machine must be recorded and stored for the Board's inspection for a period of five (5) years.
- (7) Records must be maintained for each machine, reflecting the date and type of change made, and the recalculation of theoretical hold as a result of such change.
- (8) Actual hold must equal the rand amount of the win, divided by the rand amount of the coin/bill-in.
- (9) Where a gaming machine's theoretical hold percentage is changed, such machine must be treated as a different machine for the purposes of preparing statistical reports.

#### **6.3.2 Changes to Payout Percentages of Gaming Machines and Gaming Equipment**

- (1) A licensee must develop internal systems and controls in respect of changes to payout percentages of gaming machines and equipment, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (2) For purposes of this Rule, the addition of an attendant-paid bonus, a progressive jackpot, or a change in rate of progression of an existing progressive jackpot, is not considered to be a change in the theoretical payback of the gaming machine.
- (3) In the event that there is a conflict between the said Rule and the requirements of the SANS, the requirements of the SANS must prevail.
- (4) A licensee must apply to the Board for any changes to payout percentages of gaming machines in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

#### **6.3.3 Supplementary/Promotional Payouts and Awards**

- (1) Supplementary payouts or awards that are not reflected in the gaming machine pay table are regarded as promotional payouts and awards, and must be approved by the Board prior to implementation.
- (2) The licensee must apply to the Board for approval of such payouts and awards in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to the Rules.

- (3) All supplementary payouts/promotional payouts exceeding one million (1,000,000) rand must immediately be reported to the Board for verification purposes.
- (4) A licensee must develop internal systems and controls in respect of supplementary payouts and verification procedures, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

#### **6.4 Hand Payouts, Gaming Machine Hopper Fills, Short Pays and Accumulated Credit Payouts**

- (1) A licensee must develop internal controls and procedures in respect of hand payouts, gaming machine hopper fills, short pays and accumulated credit payouts, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules, which must include the following:
  - (a) Management of hand payouts, gaming machine hopper fills, short pays, accumulated credit payouts and verification procedures;
  - (b) Controls in respect of signature verifications;
  - (c) Password and physical controls in respect of all payouts, including controls for verification by supervisors of all corrections made to jackpot payouts' information and gaming machine hopper fills (where licensees still use coins or tokens);
  - (d) Maintenance of payout forms or documentation for all hand payouts, and gaming machine hopper fills; and
  - (e) Maintenance of payout forms for all machine short pays and payouts required for accumulated credits.
- (2) In respect of computer-generated forms, a hard copy of the document must be kept for a period of at least five (5) years.
- (3) Access to computerised jackpot or fill systems must be restricted so as to prevent unauthorised access to the system and fraudulent payouts by a single individual.
- (4) All corrections made to jackpot payout and gaming machine hopper fill documentation must require authorisation by supervisors.
- (5) Computer systems used to record gaming machine transactions must be capable of generating adequate documentation for all information recorded on the source documents and transaction detail, including jackpot payout slips and gaming machine hopper fill slips.
- (6) Access to the computer-generated documentation contemplated in sub-rule (5), must be restricted to authorised personnel who have no incompatible functions.
- (7) Jackpot payouts must be controlled and routed in a manner that precludes any one individual from producing a fraudulent payout by forging signatures, or by altering

the amount paid out, subsequent to the payout, and thereby misappropriating the funds.

- (8) Personnel participating in gaming machine payout transactions must be prevented from accessing such stored information without supervision.

#### **6.5 Coin and Token Clearance**

A licensee must develop internal control systems and procedures in respect of coin and token clearance, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

#### **6.6 Currency Acceptor Clearance and Counts**

A licensee must perform currency acceptor clearance and counts and develop internal control systems and procedures, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules, which must include the following:

- (a) Currency acceptor clearance and counts procedures;
- (b) Investigation and reporting procedures in respect of variances between the notes counted and the machine meter reading; and
- (c) Removal of currency acceptor canister procedures.

#### **6.7 Gaming Machine Hopper Contents**

A licensee must develop internal control systems and procedures for securing and clearing of gaming machine drop and hopper contents, including signature verification controls, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

#### **6.8 Emergency Clearances of Notes or Coins for Gaming Machines**

- (1) In certain instances an emergency clearance of notes or coins may be required from gaming machines.
- (2) A licensee must develop internal control systems and procedures in respect of emergency clearances of notes or coins for gaming machines, in accordance with the Board's Minimum Standards for Internal Control Systems and Procedures, as contained in Schedule 1 to these Rules.

#### **6.9 Weigh Scale**

A licensee must develop internal control systems and procedures in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to

these Rules, in respect of the following:

- (a) Security and storage of the weigh scale calibration module;
- (b) Access control for repair or re-calibration of the calibration module detailing responsible personnel;
- (c) Maintenance of a log to record each time the calibration module is accessed, which must be retained for Board inspection;
- (d) Access controls to the weigh scale interface; and
- (e) Testing, verification and recording of the weigh scale and weigh scale interface.

#### **6.10 Gaming Machine Hard Count and Wrapping of Coins**

- (1) For the purposes of this Rule "wrap" or "wrapping" must include terms such as "bag", "bagging", "rack" or "racking".
- (2) Where applicable, a licensee must develop internal control systems and procedures in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules, in respect of the following:
  - (a) The weigh and hard count, detailing the various functions performed during the gaming machine drop/count;
  - (b) The recording of the amounts of the gaming machine drop proceeds from each machine;
  - (c) The attesting to the accuracy of the weigh or count;
  - (d) The wrapping of coins and tokens and the reconciliation of same;
  - (e) Investigation and reporting of variances between the total coins counted per machine and the meter readings thereof; and
  - (f) Recording of transfers of values out of the count room during the gaming count and wrap process.
- (3) The gaming machine count team must be independent of the gaming machine personnel and the subsequent accounting of the gaming machine count proceeds.
- (4) A licensee must investigate and report variances between the total coins counted per machine and the meter readings thereof.

#### **6.11 Wide Area Progressive System Gaming Machines or Inter-Casino Linked Progressives**

- (1) A licensee must apply to the Board for approval of any inter-casino linked progressive jackpots prior to the commencement of the operation thereof, in accordance with

the application procedure in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

- (2) A licensee must develop internal control systems and procedures in respect of wide area progressive system gaming machines, or inter-casino linked progressives, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

#### **6.12 Accounting and Auditing of Gaming Machines**

- (1) Gaming machine accounting or auditing procedures must be performed by employees who are independent of the transactions being reviewed.
- (2) Where a computerised gaming machine accounting and monitoring system is used, procedures must be performed on a random basis to verify that the system is transmitting and receiving data from the gaming machines correctly, and to verify the continuous accuracy of the meter readings as recorded in the gaming machine statistical report.
- (3) Follow-up must be performed for any machine having an unresolved variance in excess of five (5) percent or five hundred rand (R500), whichever is the lesser, or such percentage or amount determined by the Board, between either the actual drop and weigh scale reading, or bill-in meter reading and soft count.
- (4) A licensee must develop internal control systems and procedures pertaining to the accounting and auditing of gaming machines, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

**CHAPTER 7**  
**CASINO CHIPS, PLAQUES, TOKENS, INTEGRATED CIRCUIT CARDS ("SMART CARDS"), OTHER**  
**FACE VALUE INSTRUMENTS AND CASHLESS SERVERS**

**7.1 Approval of Casino Chips, Plaques, Tokens and Integrated Circuit Cards**

- (1) A licensee must apply to the Board for approval of chips, plaques, tokens and integrated circuit cards in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (2) A casino licensee must not issue or use, or allow a patron in the casino to use, any chip, plaque, token or integrated circuit card which such licensee knows is different from the sample of the chip, plaque, token or integrated circuit card approved by the Board.

**7.2 Approval of Other Face Value Instruments**

- (1) Any face value instrument used in a casino, other than an approved integrated circuit card, chip, plaque or token must be approved by the Board.
- (2) Any such other face value instrument's design, colour, size, shape and standards must be readily distinguishable from the integrated circuit cards, chips, plaques or tokens approved by the Board.
- (3) A licensee must apply to the Board for approval of such other face value instrument in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

**7.3 Casino Chips**

- (1) Every non-value chip utilised in a casino must be issued solely for the purpose of gaming at roulette.
- (2) No person at a roulette table must be issued or permitted to gamble with non-value chips that are identical in colour and design to value chips or non-value chips being used by another person at the same table, and whenever a patron purchases non-value chips, a chip of the same colour must be placed in a chip-tree or other device as approved by the Board, to the outer part of the roulette wheel.
- (3) Non-value chips must only be presented for redemption at the table from which they were issued, and must not be redeemed or exchanged at any other location in the casino. When so presented, the dealer at such table must exchange them for an equivalent amount of value chips, which will then be used by the patron for gaming, or be redeemed in the same manner as any other value chip.
- (4) Every casino licensee must have the discretion to permit or prohibit the use of value chips in gaming at roulette, however, it must be the responsibility of the casino licensee and his/her employees to keep accurate account of the wagers being

made with value chips so that the wager made by one player is not confused with that made by another player at the table.

- (5) A value or non-value chip approved by the Board for use in a licensed casino in KwaZulu-Natal, must not be made available, manufactured, sold, or be distributed for use in a casino in another province.

#### **7.4 Primary and Reserve Sets of Chips**

- (1) Every casino licensee must have a primary and a reserve set of value chips approved by the Board.
- (2) The reserve set of value chips shall be required for denominations of over five hundred rand (R500), and must have different colours from the primary set.
- (3) Every licensee must have a reserve non-value chip for every twenty (20) roulette tables in the casino, which chip must have a design or symbol different from those non-value chips comprising the primary set.
- (4) Whenever the primary set of chips is removed from active play, the casino licensee must immediately notify the Board thereof, and provide reasons for such occurrence.
- (5) The licensee must develop internal control systems and procedures in respect of the control of all gaming chips in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

#### **7.5 Issue and Exchange of Chips, Plaques and Gaming Machine Tokens**

A licensee must develop internal control systems and procedures in respect of the exchange, issue and removal of chips, plaques or tokens in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

#### **7.6 Promotional or Tournament Chips, Plaques or Tokens**

- (1) A licensee may, with the approval of the Board, issue a promotional or tournament chip, plaque or token.
- (2) A promotional or tournament chip, plaque or token may only be used for promotional purposes, or for tournaments.
- (3) Every promotional or tournament chip, plaque or token must be designed so that it:
  - (a) Clearly identifies the name or trade name and location of the licensee;
  - (b) Clearly reflects its face value; and
  - (c) Incorporates such anti-counterfeiting features and other security measures as the Board may require.

- (4) A licensee must apply to the Board for approval of any promotional or tournament chips, plaques or tokens in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

#### **7.7 Integrated Circuit Cards (Smart Cards)**

- (1) A licensee must develop internal control systems and procedures pertaining to integrated circuit cards (smart cards) in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules, which must include the following:
- (a) Ordering, receiving and issuing of smart cards;
  - (b) Storage and control of temporary smart cards;
  - (c) Lost, found, stolen or missing smart cards; and
  - (d) Destruction of damaged or redundant smart cards.
- (2) Sequential numbers must be allocated to each temporary smart card.
- (3) Smart cards not yet issued to patrons must be stored in a locked and secure location so as to prevent unauthorised access thereto, and to reduce the possibility of tampering.

#### **7.8 Cashless Servers**

- (1) The cashless server must be secured in a separate dedicated lockable server cabinet, which remains under continuous, clear and unobstructed camera coverage.
- (2) The keys to the cashless server must be stored in accordance with the licensee's approved internal control system and must remain under continuous, clear and unobstructed camera coverage.

## CHAPTER 8 DICE

### 8.1 Approval of Dice

- (1) A licensee must apply to the Board for approval of dice in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (2) A casino licensee must not issue or use, or allow a patron in the casino to use, any dice which such licensee knows is different from the sample of the dice approved by the Board.

### 8.2 Control of Dice

- (1) A licensee must develop internal control systems and procedures pertaining to dice, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules, which must include the following:
  - (a) Control procedures on receipt of dice from manufacturer or distributor thereof;
  - (b) Control procedures in respect of the movement of dice;
  - (c) Control procedures to eliminate the risk of dice being tampered with;
  - (d) Procedures in respect of defective dice, or dice which have been tampered with; and
  - (e) Control procedures in respect of the disposal and destruction of dice.
- (2) No dice must be left unattended at a gaming table and all dice which have been placed in a cup for use in a game, must not remain on the table for more than twenty-four (24) hours.
- (3) A licensee must ensure that a reserve set of dice is placed in a secured storage area.
- (4) A licensee must ensure that at the end of each gaming day, or at least once each gaming day, all envelope bags or containers containing:
  - (a) Dice held in reserve at the gaming tables, are returned to the approved storage area; and
  - (b) Any dice in the dice reserve that are to be destroyed, must be destroyed in accordance with the movement and destruction procedure as contained in the licensee's internal control systems and procedures as approved by the Board.
- (5) In order to ensure that the dice comply with the artwork submitted by a licensed supplier and approved by a Committee of the Board, dice must be inspected on receipt from manufacturer or supplier.

### **8.3 Receipt of Dice from Manufacturer or Supplier**

Licensees must ensure that on receipt of dice from the manufacturer or supplier, all boxes are opened, contents inspected and details recorded, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

### **8.4 Inventory Register and Movement of Dice**

- (1) A casino licensee must maintain an inventory register for all approved dice, for purposes of recording the information as contemplated in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (2) A licensee must, on a daily basis, take inventory of dice distributed to gaming tables, dice destroyed, dice in reserve, and dice returned to the designated secure storage area from gaming tables, and for details thereof to be recorded in the inventory register.
- (3) A licensee must, on at least a monthly basis, take inventory of all dice in reserve and in use, and the result thereof to be recorded in the inventory register, and any discrepancy must be reported to the Board within twenty-four (24) hours.
- (4) During non-gaming hours, all dice in the possession of the licensee must be stored in a secure storage area as specified in the licensee's approved internal control systems and procedures.
- (5) Dice must be transported in a transparent envelope bag or container that is fitted with a secure seal.
- (6) The licensee must apply to the Board for approval of the envelope bags or containers which are to be used for the transportation of dice within the casino, and the method of sealing thereof, in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (7) A licensee must ensure that movement and recording of dice is undertaken in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

### **8.5 Defective Dice or Dice which have been Tampered With**

- (1) A licensee must remove any dice if there is any indication of tampering or other defects which will affect the integrity or fairness of the game, and any evidence of tampering or other defect, must be reported to the Board within two (2) days of the defect or tampering having been detected.

- (2) At the end of each gaming day or at such other times as may be necessary, dice must be inspected for evidence of tampering, or other defect, and any evidence of tampering or other defect must be reported to the Board.
- (3) Any dice that are found to be defective, or which show evidence of having been tampered with, must be placed in a secure storage area for a minimum period of twelve (12) months, or such longer period as the Board may require for purposes of investigating the circumstances under which the dice became defective or were tampered with.
- (4) A licensee must ensure that defective dice, or dice which have been tampered with, are handled in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

#### **8.6 Disposal and Destruction of Dice**

- (1) A licensee must destroy, or otherwise dispose of, dice so as to prevent further usage thereof at the approved location and in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (2) A licensee must maintain destruction/disposal records in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (3) All destructions and disposal of dice which have been used during the gaming day, other than those retained for inspection by the Board, must be undertaken within forty-eight (48) hours.

## CHAPTER 9 PLAYING CARDS

### 9.1 Technical Requirements for Cards

- (1) A licensee must have at least six (6) visually distinguishable card back designs for every type of card game played in the casino.
- (2) Cards used for poker must be visually distinguishable from the cards used to play any other table game in a casino.

### 9.2 Approval of Playing Cards

A licensee must apply to the Board for the approval of its cards' artwork designs and specifications before being manufactured, in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

### 9.3 Control of Playing Cards

- (1) A licensee must develop internal control systems and procedures pertaining to playing cards, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules, which must include the following:
  - (a) Control procedures on receipt of cards from manufacturer or supplier thereof;
  - (b) Control procedures in respect of the movement of cards;
  - (c) Control procedures to eliminate the risk of cards being tampered with;
  - (d) Procedures in respect of defective cards, or cards which have been tampered with; and
  - (f) Control procedures in respect of the disposal and destruction of cards.
- (2) Playing cards not yet issued to the tables must be maintained in a locked and secure location so as to prevent unauthorised access thereto and to reduce the possibility of tampering.
- (3) A licensee must maintain complete and accurate records of all cards distributed to table games personnel, and those collected and disposed of.
- (4) A licensee must ensure that a monthly count of inventory on hand and a reconciliation of purchases and disposals is undertaken and such records maintained.
- (5) A licensee must ensure that at least once each gaming day, all envelope bags or containers containing:
  - (a) Cards held in reserve at the gaming tables, are returned to the approved storage area; and

- (b) Any cards in the cards reserve that are to be destroyed, must be destroyed in accordance with the movement and destruction procedure as contained in the licensee's internal control systems and procedures approved by the Board.
- (6) In order to ensure that the cards comply with the specifications and minimum standards approved by the Board, all cards must be inspected as prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

#### **9.4 Receipt of Cards from Manufacturer or Supplier**

Licensees must ensure that on receipt of cards from the manufacturer or supplier, all boxes are opened, contents inspected and details recorded, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

#### **9.5 Inventory Register and Movement of Cards**

- (1) A licensee must maintain an inventory register for all approved cards, for purposes of recording the information as contemplated in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (2) A licensee must, on a daily basis, take inventory of cards distributed to gaming tables, cards destroyed, cards in reserve, and cards returned to the designated secure storage area from gaming tables, and for details thereof, to be recorded in the inventory register.
- (3) A licensee must, at least on a monthly basis, take inventory of all cards in reserve and in use, and the result thereof be recorded in the inventory register, and any discrepancy must be reported to the Board.
- (4) During non-gaming hours, all cards in the possession of the licensee must be stored in a secure storage area as specified in the licensee's approved internal control systems and procedures.
- (5) Cards must be transported in a transparent envelope bag or container that is fitted with a secure seal.
- (6) The licensee must apply to the Board for approval of the envelope bags or containers which are to be used for the transportation of cards within the casino and the method of sealing thereof.
- (7) A licensee must ensure that movement and recording of cards is undertaken in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

**9.6 Defective Cards or Cards which have been Tampered With**

- (1) A licensee must remove any cards if there is any indication of tampering or other defects which will affect the integrity or fairness of the game, and any evidence of tampering or other defect, must be reported to the Board within two (2) days of the defect or tampering having been detected.
- (2) At the end of each gaming day or at such other times as may be necessary, each card must be inspected for evidence of tampering, or other defect, and any evidence of tampering or other defect, must be reported to the Board within twenty-four (24) hours.
- (3) Any cards that are found to be defective, or which show evidence of having been tampered with, must be placed in a secure storage area for a minimum period of twelve (12) months, or such longer period as the Board may require, for purposes of investigating the circumstances under which the cards became defective or were tampered with.
- (4) A licensee must ensure that defective cards or tampered cards are handled in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

**9.7 Disposal and Destruction of Cards**

- (1) A licensee must destroy cards so as to prevent further usage thereof at the approved location and in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (2) A licensee must maintain destruction/disposal records in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (3) All destructions and disposal of cards which have been used during the gaming day, other than those retained for inspection by the Board, must be undertaken within forty-eight (48) hours, unless otherwise approved by the Board.

## CHAPTER 10 ROULETTE WHEELS AND BALLS

### 10.1 Roulette Wheels

- (1) A licensee must develop internal control systems and procedures pertaining to roulette wheels, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules, which must include maintenance, safeguarding and storage of roulette wheels.
- (2) On application for registration of roulette wheels, which may be regarded as maintenance free gaming equipment, documentary proof of such must be submitted to the Board.
- (3) A licensee must ensure that during non-operating hours, or while roulette tables are closed, roulette wheels are secured in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules, in order to prevent tampering.

### 10.2 Roulette Balls

All rules pertaining to the control, storage, movement, exchange or removal of playing cards will apply *mutatis mutandis* to roulette balls.

## **CHAPTER 11 SURVEILLANCE SYSTEMS**

### **11.1 Surveillance Systems**

- (1) A licensee must have a surveillance system which meets the requirements as set out in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (2) A licensee must ensure that the Board's office located on the licensed premises is equipped with a remote surveillance monitoring system.
- (3) The licensee must have surveillance of monitored alarmed areas, entrances, exits, cash transaction areas, all gaming areas and any other area that the Board deems appropriate.
- (4) A licensee must apply for approval of its surveillance system plan, and any change, alteration or modification to a surveillance system plan, including a temporary change, alteration or modification in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (5) The surveillance system plan must include the requirements as set out in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

### **11.2 Surveillance Systems, Interfaces and Alarms**

- (1) A panic alarm, interfaced into the surveillance system, must be fitted in:
  - (a) The cashier's transaction areas in the cash desk/cashier's cage;
  - (b) The administration office of the hard/soft count rooms, if they are separate;
  - (c) The soft/hard count room;
  - (d) All cash secure storage areas; and
  - (e) Gaming tables area.
- (2) The note counters in the soft count room and coin counters in the hard count room must have interface capabilities with the surveillance system.
- (3) All counting equipment in the cashiers' booths/cashiers' desks must have interface capabilities with the surveillance system.
- (4) A casino surveillance system must be interfaced with the casino monitoring system to monitor gaming machines, coin counters and weigh scales, ensuring the reporting on the system of all error codes, conditions and information is in accordance the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

### **11.3 Surveillance Systems for Gaming Machine Area**

A licensee must ensure that all cameras recording the gaming machine area in a casino are positioned in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 2 of these Rules.

### **11.4 Surveillance and Security Offices**

- (1) The interior of the surveillance room, security offices, including working areas, employees and their movements, must be recorded.
- (2) The surveillance room must have audio-monitoring capability.

### **11.5 Storage of Recordings**

A casino licensee must ensure that all recordings are stored and kept in a secure area and that such procedures are included in its ICS for approval by the Board.

## **CHAPTER 12 MONITORING AND CONTROL SYSTEMS**

### **12.1 On-Line Central Monitoring and Control System**

A licensee must have a computerised on-line Central Monitoring and Control System which meets the requirements in terms of the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

### **12.2 Approval of Monitoring Control System (MCS) Hardware and Software**

- (1) A licensee must apply to the Board for the approval of hardware and software configuration of the monitoring control system, including any change to the monitoring system software, in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (2) The certification and approval process must evaluate the total configuration for reliability, recovery, audibility, redundancy and security.

### **12.3 Meter Wrap Handling and Meter Width**

A licensee must ensure that operational procedures in respect of meter wrap handling and meter width are developed in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

### **12.4 Password Protection**

- (1) The operating system or systems used, as well as the monitoring control system, must provide comprehensive password security.
- (2) A licensee must develop control procedures in respect of security of the monitoring control system in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

### **12.5 Access to Monitoring Control System by the Board**

- (1) The Board must be able to access the monitoring control system at any time, using either the electronic link to the Board or from a facility in the Board's office at the licensed premises.
- (2) The monitoring control system must provide comprehensive search mechanisms for the purpose of examination of events and statistical data as well as access to execute external audit and interrogation programmes as contemplated in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

**12.6 Link to Board's Computing Facilities**

The operator of the monitoring control system must provide and maintain such electronic access or link to its central computing facilities, as the Board may require from time to time, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

**12.7 Facilities for Inspectors**

A licensee must ensure that facilities within the monitoring control system are provided for Board Inspectors, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

## PART 3 LIMITED PAYOUT MACHINES

### CHAPTER 13 DEFINITIONS AND APPLICATION OF RULES

#### 13.1 Definitions

For the purposes of Part 3, unless the context indicates otherwise:-

**“Bet”** means the amount of credits risked or staked by a player at the commencement or during a gambling game;

**“Cash or cash equivalent”** means a physical coin, note, token, ticket, other thing of value, magnetic or smart card, cheque, EFT, or any other representation of money used directly or indirectly, in the gambling environment;

**“CEMS”** means the central electronic monitoring system contemplated in section 27(1)(l) of the National Gambling Act;

**“Credits”** means the number of betting units standing to the credit of a player displayed on the credit meter of an LPM;

**“Data collection”** means the successful transfer of LPM soft meter and significant event information from an SDL to the CEMS database;

**“Designated area”** means the area within an LPM site where LPMs are authorised to be exposed for play;

**“Dispute”** means any unresolved disagreement between a patron and the holder of an LPM operator licence pertaining to a gambling-related procedure, the outcome of a gambling game, or the payment of winnings alleged to be due;

**“Double-up”** means a gambling option where a player may, during a game, risk a previous win, bet or a portion thereof, on the selection of a further outcome;

**“Employee card”** means a card issued to a registered employee for use at a single site, which-

- (a) Reflects the identifying details of the employee in whose name it has been issued and the name of the site on which it may be used;
- (b) Upon insertion thereof into the SKP, activates the LPM's on the site and upon removal thereof from the SKP, deactivates the LPM's on the site;
- (c) Via the SDL, is interfaced with the CEMS, which upon insertion and removal of the employee card into the SKP, records the identity of the relevant employee; and
- (d) May be used only by the registered employee on the licensed site;

**“Fair play”** means the conduct of a gambling game in compliance with all procedures and rules approved for such gambling game;

**“Gambling-related”** means having, in the view of the Board a direct or indirect influence on gambling tax or fair play;

**“Handle”** means the total rand value of all credits bet on an LPM within a specified period;

**“Independent site operator”** means a site operator who is not linked to a route operator and is licensed to own and operate limited payout machines on a single site and is responsible for supplying and maintaining the machines effecting the collection of money and paying the applicable taxes and levies;

**“Journal entry”** means any alteration made to gambling-related computerised records;

**“LPM”** means a limited payout machine in respect of which the stakes and prizes are limited as prescribed by the National Gambling Act and the Act;

**“LPM drop”** means the cash or cash equivalent cleared from an LPM for count purposes;

**“LPM site”** means a licensed site on which LPMs may be exposed for play in terms of Section 55 (1) of the Act;

**“LOC”** means a letter of certification issued by the relevant accredited testing agency, certifying that a device or piece of equipment complies with the national norms and standards applicable thereto;

**“Logic area”** means a secure cabinet within an LPM that houses the master processing unit and electronic components having the potential to influence the outcome of the game, or the communication between the LPM and the CEMS;

**“Multi-game software”** means gaming software that offers more than one LPM game on a single LPM;

**“National Gambling Regulations”** means the Regulations in respect of Limited Payout Machines promulgated in terms of the National Gambling Act;

**“Operating hours”** means all hours during which LPMs are exposed for play;

**“Public area”** means any area to which the public has unrestricted access;

**“RAM”** means random access memory;

**“RTP %”** means return to player percentage in respect of LPMs, which is calculated by dividing the total win by the total handle;

**“Route operator”** means the person who is licensed in terms of the Act to provide limited payout machines to site operators and to conduct any other prescribed activities;

**“SDL”** means a site data logger;

**“Significant events”** means a set of operational conditions recorded by the CEMS for LPMs during a game, during idle mode, or during data interchange with another gaming device;

**“Site data logger”** means a device or other intermediate data collector for the CEMS situated on an LPM site that collects, stores and transmits data;

**“Site operator”** means a person who is authorised to keep limited payout machines on his/her premises in terms of a licence in accordance with the Act;

**“Site gaming employee”** means a natural person who works in the gaming area of a LPM site and who is required to be registered as such by the Board;

**“Site key employee”** means a natural person responsible for the management of the primary business of the LPM site and registered as a key employee by the Board;

**“SKP”** means a smart keypad;

**“Smart card”** means an integrated electronic circuit card issued to a patron for use on an LPM site as an instrument by means of which –

- (a) funds are deposited by such a patron to the credit of such card;
- (b) funds standing to the credit of such card are withdrawn or redeemed by such patron; or
- (c) gambling transactions are conducted by such patron against funds standing to the credit of such card.

**“Smart keypad”** means an input device located on an LPM site used to convey instructions to the SDL;

**“Token”** means a token redeemable for a specified cash amount and issued or sold by a licence holder to patrons for use when gambling; and

**“Win”** means the total rand value of coins, tokens and credits won on a LPM.

### **13.2 Application of Rules**

These Rules must be applicable to all applicants, route operators, site operator licensees, manufacturers, suppliers and maintenance providers within the LPMs industry.

## CHAPTER 14

### LPM OPERATIONS

#### 14.1 Application for Licence

A person who wishes to obtain a site operator licence, an independent site operator or route operator licence for limited payout machines, must apply to the Board in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

#### 14.2 Internal Control Standards

In addition to the minimum requirements set out in the General Rules above, a route operator or independent site operator's ICS must contain detailed provisions and procedures, in accordance with those prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

#### 14.3 Advertising for Type "B" Sites

- (1) No Type "B" site operator may advertise the presence of limited payout machines on any external signage at the site premises at a LPM site without the prior approval of the Board, and all advertising must be in accordance with the provisions of the National Gambling Act, 2004, pertaining to restrictions on advertising and the Regulations.
- (2) A Type "B" site operator must apply to the Board in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

#### 14.4 Organisational Structure / Jobs' compendium

- (1) Unless otherwise approved by the Board, every licensee's organisational structure and internal control systems must include certain mandatory functions that are responsible for the following:
  - (a) Technical;
  - (b) Administration; and
  - (c) Compliance
- (2) Every licensee must develop a jobs' compendium in accordance with the Regulations and the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (3) A route operator or independent site operator may not outsource any of the functions assigned to its employees through its ICS or the Act, without the prior written approval of the Board.

- (4) No person may simultaneously perform incompatible gambling-related functions allocated to more than one position, without the prior written approval of the Board.
- (5) This rule does not preclude the holder of a route operator or independent site operator licence from utilising additional categories of employees, or the Board from ordering such operators to utilise additional categories of employees, where it deems this necessary for the proper conduct and effective supervision and control of any gambling-related activity.
- (6) Registered employees must be appointed on each LPM site.

#### **14.5 Designated Area**

- (1) The designated area of a LPM site must be constructed in such a manner as to ensure controlled access.
- (2) The designated area of a LPM site must not be less than two-and-a-half (2.5) square metres per LPM, unless otherwise approved by the Board.

#### **14.6 Floor Plan, Installation and Access - Type "A" and Type "B" LPM Sites**

- (1) Prior to any gambling activity being conducted on such site, the licensee must apply to the Board for approval of the floor plan of the LPM site in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (2) The approved floor plan in respect of a LPM site may not be altered without the prior written approval of the Board.
- (3) In the event of changes to the location of any gaming related equipment at a LPM site, the licensee must ensure that an amended floor plan is submitted to the Board for approval, in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (4) The route operator and site operator may not exceed the maximum number of LPMs authorised by the Board for such site.
- (5) The wiring to and from the LPM, SDL and SKP, must be installed in a manner so as to prevent tampering therewith.
- (6) The LPMs must not be visible to the general public from outside the LPM site.
- (7) All LPMs must be placed and remain within the designated areas approved by the Board.
- (8) All SDLs and SKPs must be placed and remain in an area approved by the Board.

#### **14.7 Non-Operation of LPMs at a Licensed Site**

- (1) The route operator or site operator must notify the Board in writing within forty-eight (48) hours of becoming aware of the fact that the LPMs have temporarily ceased operating for a period of more than twenty-four (24) hours at a site.
- (2) If a licensed site is to cease all or part of its operations permanently in respect of the LPMs, the prescribed information as contained in the Board's Minimum Internal Control Standards and Procedures, Schedule 1 of these Rules, must be submitted to the Board.
- (3) The route operator or site operator must inform the Board in writing of the deactivation of CEMs cards for any registered employees of a site which has ceased all operations at a site within five (5) working days.
- (4) The route operator or site operator must obtain prior approval in writing from the Board to temporarily discontinue operations at any licensed site.
- (5) The route operator or site operator must ensure that any failure to trade for five (5) consecutive days is reported to the Board in writing within twenty-four (24) hours of becoming aware thereof.
- (6) The route operator or site operator must ensure that in the event that the primary business ceases to operate for whatever reason, the LPMs are deactivated and the Board is notified in writing within twenty-four (24) hours.

#### **14.8 Access to LPMs**

- (1) The route operator and Type "B" site operator must develop internal control systems and procedures in respect of access control to LPMs, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (2) The route operator and Type "B" site operator must ensure that a machine book is maintained at the LPM site reflecting each time LPMs are accessed.

#### **14.9 Employee Cards**

- (1) Route and site operators must issue all registered employees with an employee card, which must be utilized in accordance with the Board's Minimum Internal Control Systems and Procedures, as contained in Schedule 1 to these Rules.
- (2) Route operators and Type "B" site operators must develop internal control systems and procedures in respect of the issuing, usage and control of employee cards, in accordance with the Board's Minimum Internal Control Systems and Procedures, as contained in Schedule 1 to these Rules.

**14.10 User Access Rights**

- (1) All application forms for access to any gambling-related software administered by the licensed national monitoring system, including amendments thereto, must be signed by a representative of the route operator or independent site operator.
- (2) The User Access Rights Application Form must clearly indicate the user access rights for which the applicant has applied.
- (3) The route operator or site operator must request user access rights on the CEMS to be allocated to authorised registered employees only.
- (4) The user access rights matrix must indicate all types of user groups registered on the CEMS, and all the user rights allocated to such users.
- (5) The user access rights matrix must be approved and signed by the General Manager or his/her representative.
- (6) Any amendments to the pre-approved user access rights matrix must be signed by the persons prescribed in sub-rule (5).
- (7) The route operator, or Type "B" site operator, must ensure that the information prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules, is submitted to the CEMS operator, in writing, to allocate the employee's user rights in terms of the pre-approved user access rights matrix.
- (8) User access rights on the CEMS must be allocated to appropriately registered employees, and in terms of the user access rights matrix.
- (9) The route operator or site operator must inform the CEMS operator of the termination of any employee within twenty-four (24) hours, whereupon the relevant employee's user access rights must be disabled on the CEMS.

**14.11 Route and Independent Site LPM Records**

- (1) The designated function of the route operator or independent site operator, as prescribed in its approved ICS, must record and maintain electronic, accurate and current records in the route operator or independent site operator's inventory, in respect of each LPM and each SDL, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (2) LPM and SDL information records must be recorded on an electronic database.

**14.12 Investigations**

- (1) The route operator or independent site operator must ensure that, on a weekly basis, the CEMS meter readings and significant events are reviewed in order to detect exceptions and unusual events, including –

- (a) Unauthorised access to secured areas of the LPM and SDL;
  - (b) Configuration changes to LPM and SDL software;
  - (c) LPM and SDL software validation or signature failure;
  - (d) Meter violations, meter wraps and RAM clears; and
  - (e) Variances in excess of one hundred (100) rand or twenty (20) percent per gaming day between actual and metered LPM drop, in the event that the actual LPM drop counted exceeds the metered drop.
- (2) The designated function, as approved by the Board in the ICS, must be informed of any unresolved exceptions and unusual events referred to in sub-rule (1).
  - (3) The designated function, as approved by the Board in the ICS, must be informed of the outcome of the investigation in respect of variances contemplated in sub-rules (1)(d) and (e).
  - (4) All reports contemplated in this rule must be in writing and kept for a period of at least five (5) years for Board inspection.

#### **14.13 Administration and Accounting Systems**

Every route operator and Type "B" site operator must develop administrative and accounting procedures in accordance with the Regulations and the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

##### **14.13.1 Verification of Taxes and Levies**

A route operator or independent site operator must, on a monthly basis, review the CEMS reports used for calculating taxable revenue, to verify the accuracy thereof.

##### **14.13.2 Journal Entries**

A route operator and independent site operator must maintain and perform journal entries in respect of the CEMS in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

##### **14.13.3 LPM Accounting**

- (1) A route operator or independent site operator must verify that the data contemplated in Rule 16.1(1) and 16.1(2), has been collected in respect of all LPMs within twenty-four (24) hours of the period allowed for the collection thereof.
- (2) In the event of unsuccessful data collection, the route operator, or independent site operator, must investigate and record the outcome of such investigation.

- (3) A monthly reconciliation must be prepared by the route operator or independent site operator in respect of the taxable revenue pertaining to all LPMs exposed for play.
- (4) The monthly tax return must be signed by the route operator or independent site operator, or his/her authorised representative, or such other person authorised in the route operator or independent site operator's ICS.

#### **14.13.4 Annual Financial Statements**

A route operator or independent site operator must submit the format of their annual financial statements to the Board for approval prior to commencement of operations.

#### **14.14 Internal Audit**

- (1) A route operator or independent site operator must appoint an independent internal auditor to perform the Internal Audit function as prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (2) Where a route operator or independent site operator utilises an external auditing company to perform the Internal Audit function, such company may not also perform the External Audit function.
- (3) A route operator or independent site operator must ensure that the persons responsible for the performance of the Internal Audit function submit and present an internal audit report to the Board within three (3) months of being finalised.
- (4) All reports must be in writing and must be kept for a period of at least five (5) years for Board inspection.

#### **14.15 Audits**

- (1) The route operator or independent site operator must ensure that bi-annual audits are risk-based and undertaken in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (2) Any discrepancies found during the audits referred to in sub-rule (1) must be investigated, and the results reported in writing and kept for a period of at least five (5) years for Board inspection.

#### **14.16 Reporting**

- (1) The route operator or independent site operator must, on a monthly basis, provide the Board with a report reflecting the information as prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules, in respect of the period reviewed.

- (2) The monthly reports, referred to in sub-rule (1), must be submitted within ten (10) working days after the conclusion of every month.
- (3) All reports must be in writing and kept for a period of at least five (5) years and must comply with Regulations, for Board inspection.

#### **14.17 Key Control Standards**

- (1) All controlled keys must be kept within a secure area on the LPM site or in the possession of a registered employee to prevent unauthorised access thereto.
- (2) Access to the secure area referred to in sub-rule (1) must be limited to designated registered employees as contained in the route operator or Type "B" site operator's ICS.
- (3) The route operator or Type "B" site operator must maintain detailed records in respect of each monitored key that is made, duplicated or destroyed.
- (4) The route operator or Type "B" site operator must develop internal key control systems and procedures for all controlled or monitored keys used on the licensed premises, which must include controls relating to damaged, stolen, duplicated and unused keys and the disposal thereof, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained as in Schedule 1 to these Rules.

#### **14.18 Controlled Stationery**

- (1) The route operator or Type "B" site operator must be responsible for ordering, receiving, storing, issuing and accurate recording of the following controlled stationery, which must reflect the information as prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules:
  - (a) Machine Book;
  - (b) Dispute/Complaints Register;
  - (c) Key Control Logs; or
  - (d) Register which is a combination of the above, as approved by the Board in its ICS.
- (2) All controlled stationery must be kept within a secure area on the LPM site, or in the possession of a registered employee to prevent unauthorised access thereto.
- (3) All the completed registers contemplated in sub-rule (1) must be retained for Board inspection –
  - (a) On the relevant LPM site, for a period of at least three (3) months from the date of the last entry therein; and

- (b) After such period it must be retained by the route operator or Type "B" site operator for a period of at least five (5) years from the date of the last entry therein.
  
- (4) Notwithstanding the provisions of this rule, a route operator or Type "B" site operator may utilise a computerised system and electronic signature identification, approved by the Board.

## **CHAPTER 15 LPM GAME RULES**

### **15.1 Game Features, Stakes and Prizes**

- (1) A licensee must submit details of all game features, stakes and prizes, and the LPM game rules to the Board for evaluation and approval in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, Schedule 1 to these Rules.
- (2) Any amendments to existing approved LPM game rules must be submitted to the Board in the manner prescribed above, prior to the implementation thereof.
- (3) Progressive jackpots are not permitted in respect of LPMs.
- (4) All prizes must be paid in cash or a cash equivalent.

### **15.2 Payouts**

- (1) The LPM site must immediately redeem its monetary instrument used for gambling, including credits registered on the LPM, for cash or a cash equivalent upon request of a patron, unless the monetary instrument was obtained, or is being used, unlawfully.
- (2) Route operator or Type "B" site operators must develop payout procedures, including manual payouts for inclusion in their ICS.

## CHAPTER 16 LIMITED PAYOUT MACHINES

### 16.1 LPM Requirements

- (1) Each LPM must electronically record, store and send to the CEMS the meter information specified by the applicable SANS standards.
- (2) Each LPM must electronically record, store and send to the CEMS significant event information, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (3) A LPM must require manual reactivation and must perform a signature check in the event of –
  - (a) Unauthorised access to the LPM logic box door;
  - (b) Unauthorised access to the SDL; and
  - (c) A signature failure by the LPM and SDL.
- (4) A route operator, independent site operator, or site operator must not possess, install or make available for play, any gambling or gambling-related device which has not been approved by the Board.
- (5) All LPMs that are exposed for play must be linked to the CEMS.
- (6) A number must be assigned to each LPM at the LPM site, which must be clearly visible on the front of the LPM.
- (7) The LPM number referred to in sub-rule (6) must correspond with the number reflected on the CEMS for that specific LPM.
- (8) A plate must be permanently affixed to the cabinet of every LPM, reflecting –
  - (a) The unique serial number of the LPM; and
  - (b) The name of the manufacturer of such LPM.

### 16.2 Commissioning, Alteration and De-Commissioning of LPMs and SDLs

- (1) Whenever an LPM, or SDL, is commissioned, or altered, the designated function prescribed in the licensee's approved ICS, must perform tests to ensure that the components of such LPM, or SDL, have been set up properly in respect of –
  - (a) Software validation;
  - (b) Coin acceptance;
  - (c) Bill acceptance;
  - (d) Significant events;

- (e) Soft meter increment; and
  - (f) Such other components and tests as the Board may specify prior to any gambling activity taking place on the LPM.
- (2) A route operator or site operator must ensure that a LPM may not be exposed for play before the tests referred to in sub-rule (1) have been successfully completed and the information on the CEMS has been verified as being correct.
- (3) A route operator or Type "B" site operator must develop internal control systems and procedures in respect of the commissioning, alteration and de-commissioning of LPMs or SDLs, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

### **16.3 Malfunctions**

- (1) The LPM must be powered down and may not be available for play if a malfunction has occurred which –
- (a) May have an unfair play implication; or
  - (b) May affect the integrity of the LPM or CEMS information; or
  - (c) Cannot be repaired immediately.
- (2) In the event that a communication malfunction occurs between the CEMS and the LPM which cannot be repaired immediately, the designated function as prescribed in the licensee's approved ICS must inform the Board in writing within five (5) days.
- (3) A route operator and Type "B" site operator must develop internal control systems and procedures in respect of malfunctions of the LPMs and CEMS, in accordance with the Board's Minimum Standards and Procedures, as contained in Schedule 1 to these Rules.

### **16.4 Maintenance**

- (1) The route operator and site operator must ensure that a detailed maintenance register in respect of all malfunctions and maintenance performed on LPMs and SDLs is maintained.
- (2) Preventative and routine maintenance on a LPM and SDL may be performed only by the following persons:
- (a) A LPM Technician; or
  - (b) An employee of the CEMS operator; or
  - (c) An employee of a LPM manufacturer, licensed in terms of the Act, or in terms of the National Gambling Act.

- (3) Sub-rule (2) does not preclude a registered employee of the LPM site from performing routine maintenance to ensure the proper operation of the LPMs on its site, including attending to coin-in and coin-out errors, bill disputes, hopper fills and cash collections.
- (4) A route operator and Type "B" site operator must develop internal control systems and procedures in respect of maintenance of LPMs as required in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

#### **16.5 RAM Clear**

- (1) Only representatives of the Technical function and CEMS operator must be allowed to perform a RAM clear on a LPM.
- (2) A licensee must develop internal control systems and procedures in respect of the performance of RAM clearing, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

## **CHAPTER 17 SURVEILLANCE SYSTEMS**

### **17.1 Surveillance Systems for Type "A" LPM Sites**

- (1) Every route operator must install a surveillance system at any LPM site where the view to the LPMs is obstructed and there is no clear continuous line of sight by the registered employees for purposes of monitoring the LPMs.
- (2) The surveillance system must comply with the requirements as set out in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (3) In the event of a malfunction of the surveillance system, the LPMs must immediately be disabled for play until such time that the repair is affected.
- (4) No route operator or site operator may alter or modify the approved surveillance system contemplated in this rule without the prior approval of the Board.
- (5) A licensee must apply for approval of its surveillance system plan and any change, alteration or modification to a surveillance system plan, including a temporary change, alteration or modification, in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (6) The surveillance system plan must include the requirements as set out in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

### **17.2 Surveillance Systems for Independent Site Operators and Type "B" LPM Sites**

- (1) Every licensee that operates more than five (5) LPMs must install, maintain and operate a surveillance system on the premises to which the licence relates, and must conform to the requirements as contained in the Board's Minimum Internal Control Standards and Procedures, Schedule 1 to these Rules, and be subject to the Board's approval: provided that the Board may, on reasonable grounds, determine or approve other requirements to those set forth in Schedule 1, for such surveillance system: provided further that the Board may require a site licensee that applies to the Board for a licence to operate up to five (5) LPMs to install, maintain and operate a surveillance system on the premises to which the licence relates, subject to the Board's approval.
- (2) Such licensee must install, operate and maintain surveillance coverage of LPM gambling activities, as approved by the Board.
- (3) The surveillance system must comply with the requirements as set out in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

- (4) No licensee may alter or modify the approved surveillance system contemplated in this Rule without the prior approval of the Board.
- (5) A licensee must apply for approval of its surveillance system plan and any change, alteration or modification to a surveillance system plan, including a temporary change, alteration or modification, in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (6) The surveillance system plan must include the requirements as set out in the Board's Minimum Internal Control Standards and Procedures, Schedule 1 to these Rules.
- (7) The surveillance plan in respect of camera installation will be signed off and will be subject to approval by the Board on completion of the installation of the cameras: provided that the Board approval shall be required in respect of all other components of the surveillance plan, prior to installation.
- (8) Such licensee must inform the Board of the installation of cameras for the purposes of gambling covert operations, within forty-eight (48) hours of such installation.
- (9) A person must be available to monitor camera views of all LPM gambling activities at all times during the site's operating hours as approved by the Board.
- (10) The surveillance system and its related equipment must be monitored during such licensee's operating hours by a person trained by the licensee, in accordance with the minimum standards approved by the Board for surveillance purposes.
- (11) The Board and its authorised staff members must at all times be provided with immediate access to the room or area where the surveillance system is kept.
- (12) In addition to any other image-recording requirements that are or may be imposed by this rule, the licensee must record all views, activities and locations, as the Board may require from time to time.
- (13) Every licensee must comply with the requirements set forth in this rule no later than seven (7) days prior to the start of gambling operations.
- (14) A licensee must develop procedures for storing and record keeping of image recordings, which must be submitted in writing to the Board for approval, no less than seven (7) days prior to the commencement of gambling operations or seven (7) days prior to the amendment to the existing approved method.
- (15) In the event of a malfunction of the surveillance system, gambling operations must be suspended pending the repair of the malfunction.
- (16) If a malfunction is not repaired within twenty-four (24) hours, the licensee must immediately submit a separate written report to the Board that sets forth the reason for the delay in repair.
- (17) Each malfunction, together with the corrective measure taken, must be reported to the Board within twenty-four (24) hours.

- (18) A licensee must comply with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules, in respect of surveillance system malfunctions.

**CHAPTER 18**  
**RESPONSIBILITIES OF TYPE "A" AND TYPE "B" SITE OPERATORS**

**18.1 LPM Operations**

- (1) A registered employee on a LPM site must perform a count of all the LPM drop proceeds at least once every week, and record the value of the drop proceeds on the CEMS.
- (2) All LPMs within the LPM site must be monitored, observed and supervised by a registered employee during operating hours, in order to –
  - (a) Ensure that no person under the age of 18 years –
    - (i) Enters in any designated area with LPMs;
    - (ii) Takes part in a LPM game; or
    - (iii) Operates a LPM;
  - (b) Effectively monitor and control the designated area and areas in which the SDL and SKP are placed; and
  - (c) Ensure that all LPMs and the SDLs, and their wiring, are not –
    - (i) Tampered with or damaged;
    - (ii) Altered in any way; or
    - (iii) Accessed by unauthorised persons.

**18.2 LPM or CEMS Malfunctions**

- (1) In the event of an LPM or CEMS malfunction that cannot be repaired immediately, the registered employee on the LPM site must immediately inform the route operator in the manner prescribed in the route operator's ICS.

## PART 4 BINGO

### CHAPTER 19 DEFINITIONS AND APPLICATION OF RULES

#### 19.1 Definitions

As used in these rules, unless the context otherwise indicates –

“**Bingo equipment**” means any gaming equipment or device used in the operation of, or in connection with, the game of bingo;

“**Bingo operator**” means the holder of a bingo operator licence in terms of the Act and the holder of a casino licence in terms of the Act, who is authorised by the Board to operate the game of bingo on the licensed premises and “**operator**” and “**bingo licensee**” must have a corresponding meaning;

“**Card**” means a bingo card, or shutter card, or any card approved by the Board;

“**Central bingo hall**” means a bingo hall at which number selection takes place during a simultaneous game;

“**Draw**” means selection of a number, picture or symbol to be marked off by players or a device during a game of bingo;

“**EBT**” means electronic bingo terminal as defined in the Act.

“**Electronic card**” means an electronic bingo card or digital representation of a bingo card or a similar device approved by the Board;

“**Game**” means the game of bingo;

“**Linked bingo hall**” means a bingo hall linked to the central bingo hall during a simultaneous game;

“**Patron**” means any person who is a customer or client of the licensee;

“**Player**” means any person who has bought or wagered credits for a card or electronic card, with the intention of participating in a game of bingo; and

“**Simultaneous game**” means a game of bingo played at more than one bingo hall at the same time.

#### 19.2 Application of Rules

These Rules must be applicable to all applicants, bingo licensees, manufacturers, suppliers and maintenance providers within the bingo industry.

## CHAPTER 20 BINGO OPERATIONS

### 20.1 Application for Licence

A person who wishes to obtain a bingo licence must apply to the Board in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

### 20.2 Internal Control Standards

In addition to the minimum requirements set out in the General Rules above, a bingo licensee's ICS must contain detailed provisions and procedures in accordance with those prescribed in the Board's Minimum Internal Control Standards and Procedures, Schedule 1 to these Rules.

### 20.3 Organisational Structure / Jobs' compendium

- (1) Unless otherwise approved by the Board, every licensee's organisational structure and internal control systems must include certain mandatory functions that are responsible for the following:
  - (a) Operations;
  - (b) Security;
  - (c) Compliance;
  - (d) Internal Audit;
  - (e) Electronic Data Processing / Information Technology; and
  - (f) Accounts/Treasury.
- (2) Every licensee must develop a jobs' compendium in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

### 20.4 Floor Plan

- (1) Every applicant for a bingo licence must apply to the Board for approval of its detailed floor plan of the premises on which the game of bingo is to be conducted in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (2) The floor plan of the premises must be drawn in accordance with the requirements, as contained in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (3) The approved floor plan in respect of a bingo site may not be altered without the prior written approval of the Board.

- (4) If a licensee intends effecting any change to the approved floor plan, such licensee must apply to the Board for approval of such change(s) in the manner prescribed in sub-rule (1). The application must be accompanied by a revised floor plan, which must incorporate the proposed changes.

## **20.5 Bingo Halls**

Every licensee must ensure that the bingo hall meets the requirements as set out in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

## **20.6 Bingo Game Records**

### **20.6.1 Record Keeping System for Bingo Cards**

- (1) Each operator must have a computer system linked to the control desk on which must be recorded, simultaneously with the playing of each game using bingo cards, all information relevant to each game of bingo as prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (2) Each operator must apply to the Board for approval of its record keeping computer system/electronic recording device in respect of bingo cards in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

### **20.6.2 Record Keeping System for Electronic Cards or Other Devices**

- (1) Each operator must have a computer on which must be recorded, simultaneously with the playing of each bingo game using electronic bingo cards or other devices, all information relevant to each game of bingo, as prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (2) Each operator must apply to the Board for approval of its record-keeping computer system/electronic recording device in respect of electronic cards or other devices, in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

### **20.6.3 Access and Storage of Game Recordings**

- (1) The information recorded in terms of Rules 20.6.1 and 20.6.2 must be stored in electronic format for a minimum of five (5) years after completion of each game.
- (2) The storage must be such that the information must not be capable of being changed after being recorded.
- (3) Such information must only be accessible to the Board, authorised staff members of the bingo licensee and the auditors of the licensee.

#### **20.6.4 Record Keeping System Malfunctions**

- (1) In the event of a malfunction of the electronic recording device referred to in rules 20.6.1 and 20.6.2, all relevant information with regard to every game of bingo played must be recorded in writing.
- (2) In the event of a malfunction of the computer systems/electronic recording devices referred to in rules 20.6.1 and 20.6.2, such devices must be repaired or replaced within twenty-four (24) hours of such malfunction occurring, or such longer period as may be approved by the Board.
- (3) If the malfunction is not repaired within twenty-four (24) hours, the licensee must immediately submit a separate written report to the Board that sets forth the reason for the delay in repair; and
- (4) Each malfunction together with the corrective measures taken must be reported to the Board within twenty-four (24) hours.

#### **20.7 Administration and Accounting Systems**

Every bingo licensee must develop administrative and accounting procedures, in accordance with the Regulations and the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

#### **20.8 Annual Financial Statements**

A bingo licensee must submit the format of their annual financial statements to the Board for approval prior to commencement of operations.

#### **20.9 Internal Audit**

- (1) In addition to the Internal Audit function's responsibilities and reporting requirements provided for in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules, the Internal Audit Department must conduct a full audit of the bingo operations of every bingo hall, bi-annually.
- (2) The results of every audit must be reported to the Audit Committee of the Board of Directors of the licence holder, or, in the absence of an Audit Committee, an independent member of the Board of Directors, or the Compliance Officer of the licence holder, and copies of these reports must be submitted to the Board within sixty (60) days after they have been issued.
- (3) Every bingo licensee must submit an internal audit programme to the Board for approval in its ICS prior to commencement of operations.

**20.10 Receipt, Storage and Access Control of Bingo Cards**

- (1) Bingo cards must be purchased, packaged and supplied to licensees from approved suppliers only and must be stored in a Board-approved secure storage area.
- (2) If the packaging of any set of cards is not intact or the seal has been tampered with in any way whatsoever, the licensee must immediately inform the Board.
- (3) The relevant cards, together with the packaging and seal thereof must be stored until the Board has determined the manner in which such tampering will be dealt with.
- (4) All instances of tampering, loss or damage to packaging of bingo cards must be reported to the Board in writing within twenty-four (24) hours of detection thereof.
- (5) A licensee must develop internal control systems and procedures relating to the receipt, storage and access control of bingo cards, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

**20.11 Retention and Destruction of Bingo Cards**

- (1) All prize winning cards must be attached to the record of the relevant game and kept for a period of five (5) years.
- (2) Any card which may constitute evidence of an offence or any contravention of the Act, Regulations or Rules, must be retained and submitted to the Board on request, and must not be destroyed until the Board has approved the destruction thereof.
- (3) Any card which forms the subject of a dispute or which may lead to the resolution of a dispute, must be retained and submitted to the Board on request thereof and must only be destroyed with the prior written approval of the Board.
- (4) Any damaged or void card must be kept for a period of five (5) years.
- (5) A licensee must develop internal control systems and procedures relating to the retention and destruction of bingo cards in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

## CHAPTER 21 BINGO CARDS

### 21.1 Bingo Cards

- (1) The game of bingo must be played using cards or other such device which meet the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules, and as may be approved by the Board.
- (2) A licensee must apply to the Board for the approval of its bingo cards in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (3) Every bingo card must be valid for one game only.
- (4) All bingo cards must be manufactured in a material allowing them to be marked by the players, or a device approved by the Board, which marks the number on behalf of the player.
- (5) No two cards in a set must be identical to one another with regard to their unique serial numbers or the numbers to be marked off by players.

### 21.2 Electronic Cards

- (1) Electronic cards used to play bingo must be approved by the Board.
- (2) A licensee must apply to the Board for the approval of its electronic cards in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, Schedule 1 to these Rules.
- (3) Each electronic card must be clearly visible or available to be viewed by the player.
- (4) No two cards in the same game may be identical in regard to the numbers, pictures or symbols.
- (5) The electronic card or device used may offer an alternative electronic or mechanical display of the results, as long as the results of the alternative game are based on the outcome of the bingo game and that this display is for entertainment purposes only.

## CHAPTER 22 BINGO DEVICES

### 22.1 Random Number Selecting Devices

- (1) A bingo licensee must not use any random number-selecting device, or any other device, unless such device has been tested in terms of the applicable SANS standards by accredited testing agents, and approved by the Board.
- (2) Any number-selecting device must be designed, manufactured and used in such a way that the randomness of the numbers selected will be ensured at all times.
- (3) A licensee must ensure that a ball-drawing apparatus used as a random number-selecting device must meet the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (4) Balls used for the game of bingo must be approved by the Board prior to commencement of operations.
- (5) The complete set of balls must be substituted at least on completion of one thousand (1000) games, or on completion of such other number of games as determined by the Board.
- (6) Notwithstanding the provisions of sub-rule (5), if it is discovered that any of the balls are not in perfect condition, in respect of colour, numbering, weight, size or any other aspect, the complete set of balls must be substituted before completion of one thousand (1000) games, or such other number of games as determined by the Board.
- (7) The replaced set of balls must be kept in a box, which must be sealed and kept for a period of at least three (3) months on the licensed premises.
- (8) There must be a reserve random number-selecting device in each bingo hall, which must be used in the event of a malfunction occurring in the random number-selecting device normally utilized.

## **CHAPTER 23 BINGO GAMES**

### **23.1 Approval of Bingo Games / Prizes and Jackpots**

- (1) Every licensee must apply to the Board in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules, for approval of the following:
  - (a) The type and format of bingo to be conducted at the premises for which the licence is sought; and
  - (b) The types of prizes and jackpots and the manner in which they may be won.
- (2) Only that type and format of bingo which has been approved by the Board may be conducted at the specified bingo hall.
- (3) Before affecting any change to the type and format of bingo, conducted in the bingo hall, including the types of prizes and jackpots and the manner in which it may be won, a bingo licensee must apply to the Board in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (4) No such amendment may be implemented until Board approval has been obtained in writing.

### **23.2 Prizes**

- (1) No prize, other than money, or such other prizes as may be approved by the Board may be offered to any player of the game of bingo.
- (2) All monetary prizes must be paid to the winners thereof in cash, unless one of the following occurs:
  - (a) The winner requests or consents to the prize being given by cheque or electronic funds transfer (EFT); or
  - (b) The amount of the prize is more than one thousand rand (R1000), in which case an electronic funds transfer into the winner's bank account, or a cheque, which must not be post-dated, may be issued to the winner.
- (3) In respect of simultaneous games, the central bingo hall must determine the types of prizes.
- (4) All prizes must be paid out from the linked bingo hall where that prize has been won.

### **23.3 Sale of Bingo Cards**

- (1) Bingo cards may only be sold in the bingo hall where the game for which such cards are sold, is to be conducted, or for an authorised simultaneous bingo game.
- (2) All cards for bingo (not simultaneous bingo) must be issued consecutively, according to their serial number within each of the sets. The sale of cards in each game must begin with number one of a particular set, or the number following the number of the last card sold in a previous game, as the case may be.
- (3) If the number of cards in the set being sold is insufficient to satisfy the demand of the players, cards of a second set may be sold for the same game, subject to the following requirements:
  - (a) The second set to be sold from the same batch of cards must have the same selling price per card as the first;
  - (b) The sale of the second set must commence with the next consecutive number of such set;
  - (c) The cards of the second set must be sold up to the serial number immediately preceding the serial number of the first card sold in the first set, to ensure that no two cards identical to one another in the numbers to be marked off by the players, may be sold or used in the same game; and
  - (d) Cards issued but not sold must be voided.
- (4) All bingo cards to be used in simultaneous games must have serial numbers which must be different from any of the serial numbers used in ordinary bingo and must be clearly distinguishable as bingo cards for the purpose of a simultaneous game.
- (5) Before commencement of the sale of cards, the linked bingo hall must obtain permission from the central bingo hall, which permission must only be granted after it has been established by the central bingo hall that no two identical cards will be sold to any two players who will participate in a simultaneous game.
- (6) A licensee must develop internal control systems and procedures in respect of the sale of bingo cards, including simultaneous games, for inclusion in its ICS for approval by the Board.

### **23.4 Conducting the Game of Bingo**

- (1) Rules for the conducting of any game of bingo, including simultaneous games, must be prominently displayed at every bingo hall and a copy of same must be made available on request by any patron.
- (2) Detailed procedures for the conducting of any bingo game, (including the use of electronic bingo cards and simultaneous games), from commencement to

conclusion of the game, must be contained in the licensee's ICS and approved by the Board.

- (3) Every number selected for all bingo games must be announced through, or by means of, a public-address system in a clearly audible manner and must be displayed on the closed circuit television system, as well as the information panel/panels.
- (4) In the event of approved bingo games being downloaded electronically or electronically housed in a system, controls relating to the physical and logical security of the system must be contained in the licensee's ICS.
- (5) Prior to the commencement of any simultaneous game, which period may from time to time be determined by the Board, the licensee must ensure that the central hall orders the linked bingo halls to cease the sale of cards.
- (6) A designated person at each linked hall must record the number of cards sold for that particular game and communicate the information to the central bingo hall.

### **23.5 Simultaneous Games**

- (1) The game of bingo may be played simultaneously at the bingo halls of more than one bingo licensee licensed within this province and country.
- (2) Simultaneous bingo may take place utilising electronic cards or devices and must be conducted in terms of 21.4 and the licensee's ICS approved by the Board.
- (3) A licensee must ensure that where there is a link to a central bingo hall, irrespective of the location, the Board is provided with proof that:
  - (a) The central bingo hall is authorised to link to other bingo halls;
  - (b) The central hall has an approved system for the production and recording of a visual and audio signal, for distribution to the linked bingo halls.
  - (c) The central hall has an approved system which must transmit a visual and audio signal by means of a direct link to each linked bingo hall, in order to ensure that each draw made, or computerized number selected, is displayed to or announced to, the player in each linked bingo hall, simultaneously with the draw being made in the central bingo hall, on a real time online basis; and
  - (d) All information received from the linked bingo halls must be processed at the central bingo hall, whereafter the information must be displayed on the information panels in all linked bingo halls.
- (4) The determination of the central bingo hall must be recorded in terms of Rule 20.6 and announced to the public prior to the commencement of any linked game.

- (5) The central bingo hall must determine the types of prizes available, the type of bingo to be played and the starting times of each game.
- (6) A licensee must ensure that the central bingo hall automatically prepares and stores all game records; and must have sufficient computer capacity (processing, memory, communications inter-faces and hard disk storage) to efficiently monitor and log all significant events taking place in every simultaneous game.
- (7) The hardware and software configuration of the distribution network used within the province for simultaneous bingo must be approved by the Board, and any upgrade or change to the systems, must be approved by the Board prior to such upgrade or change taking place.
- (8) The application for approval of the hardware and software configuration of the distribution network or any amendments thereto, must be made in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

### **23.6 Suspension of Bingo Game and Refunds**

- (1) If, during the course of a game, and/or before commencement of number selection any malfunction occurs in any of the equipment required in terms of the bingo Rules or any other incident occurs, which prevents the continuation of the game, the game must be provisionally suspended.
- (2) In the event that the problem which has arisen cannot be resolved, the game must be abandoned.
- (3) Each player must be refunded the full amount paid for each card purchased for that particular game, and each card sold for that particular game must be returned to the licensee.
- (4) Any prize which has been claimed and verified, before such malfunction or incident, must be paid out to the winner.
- (5) If any malfunction or incident, referred to in sub-rule (1), occurs, the designated person, as contained in the licensee's ICS, must read the relevant sub-rule to the players before proceeding with any further steps.
- (6) The withdrawal of a player during the course of a game must not entitle such player to a refund of the purchase price, or any part thereof, of the cards bought by such player: provided that a player may transfer his/her cards to any other player if he/she so wishes.
- (7) If an error occurs in the announcement of any of the numbers selected, such error must be corrected immediately, a note must be made in the game record, and the game must continue.

**23.7 Suspension of Simultaneous Bingo Game and Refunds**

- (1) In the event of a malfunction of the central distribution network or the link between linked bingo halls after commencement of the game, the full purchase price of all tickets sold at all the bingo hall or halls within the province where such malfunction occurred, must be paid back to every player.
- (2) Notwithstanding the provisions of sub-rule (1), the game must continue in the linked bingo halls where no malfunction of the link has occurred and the prizes available to the players must remain the same as those announced at the beginning of the game.

## CHAPTER 24 SURVEILLANCE SYSTEMS

### 24.1 Surveillance Systems

- (1) Every bingo licensee must install, maintain and operate a surveillance system on the premises to which the licence relates, which must conform to the Board's minimum standards as contained in Schedule 1 to these Rules.
- (2) Such surveillance system is subject to the Board's approval: provided that the Board may, on reasonable grounds, determine or approve other requirements to those set forth in this Rule, for such surveillance system.
- (3) No licensee must alter or modify the approved surveillance system contemplated in this Rule, without applying for the prior approval of the Board. Such application must be accompanied by a proposed amended floor plan and detailed schedule relating to such floor plan.
- (4) A licensee must apply for approval of its surveillance system plan and any change, alteration or modification to a surveillance system plan, including a temporary change, alteration or modification in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (5) The surveillance system plan must include the requirements as set out in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (6) The surveillance system will be signed off by the Board on completion of the installation thereof.
- (7) A licensee must notify the Board of any installation of cameras through the surveillance system for the purposes of covert operations, forty-eight (48) hours prior to such installation.
- (8) A person must monitor camera views of bingo gambling activities at all times during such bingo licensee's operating hours as approved by the Board.
- (9) Surveillance system image recordings must be kept for seven (7) days.
- (10) The Board and its authorised staff members must, at all times, be provided with immediate access to the room or area where the surveillance system is kept.
- (11) The licensee must develop internal control systems and procedures in respect of the Surveillance System, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

**24.2 Surveillance System Malfunctions**

- (1) In the event of a malfunction to the approved surveillance system, gambling operations must be suspended in that affected area, pending the repair of the malfunction, unless otherwise approved by the Board;
- (2) Malfunctions must be repaired within twenty-four (24) hours of the malfunction.
- (3) If the malfunction is not repaired within twenty-four (24) hours, the licensee must immediately submit a separate written report to the Board that sets forth the reason for the delay in repair.
- (4) Each malfunction together with the corrective measures taken must be reported to the Board within twenty-four (24) hours.
- (5) A licensee must develop and comply with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules, in respect of surveillance system malfunctions.

**24.3 Storage and Record Keeping**

A licensee must develop procedures for storing and record keeping of image recordings for inclusion in its ICS for approval by the Board.



**SCHEDULE 1**

**TO THE KWAZULU-NATAL GAMING AND**

**BETTING BOARD GAMING RULES 2013**



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## SCHEDULE 1 TO THE KWAZULU-NATAL GAMING AND BETTING BOARD RULES: MINIMUM INTERNAL CONTROL STANDARDS AND PROCEDURES

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### Applicability

As specified in the Regulations, the Board has developed minimum internal control standards and procedures to be adopted by licensees when developing their internal control systems and procedures and should be read in conjunction with the relevant Rules.

These minimum internal control standards and procedures are set out in the following manner:

- (a) **Part 1** is applicable to all applicants and licensees within the Casino, LPM and Bingo sectors of the Gaming Industry.
- (b) **Part 2** is applicable to all applicants, casino licensees, manufacturers, suppliers and maintenance providers within the Casino industry.
- (c) **Part 3** is applicable to all applicants, route operators, site operator licensees, manufacturers, suppliers and maintenance providers within the LPMs industry.
- (d) **Part 4** is applicable to all applicants, bingo licensees, manufacturers, suppliers and maintenance providers within the bingo industry.

## PART 1 GENERAL

### 1.1 Dispensation

A licensee must follow the application procedure as prescribed in paragraph 1.3 below for any dispensation as referred to in the Rules, using the form prescribed in Schedule 2 to these Rules.

### 1.2 Requests for Information, Documents or Records of the Board

- (1) In the event that information, documents or records of the Board are requested from the Board, the requester must apply to the Board by means of the completion and submission of the relevant form, as contained in Schedule 2 to these Rules.
- (2) The request must be submitted to the Board who will ensure that such request is considered by the Board in accordance with Section 21 of the Act.

### 1.3 Applications to the Board

All applications that require approval from the Board in terms of the Act, Regulations or Rules must be made to the Board in the following manner:

- (1) A licensee/applicant must complete the relevant application form(s), as prescribed in Schedule 2 to the Rules, which is available from the Board and/or on the Board's website.

- (2) All applications must be completed honestly and in full and where applicable, and all application instructions must be strictly adhered to.
- (3) The required annexures, as set out in the relevant application form, must accompany the application.
- (4) Incomplete applications will be returned to the applicant and applicable application fees forfeited.
- (5) Payment of the application fees, or proof of payment of the prescribed fee as set out in Schedule 2 to the Act, must accompany the application.
- (6) The application form and the supporting documentation must be submitted to the office of the Board.
- (7) The application will be analysed and evaluated by the office of the Board in accordance with the Act, Regulations, Rules and other relevant legislation.
- (8) The Board will determine whether such approval will be granted or not, the outcome of which will be made known to the licensee/applicant.
- (9) Where approved, such approval may be subject to any conditions specified by the Board.
- (10) Where declined, the Board will provide the applicant with reasons in writing, for such refusal.
- (11) The licensee must submit to the Board any further documentation or supporting information as may be required by the Board in respect of such applications.

### **1.3.1 Application for Consent to Acquire a Controlling or Financial Interest in a Licensee**

All Applicants for consent to acquire a controlling or financial interest in a licensee must follow the application procedure as prescribed in paragraph 1.3 above using the form prescribed in Schedule 2 to the Rules.

### **1.3.2 Application for Transfer of Licence**

A licensee who wishes to apply to the Board to transfer his/her licence to another person must follow the application procedure as prescribed in paragraph 1.3 above using the form prescribed in Schedule 2 to the Rules.

### **1.3.3 Application for Amendment, Substitution or Rescission of Condition Attached to a Gaming Licence or Certificate of Registration**

All Applicants for the amendments, substitution or rescission of a condition attached to a gaming licence or certificate of registration must follow the application procedure as prescribed in paragraph 1.3 above using the form prescribed in Schedule 2 to the Rules.

#### **1.3.4 Application for Renewal of Licence**

All applicants for the renewal of licenses must follow the application procedure as prescribed in paragraph 1.3 above using the form prescribed in Schedule 2 to the Rules.

#### **1.4 Disclosures**

Upon receipt of a request by a patron, the licensee must make available to such patron for perusal, a copy of any relevant sections of its approved internal control systems and procedures in relation to an operational issue raised by such patron, which might have an unfair play implication.

#### **1.5 Internal Control Standards**

- (1) A licensee must follow the application procedure as prescribed in paragraph 1.3 above for the approval of its internal control standards using the form prescribed in Schedule 2 to these Rules.
- (2) In the event of any amendments to a licensee's approved internal control standards, (which include organisational structure, jobs' compendium, gaming-related policies, internal control systems and procedures) the same application procedure referred to in paragraph (1) above must be followed.

#### **1.6 Registration of Persons**

- (1) All applicants for registration must follow the application procedure as prescribed in paragraph 1.3 above using the form prescribed in Schedule 2 to these Rules.
- (2) Such registration includes the following categories of persons:
  - (a) Registration as a Special Employee.
  - (b) Registration of other employees.
  - (c) Persons Associated With Provision of Gaming Equipment.

#### **1.7 Suitability of Third Parties / Certificate of Suitability**

All applicants for certificates of suitability must follow the application procedure as prescribed in paragraph 1.3 above using the form prescribed in Schedule 2 to these Rules.

#### **1.8 Relocation of Business to Other Premises**

A licensee must follow the application procedure as prescribed in paragraph 1.3 above for the relocation/removal, whether permanently or temporarily, of his or her business from the premises specified in the licence to other premises, using the form prescribed in Schedule 2 to these Rules.

### **1.9 Notification to Board of Disqualifying Information**

A licensee must notify the Board of any disqualifying information in terms of the Act of any owner, director, officer or registered employee by means of the completion and submission of the prescribed form as contained in Schedule 2 to the Rules.

### **1.10 Reports of Cheating or Contravention of the Act, Regulations or Rules**

A licensee must report any acts of cheating or contravention of the Act, Regulations or Rules to the Board within twenty-four (24) hours of the discovery thereof by means of the completion and submission of the prescribed form, as contained in Schedule 2 to the Rules.

### **1.11 Control of Evidence and Destruction of Cheating Devices**

The licensee's procedure in its ICS for the handing over to the Board of any article or property which article or property constitutes a cheating device must include the following:

- (1) A licensee must submit a written submission to the Board detailing the incident in which the cheating device was used, a description of the cheating device, the name of the person involved in the incident and whether or not the matter was reported to the SAPS.
- (2) The cheating device must be hand-delivered to the office of the Board in a sealed box or container within ten (10) days of the cheating device having been identified and seized by the licensee, unless the cheating device has been seized for the purposes of court or internal disciplinary proceedings.

### **1.12 Extension of Time for Reporting**

A licensee must make application to the Board for any extension of time for filing any report or document required by the Act, the Regulations or these Rules by means of the completion and submission of the prescribed form as contained in Schedule 2 to the Rules.

### **1.13 Excluded Persons**

A licensee's procedures for self-exclusion must, at a minimum, include the following provisions:

- (1) Reasonable measures to identify and restrict access to gambling by persons who have requested to be excluded from participating in gambling;
- (2) Self-exclusion must only be lifted upon production of a certificate by a psychologist, psychiatrist or any registered counsellor. The certificate should at least certify that the patron has attended counselling sessions and that in his/her opinion the patron is fit and competent to participate in gambling;
- (3) Whilst the Board and the gambling operators will make reasonable efforts to give effect to the request for exclusion, it is the patron/player's responsibility to refrain from participating in gambling during the period of exclusion. Both the Board and the licensee shall not be liable, whatsoever, for any damages that may be suffered as a result of the patron participating in gambling during the period of self-exclusion;

- (4) A licensee may institute criminal proceedings for trespassing, against persons participating in gambling during the period of exclusion;
- (5) A licensee must, on a monthly basis, supply the Board with details of persons who requested to be excluded from gambling;
- (6) The details contemplated in (5) above, must at a minimum contain:
  - (a) The name of the patron;
  - (b) The identity number;
  - (c) Electronic photograph;
  - (d) Name of licensee;
  - (e) Dates and time of request; and
  - (f) Duly signed exclusion form.

#### **1.14 Credit Extension**

A licensee must develop controls and procedures in accordance with the Rules and which include credit limits.

#### **1.15 Advertising**

The restrictions pertaining to advertising and the promotion of gambling activities in terms of the National Gambling Act, 2004 reads as follows:

- (1) A person must not advertise or promote-
  - (a) any gambling activity-
    - (i) in a false manner; or
    - (ii) that is unlawful in terms of this Act or applicable provincial law; or
  - (b) a gambling activity, other than an amusement game, in a manner intended to target or attract minors.
- (2) Any advertisement of a gambling machine or device, a gambling activity, or licensed premises at which gambling activities are available -
  - (a) must include a statement, in the prescribed manner and form as set out in the National Responsible Gambling Programme, warning against the dangers of addictive and compulsive gambling; and
  - (b) must not include any element that directly, or indirectly, promotes or encourages the removal of a person from the register of excluded persons.
- (3) A person must not advertise or promote any gambling or related activity as being available to the public free of charge or at a discounted rate contrary to this Act, as an inducement for gambling.

- (4) The Minister may by regulation in accordance with section 87 of the National Gambling Act exempt any specific type of advertising or advertising media from the application of this section if the Minister is satisfied that the advertising is not targeted to the general public.

## **1.16 Management of Complaints or Disputes**

### **1.16.1 Record of Complaints or Disputes**

- (1) A licensee's procedures pertaining to patron disputes or complaints must include the recording, resolving and referral of patron disputes or complaints in accordance with the Rules.
- (2) A licensee must maintain a Dispute/Complaints Register which must have numbered pages and must reflect the following information:
- (a) Name of the complainant;
  - (b) Date and time of the dispute/complaint;
  - (c) Nature of the dispute/complaint;
  - (d) Measures or steps taken to resolve the dispute/complaint;
  - (e) Details regarding the resolution or referral of the dispute to the Board, as the case may be; and
  - (f) The signature of the complainant as well as the designated employee allocated to this function in the licensee's approved ICS.

### **1.16.2 Lodging of Gaming Disputes to the Board**

- (1) Any patron or licensee who wishes to submit a gaming dispute to the Board must:
- (a) Do so in writing addressed to the Chief Executive Officer of the Board within sixty (60) days from the date upon which the dispute arose, by means of the completion of the prescribed form as contained in Schedule 2 to the Rules; and
  - (b) At the same time furnish full particulars of such dispute, and where applicable, substantiating documentation to support the dispute.
- (2) The relevant parties may be required to attend a hearing of the Board regarding the dispute, where, at the conclusion of the hearing, the Board will adjudicate upon the dispute.

## **1.17 Administration and Accounting Systems**

### **1.17.1 Accounting and Verification of Taxes and Levies Systems**

A licensee's controls or procedures for the purposes of verifying taxes and levies must include the following:

- (1) Development, implementation and review of financial controls.
- (2) Reconciliation of gambling revenue on a monthly basis.
- (3) Preparation and control of financial records and data.
- (4) Storage of financial records.
- (5) Verification of the integrity and validity of all financial information.
- (6) Preparation of all financial reports.

#### **1.17.2 Claims for Refund of Overpaid Gaming Tax**

A licensee must lodge a written claim to the office of the CEO of the Board, using the prescribed form as contained in Schedule 2 to the Rules, motivating the claim for the refund.

#### **1.17.3 Patron Cash or Cash Equivalent Deposits**

A licensee's procedures to ensure proper accounting for patron's deposits must include the following:

- (1) The maintenance of a detailed record for each patron, including the date of all funds deposited and withdrawn, and a running balance.
- (2) The maintenance of a current running balance of the total of all patrons' deposits which are in the Cashier's Cage or secure cash storage area inventory.
- (3) The reconciliation, on at least a daily basis, of the total current running balances, with the individual deposits and withdrawals.
- (4) The receipt or withdrawal of a patron's deposit must be recorded by means of a pre-numbered document consisting of at least two parts, which must contain the following:
  - (a) Identical pre-printed number on all copies;
  - (b) Patron's name and signature;
  - (c) Date of receipt or withdrawal of the deposit;
  - (d) Amount of the deposit or withdrawal;
  - (e) Nature of the deposit or withdrawal; and
  - (f) Signature of the Cashier receiving or disbursing the deposit.

#### **1.17.4 Retention of Unclaimed Money or Instruments of Value**

The procedures for the retention of unclaimed money or instruments of value must include, at a minimum, the following:

- (1) The money or instrument of value must be placed in a separate fund in line with the

objectives of the Board in terms of Section 6 of the Act, for a period of twelve (12) months, and such funds must be moved from the licensee's general ledger after such period.

- (2) In the event that a patron claims the money or value instrument within the twelve (12) month period, the licensee must repay the patron within sixty (60) days and such repayment recorded.
- (3) The licensee must determine the manner in which the money must be disposed of.
- (4) No payment of money or prizes won by a minor may be issued and the process for dealing with aforementioned must be in accordance with paragraph (1) above.

## **1.18 Gaming Machines and Gaming Equipment**

### **1.18.1 Registration of Gaming Machines and Gaming Equipment**

A licensee must follow the application procedure as prescribed in paragraph 1.3 above for the registration of any gaming equipment or machine in accordance with Section 59 of the Act, using the form prescribed in Schedule 2 to these Rules.

### **1.18.2 Deregistration of Gaming Machines and Gaming Equipment**

A licensee must follow the application procedure as prescribed in paragraph 1.3 above for the approval of deregistration of any gaming equipment or machine using the form prescribed in Schedule 2 to these Rules.

### **1.18.3 Alterations or Modification of Gaming Machines and Gaming Equipment**

A licensee must follow the application procedure as prescribed in paragraph 1.3 above for the approval of any alteration or modification of gaming machines and gaming equipment, using the form prescribed in Schedule 2 to these Rules.

### **1.18.4 Distribution Records of Gaming Machines and Gaming Equipment**

A licensee's ICS in respect of distribution records of gaming machines and gaming equipment must include, but not be limited to, the following:

- (1) A record of the following information must be maintained:
  - (a) The name, registered address, and physical address of the purchaser or person to whom the shipment is being made, if either is currently licensed by the Board;
  - (b) The full name, province of residence, address, telephone number, identification number or passport number, of both the purchaser and the person to whom the shipment is being made, if neither is currently licensed by the Board;
  - (c) The destination, including the port of exit if the destination is outside South Africa;

- (d) The number of gaming machines or pieces of equipment to be shipped;
  - (e) The model number, game type, software registration number(s) of each game, and the year that each machine was manufactured;
  - (f) The denomination of each gaming machine;
  - (g) The serial number of each gaming machine;
  - (h) The expected date and time of shipment;
  - (i) The method of shipment and name and address of carrier;
  - (j) The seal number or numbers of the container or containers, in which the gaming machines or equipment are being shipped; and
- (2) A certified copy of a valid licence or, in respect of countries where licenses are not required, a sworn statement to that effect, together with supporting documentation; including a sworn statement by the purchaser that the gaming machine or equipment will be used only for lawful purposes, must be maintained on record.

#### **1.18.5 Sale, Transfer, or Destruction of Gaming Machines and Gaming Equipment**

A licensee must follow the application procedure as prescribed in paragraph 1.3 above for the approval of the sale, transfer or destruction of gaming machines and/or gaming equipment using the form prescribed in Schedule 2 to these Rules.

#### **1.19 Amusement Machines**

Any person applying to the Board for the registration of an amusement machine; for authority to keep and make amusement machines available; and for the amendment of registration or transfer of authority to keep and make amusement machines available, must follow the application procedure as prescribed in paragraph 1.3 above using the form prescribed in Schedule 2 to these Rules.

## **PART 2 CASINO**

In addition to the general minimum standards detailed in Part 1 above, casino licensees must ensure the inclusion of the standards and procedures contained herein, in their internal control standards for consideration and approval by the Board.

### **2. CASINO OPERATIONS**

#### **2.1 Application for Licence**

A person who wishes to operate as a casino licensee must apply to the Board in the manner prescribed in paragraph 1.3 above using the form prescribed in Schedule 2 to these Rules.

#### **2.2 Organisational Structure**

Unless otherwise approved by the Board, every casino licensee's organisational structure and jobs' compendium must include certain mandatory functions that are responsible for the following:

##### **2.2.1 Surveillance**

- (1) The Surveillance function must be supervised by a manager, as prescribed in the licensee's jobs' compendium approved by the Board, and such function will be responsible for the following:
  - (a) The clandestine surveillance of the operation and conduct of table games;
  - (b) The clandestine surveillance of the operation of gaming machines and currency acceptors;
  - (c) The clandestine surveillance of the operation of the cashier's cage, satellite cages and secure cash storage areas;
  - (d) The visual recording by means of data storage of the activities in the hard and soft count rooms;
  - (e) The detection of cheating, theft, embezzlement and other illegal activities in the casino, count rooms, cashier booths, cashier's cage and other locations within the casino;
  - (f) The detection of the presence, in the casino, of any person who is required to be excluded, or who may be excluded or refused entry, or of any person who is prohibited from entering a casino.
  - (g) Timely notification must be made to the appropriate supervisors and the Board of the detection, as well as video or audio recording of any person who is required to be excluded, or who may be excluded or refused entry, or who is prohibited from entering a casino;
  - (h) The visual recording by means of data storage of any activities which are deemed to be illegal or unusual;
  - (i) Providing timely notification to the appropriate supervisors and the Board of

the detection and video or audio recording of any person who is engaging in or attempting to engage in, or who is reasonably suspected of engaging in, cheating, theft, embezzlement, or any other illegal activity, including those activities prohibited by the Act, the Regulations or the Rules; and

- (j) The recording, in an incidents' log, of all illegal, unusual and operational activities monitored by the Surveillance function.
- (2) The manager of this function must report directly to a member of executive management who does not participate in the conduct of the daily operations of the casino, and who is at least at the level of Managing Director: provided that the Board may approve different reporting lines if the casino licensee can demonstrate that there are no incompatible functions.

### **2.2.2 Compliance**

- (1) The Compliance function must be supervised by a manager as prescribed in the licensee's jobs' compendium approved by the Board, and such function will be responsible for, at a minimum, the following:
- (a) To ensure compliance with all legislative requirements, licence conditions and the Board Rules.
  - (b) To co-ordinate operations with the Board in respect of projects where Board approvals and certifications are required.
  - (c) To act as custodian over unit internal control manuals and operating methods.
  - (d) Coordinating all amendments of approvals processed by the Board.
  - (e) Oversee both internal and external audit disciplines.
  - (f) Provide legal services to the General Manager.

### **2.2.3 Security**

- (1) The Security function must be supervised by a manager as prescribed in the licensee's jobs' compendium approved by the Board and such function will be responsible for the overall security of the casino including, but not limited to, the following:
- (a) The enforcement of applicable legislation;
  - (b) The physical safety of patrons in the casino;
  - (c) The physical safety of personnel employed by the casino;
  - (d) The physical safeguarding of assets transported to and from the casino floor and of the count rooms, gaming machine booths and cashier's cage;
  - (e) The protection of the property of the casino;
  - (f) The detention of any person engaging in, or suspected of having engaged in, any illegal activities and the notification of the South African Police Service

and the Board of such detention;

- (g) The maintenance of a secure incident record book or electronic occurrence book with a non-erasable audit trail, which contains the following information:
  - (i) The occurrence number, which must be sequentially assigned;
  - (ii) The date, time, and nature of the incident;
  - (i) Person/s involved in the incident; and
  - (iv) The security personnel assigned to the incident.
- (h) The identification and removal of any person who is required to be excluded, or who may be excluded or refused entry, or of any person who is prohibited from entering a casino; and
- (i) The performance of all duties and responsibilities in accordance with the licensee's ICS approved by the Board.

#### **2.2.4 Gaming**

- (1) The Gaming function must be supervised by a manager as prescribed in the licensee's jobs' compendium approved by the Board and such function will be responsible, but not limited to, the following:
  - (a) Operation and maintenance of gaming machines and/or tables operations approved and authorised by the Board; but excluding the count process, computer applications and data files which are considered to be incompatible functions.
- (2) Every casino licensee must employ the personnel listed herein, regardless of the position titles assigned to such personnel by the casino licensee in its approved jobs' compendium.
- (3) The functions described in these standards must be performed only by persons holding the appropriate registration required by the casino licensee's approved jobs' compendium to perform such functions; or by persons holding the appropriate registration required by the casino licensee's approved jobs' compendium to supervise persons performing such functions.
- (4) A casino licensee may utilise personnel in addition to those contemplated herein, subject to approval by the Board and the Rules must apply *mutatis mutandis*.
- (5) In order to ensure proper conduct and effective control and supervision of gaming in a casino, a licensee may apply to the Board for the utilisation of additional personnel.

##### **2.2.4.1 Table Games**

The personnel used to operate the table games in a casino in accordance with the casino licensee's approved ICS, must include:

- (1) Dealers who must be the persons assigned to each table game to directly operate and conduct the game.
- (2) A supervisor/inspector who must be the first-level supervisor responsible for the direct supervision of the operation and conduct of table games, where the number of table games for which he or she is responsible may not exceed two (2) simultaneous table games, unless otherwise authorised by the Board.
- (3) A manager/supervisor who must be the supervisor assigned to each shift and be responsible for the supervision of table games conducted in the casino and, in the absence of the manager/assistant manager, (detailed below) he or she must have the authority of such manager.
- (4) A manager who must be the management employee responsible for the supervision and management of table games and the casino's daily activities, and who must ensure that the tables operate in accordance with the policies and practices established by the Board of Directors of the casino licensee, in compliance with the Act, Regulations and these Rules.

#### **2.2.4.2 Gaming Machines**

The personnel used to operate the gaming machines in a casino in accordance with the casino licensee's approved ICS, must include:

- (1) Technicians who must be the persons responsible for the repair and maintenance of gaming machines and who must report directly to the manager as prescribed in the licensee's jobs' compendium approved by the Board.
- (2) Attendants who must be the persons responsible for the operation of gaming machines and must report directly to the manager/supervisor as prescribed in the licensee's jobs' compendium as approved by the Board.
- (3) Supervisors who must be the first-level supervisors responsible for the direct supervision of the operation of gaming machines.
- (4) A manager who must be the second-level supervisor responsible for the overall supervision of the gaming machine operation for each shift and must report directly to the manager/supervisor as prescribed in the licensee's jobs' compendium approved by the Board.
- (5) A manager who must be the management employee responsible for the supervision and management of the overall operation of the gaming machines.
- (6) Technicians must operate independently of attendants and supervisors within the Gaming function.

#### **2.2.5 Electronic Data-Processing / Information Technology**

- (1) The Electronic Data Processing/Information Technology function must be supervised by a manager as prescribed in the licensee's jobs' compendium approved by the Board, and such function will be responsible, but not limited to, the following:

- (a) The quality, reliability and accuracy of all computer systems used by the

- casino licensee in conducting casino operations, including the specifications of appropriate computer software and hardware.
- (b) Procedures for the security, physical integrity, audit and maintenance of:
- (i) Access codes and other data-related security controls used to ensure limited access to computers and the system-wide reliability of data;
  - (ii) Computer tapes, disks or other electronic storage media containing data relevant to the casino operation; and
  - (iii) Computer hardware, communications equipment and software used in the conduct of the casino operation.
- (2) In addition to the above, this function will be responsible for programme changes for systems that have been custom-developed as follows:
- (a) Requests for new programmes or programme changes must be reviewed by the designated supervisor or member of personnel identified in the licensee's approved jobs' compendium;
  - (b) Approval to commence work on the programme must be documented and retained;
  - (c) Maintenance of a written implementation plan for new and modified programmes and must include, but not be limited to, the following:-
    - (i) The date the programme is to be placed into service;
    - (ii) Where applicable, the nature of the change;
    - (iii) A description of procedures required in order to bring the new or modified programme into service; and
    - (iv) An indication as to the identity of the person performing all such procedures.
  - (d) New and modified programmes must be tested prior to implementation, and documentation in support of this must be maintained; and
  - (e) A record of the final programme or programme changes, including evidence of user acceptance, date in service, programmer, and reason for changes, must be maintained.
- (3) Computer security logs, if generated by the system, must be reviewed by the Electronic Data Processing/IT supervisory personnel for any evidence of:
- (a) Multiple attempts to log-on;
  - (b) Any changes to live data files; or
  - (c) Any other extraordinary transactions.
- (4) The EDP/IT function must be separate from the gaming areas.
- (5) The EDP/IT personnel must require authorised access to -

- (a) Computers and terminals located in gaming areas;
- (b) Source documents; and
- (c) Live data files, excluding test data.

#### **2.2.6 Cash Desk / Cashier's Cage**

- (1) A cash desk/cashier's cage must be supervised by a manager as prescribed in the licensee's jobs' compendium approved by the Board and which function will be responsible for the control and supervision of the cash desk/cashier's cage and cage employees, including the following:
  - (a) The custody of currency, coin, patron credit instruments, gaming chips, tokens and plaques, and documents and records normally associated with the operation of a cashier's desk/cage;
  - (b) The exchange, redemption and consolidation of patron credit instruments;
  - (c) The receipt, distribution and redemption of gaming chips, tokens and plaques; and
  - (d) Other functions normally associated with the operation of a cashier's cage/cash desk and cashier booths.
- (2) The cashier's cage/cash desk must be independent of the count in respect of revenues from table games and gaming machines.

#### **2.2.7 Internal Audit**

- (1) A separate function whose primary responsibility will be to perform internal audit work must be maintained by every casino licensee.
- (2) The Internal Audit function must be supervised as prescribed in the licensee's jobs' compendium approved by the Board and such function will be responsible, at a minimum, for the following:
  - (a) The review and evaluation of the adequacy of internal controls and their compliance with the minimum internal control standards stipulated in the Act, Regulations and these Rules;
  - (b) The reporting to the licensee's Board of Directors, a committee thereof, the executive management, or any reporting structure approved by the Board, of all incidents of non-compliance with the minimum internal control standards stipulated in the Act, Regulations and these Rules;
  - (c) The reporting to the licensee's Board of Directors, or a committee thereof, the executive management, and the Board, of any material weaknesses in the system of internal control;
  - (d) The recommendation to the management of the licensee's business procedures aimed at eliminating any material weaknesses in the system of internal control;

- (e) The preparation and maintenance of reports which contain the information required in terms of this standard;
  - (f) The preparation of documentation in support of all internal audit work performed, in line with internal auditing standards;
  - (g) The submission of Internal Audit reports to the Board within three (3) months of the final report having been issued; and
  - (h) The reporting of progress of the resolutions of audit findings and exceptions raised resulting from internal audit work and the submission thereof to the Board every three (3) months.
- (3) The following activities must be observed and examined by Internal Audit for purposes of ensuring compliance with the Board's Minimum Internal Control Standards and Procedures, and they must be reviewed at least every six (6) months:
- (a) Table Games:
    - (i) Fill and credit procedures;
    - (ii) Soft drop and/or count procedures and the subsequent transfer of funds;
    - (iii) Random testing of count room currency, counters, location and control over sensitive keys; and
    - (iv) Tracing of source documents to summarised documentation and accounting records, and reconciliation to restricted copies.
  - (b) Gaming Machines:
    - (i) Jackpot payout and gaming machine fill procedures;
    - (ii) Gaming machine drop and/or count and subsequent transfer of funds;
    - (iii) Random testing of weigh scale and weigh-scale interface (where licensees are still using coins and/or tokens);
    - (iv) Random testing of count room currency counters, and gaming machine drop cabinet access;
    - (v) Tracing of source documents to summarised documentation and accounting records;
    - (vi) Reconciliation to restricted copies, location and control over sensitive keys; and
    - (vii) Compliance with approved gaming software duplication procedures.
  - (c) Cashier's Cage/Cash Desk:
    - (i) All cashier's cages/cash desk, credit and collection procedures;
    - (ii) The reconciliation of trial balances to physical instruments on a sample basis;
    - (iii) cashier's cage/cash desk and designated secure storage area accountability and reconciliation to the general ledger.
  - (d) Electronic Data Processing:
    - (i) Review for compliance with electronic data-processing rules and the

relevant prescribed minimum standards relating thereto.

- (e) Reconciliation of gross revenue from the accounting records to Board tax returns; and
- (f) Review of all casino-related balance sheet accounts at least every six (6) months.

### **2.2.8 Accounts**

- (1) The Accounts function must be supervised by the manager as prescribed in the licensee's jobs' compendium approved by the Board and must be responsible for the control and supervision of the cash desk/cashier's cage, satellite cages, cashier booths including, but not limited to, the following:
  - (a) Accounting controls;
  - (b) The day to day accounting functions with regard to the operation of the Gaming function and the cash desk/cashier's cage;
  - (c) The preparation and control of records and data;
  - (d) The control of stored data, the supply of unused forms, and the accounting for and comparing of forms used in operating the casino;
  - (e) The preparation of all financial and management reports;
  - (f) On a daily basis, the checking, verification and attesting to the accuracy of both the hard and soft counts for casino and gaming machines;
  - (g) The control over controlled or secured stationery, ensuring that:
    - (i) Any stationery requiring strict security controls by virtue of it representing a value in a casino, is purchased from a supplier who has been approved by the Board and granted a certificate of suitability; and
    - (ii) Secured stationery is checked on a daily basis for completeness, that all copies are present, that no unauthorised alterations have been made, and that the stationery is being used in numerical sequence.
  - (h) The cash desk/cashier's cage or secure cash storage area must be audited on a monthly basis, and all variances reported to the employee prescribed in the licensee's jobs' compendium approved by the Board.
- (2) A designated employee within the Accounts function must be responsible for:
  - (a) Ensuring that access to the casino management system is only given to authorised personnel; and
  - (b) Authorising all journal entries and ensuring that revenues, expenses, assets and liabilities are reconciled to the general ledger on a monthly basis.
- (3) The Accounts function must be separate from the Gaming function.

### 2.3 Cash Desk Procedures

A licensee's ICS in respect of cash desk funds procedures and controls must include the following:

- (1) Cashier floats must be returned to the secure storage area if there are no employees assuming duty.
- (2) A designated supervisor must verify the count and the accounting documentation must be signed by the designated supervisor and the employee leaving duty.
- (3) Cashier booth accounting documentation must be forwarded at the end of the shift, or at the end of the gaming day, directly to the Accounts function for verification purposes, or placed in a secured location which is accessible to members of the accounts personnel only.
- (4) The wrapping of loose coinage from cashier booths and cage cashiers must be performed at a time or location which does not interfere with the hard count or wrap process, or the accounting of that process.
- (5) A record must be maintained which provides evidence of the transfers of any value from the cashier booths to any other location where cash transactions are performed between casino employees.
- (6) The cask desk/cage cashier and the recipient cashier must sign the transfer documentation.
- (7) Cashier booths which are active during a shift, must be reconciled by the employees leaving duty and assuming duty using appropriate accounting documentation, which must be signed by all employees performing the count.

### 2.4 Electronic Data Processing ("EDP") / Information Technology

A licensee's ICS must include the restriction and control of access to computers, hardware, software and data, and must include, but not be limited to, the following:

#### 2.4.1 General EDP / IT Controls

- (1) Every user must have his/her own individual password which must be encrypted by means of a minimum 128-bit encryption key, and be changed at least once a month with each change being documented.
- (2) A user must use a different password every month over a twelve (12) month period.
- (3) The computer system must deny a user access after three attempts to log-on.
- (4) Adequate backup and recovery procedures must be applied and, where applicable, must include the following:
  - (a) Daily backup of data files;
  - (b) Backup of all programmes;
  - (c) Secure off-site storage of all backup data files and programmes, or other

adequate protection;

- (d) Recovery procedures tested at least quarterly; and
- (e) Maintenance of adequate system documentation including, but not limited to, descriptions of both hardware and software and operator manuals.

#### **2.4.2 Modems**

Whenever remote dial-up to any gaming equipment is permitted for purposes of software support or verification, the licensee must maintain an access log, which includes the following information:

- (1) The name of employee authorising modem access;
- (2) The name of the authorised programmer or manufacturer representative;
- (3) The reason for modem access;
- (4) A description of the work performed; and
- (5) The date, time and duration of the access.

#### **2.4.3 Electronic Storage Media**

- (1) Documents may be scanned or directly stored to electronic storage media, subject to the following conditions:
  - (a) The electronic storage media must contain the exact duplicate of the original document;
  - (b) All documents stored on electronic storage media must be maintained with a detailed index containing the name of the casino department and date for a period of five (5) years, and such index must be available upon request by the Board;
  - (c) Hardware must be provided in order to perform auditing procedures upon the request of the Board; and
  - (d) The existence of controls to ensure the accurate reproduction of records up to and including the printing of stored documents used for auditing purposes.
- (2) Whenever source documents and summary reports are stored on rewriteable electronic storage media, the electronic storage media may not be relied upon for the performance of any audit procedures, and the original documents and summary reports must be retained for a period of five (5) years.

#### **2.4.4 Personnel Access to Computerised Gaming Machine Systems**

- (1) A personnel access list must be maintained in respect of all computerised gaming machine systems, which includes the following information:
  - (a) The employee's name;

- (b) The employee's identification number or other equivalent number; and
  - (c) A list of functions the employee is entitled to perform or some other equivalent means of identifying such functions.
- (2) An audit trail must be maintained of all changes made to any individual's access to the system, and must contain the following information:
- (a) The name of the employee who performed the change;
  - (b) The name of the employee whose access was changed;
  - (c) A description of the access which was added or deleted;
  - (d) The date and time of the change;
  - (e) A computer-generated sequential number; and
  - (f) Any amendment to access rights resulting from a system upgrade.

#### **2.4.5 Duplication of Programme Storage Media**

Every licensee must develop internal control systems and procedures for performing duplication of programme storage media.

#### **2.4.6 Table Games Computer-Generated Documentation**

The computer-generated documentation used to record table games' transactions must include the following:

- (1) System exception information, including appropriate system parameter information, corrections and voids.
- (2) A personnel access listing, including:
  - (a) The employee's name;
  - (b) The employee's identification number; and
  - (c) A list of the functions the employee performs or an equivalent means of identifying such functions.

### **2.5 Key Control Standards**

The internal control systems and procedures in respect of the control of keys must include, but not be limited to, the following:

#### **2.5.1 Controlled Keys**

The following keys are regarded as controlled keys:

- (a) Drop box release keys;

- (b) Drop box storage rack keys;
- (c) Drop box contents keys;
- (d) Gaming machine drop and cabinet keys;
- (e) Count room keys (soft, hard and currency acceptor count rooms);
- (f) Currency acceptor canister storage rack keys;
- (g) Currency acceptor canister release keys;
- (h) Currency acceptor contents keys;
- (i) Cashless server key;
- (j) Keys for storage area for dice, cards and roulette balls;
- (k) All duplicates of the keys listed in paragraphs (a) to (j), inclusive.

### **2.5.2 Key Control Logs**

- (1) Key control logs must be maintained for keys listed in 2.5.1 above.
- (2) All key control logs must contain, at a minimum, the following information for each of the keys mentioned in paragraph 2.5.1 above:
  - (a) Date and time the keys are obtained;
  - (b) Legible signature, printed name and company identification number of the custodian releasing the keys;
  - (c) Legible signature, printed name and company identification number of the person obtaining the keys;
    - (i) In the event that a key is required outside of approved clearance times, the reasons for the use and removal of the key; and
    - (ii) Date and time the keys are returned to the custodian;
  - (d) Legible signature, printed name and company identification number of the person returning the keys; and
  - (e) Legible signature, printed name and company identification number of the custodian receiving the keys.
- (3) Key control logs must be periodically forwarded to the Internal Audit function for scrutiny and retention.
- (4) All entries in the keys control logs must be in indelible ink or some other form of permanent record.

### **2.5.3 Key Control Standards**

#### **2.5.3.1 Tables: Drop Box Release Keys**

- (1) Drop box release keys must be maintained by a function independent of the Gaming

function (tables) and must require persons from at least two separate departments to act as custodians and to access the keys.

- (2) Persons authorised to remove table games' drop boxes from the tables must be precluded from having access to drop box contents keys.

#### **2.5.3.2 Tables: Drop Box Storage Rack Keys**

- (1) An authorised member of the security personnel must control drop box storage rack keys each time drop boxes are removed from or placed in the storage racks.
- (2) Such person/s is precluded from maintaining custody of or having access to drop box release keys, with the exception of the count team in cases where the boxes are reset during the count.

#### **2.5.3.3 Tables: Drop Box Contents Keys**

- (1) The physical custody and access controls must be such that the drop box content keys necessary for accessing stored full drop box contents require the involvement of persons from at least three separate functions, one of which must be security personnel.
- (2) Controls must be implemented that provide for the surveillance personnel to be notified immediately each time the drop box release keys are accessed.
- (3) Surveillance personnel must verify that persons obtaining the keys are authorised to do so and that at least three people from different functions are present.
- (4) Access to the drop box content keys at other than scheduled count times, must require:
  - (a) The involvement of at least three persons from separate functions, one of which must be security personnel;
  - (b) The authorisation of casino management personnel;
  - (c) The documentation of the reason for the unscheduled access;
  - (d) The signature of all participants and observers; and
  - (e) Where the unscheduled access to drop box contents keys is authorised in terms of this rule, surveillance personnel must observe and record the movement of such keys for the entire duration that the keys are unsecured.

#### **2.5.3.4 Gaming Machine: Coin Drop Cabinets**

- (1) The keys necessary to access gaming machine coin drop cabinets must be safeguarded in a manner that requires at least three individuals, one of whom must be a member of security personnel, to access the drop cabinet area.
- (2) Security personnel, other than the key custodian and at least one other employee who is independent from the key custodian, must be required to accompany the keys necessary to access gaming machine coin drop cabinets while they are being

checked, and must observe each time, gaming machine drop cabinets are accessed.

- (3) Surveillance personnel must be notified and must observe and record the drop process throughout the period that the keys are being checked.

#### **2.5.3.5 Gaming Machine: Currency Acceptor Canister Keys**

- (1) Only employees authorised to remove the currency acceptor canisters, one of whom must be a member of the security personnel, must be permitted access to the currency acceptor canister keys.
- (2) In cases where it is necessary to remove the currency acceptor canisters other than at scheduled drop times, the surveillance personnel must be notified and must observe and record the entire process.
- (3) A member of the security personnel and at least two other employees must be present for the entire duration that the keys are checked.
- (4) The currency acceptor canister keys must be separately stored from the currency acceptor contents keys, and employees performing the removal of currency acceptor canisters must be precluded from having access to the currency acceptor contents keys.
- (5) At least three members of the count team must be present each time the currency acceptor canister storage rack or trolley keys are issued for count purposes and, at all other times, a member of the security personnel and at least two other authorised persons are required to accompany such keys and observe each time full canisters are placed in the storage racks.
- (6) Currency acceptor canister contents' keys must be safeguarded in a manner which requires at least three individuals from three separate functions, one of whom must be security personnel, to access the contents.
- (7) In cases where it is necessary to remove the currency acceptor canister other than at scheduled drop times, surveillance personnel must be notified and must observe and record the entire process.
- (8) A member of management and security personnel and at least one other employee from a separate function must be present for the entire duration that the keys are removed from the key safe.
- (9) At least three count team members are required to be present at the time currency acceptor count room keys.

#### **2.5.3.6 Count Room Keys**

- (1) At least two personnel, one of whom must be a member of the security personnel and one of whom must be the count supervisor, are required to be present when the count room keys and other keys necessary to conduct counts, are issued.
- (2) The keys to the soft count room must be:

- (a) Controlled by the designated function or any of his/her delegates as contained in the ICS approved by the Board; and
- (b) Signed in and out by the authorised signatories as contained in the licensee's ICS as approved by the Board.

#### **2.5.3.7 Duplicate Keys**

- (1) All duplicate keys must be maintained in a manner which provides for the same degree of control as is required for the keys in use.
- (2) The storage location of duplicate keys must be subject to twenty-four (24) hour surveillance, and recording and controls must be implemented so that surveillance personnel are immediately notified each time duplicate keys are accessed.
- (3) Detailed records must be maintained for each key that is issued, duplicated or destroyed, and must indicate:
  - (a) The type of key;
  - (b) The number of keys issued, made or destroyed;
  - (c) The date on which the keys are issued, made or destroyed;
  - (d) The reason for the issue, manufacture or destruction of the keys; and
  - (e) The full names, designations and signatures of all persons involved in the issuing, duplication or destruction of the keys.
- (4) Representatives from at least two separate functions, one of which must be security personnel, are required to authorise and verify the issuance, duplication and destruction process.

## **2.6 TABLES**

### **2.6.1 Table Games**

A licensee must follow the application procedure as prescribed in paragraph 1.3 above for the approval of its casino table games, table game equipment or table games' Rules, or any amendments thereto, using the form prescribed in Schedule 2 to these Rules.

### **2.6.2 General Table Games Internal Control Systems and Procedures**

The licensee's ICS for table games must include the following:

- (1) Controls relating to the day-to-day operation of the casino tables, including table opening and closing times.
- (2) Table limits.
- (3) Order of payouts.
- (4) Call Bets procedures.

- (5) Emergency clearance of tables' procedures.
- (6) Established limitations in respect of signing authority for the licensee's Gaming function.

### **2.6.3 Accounting and Auditing of Table Games**

The licensee's ICS for the accounting and auditing of table games must include the following:

- (1) A reconciliation must be prepared for at least the day, week and month-to-date, and must contain sufficient information to prepare the gaming tax returns, including:
  - (a) Drop per table;
  - (b) Win per table; and
  - (c) Total gross gaming revenue.
- (2) If a table game includes the capability to determine drop by means of bill-in or coin-drop meters, currency acceptor or computerised record, or by any other means, the rand amount of the drop recorded by such means, must be reconciled to the actual drop on a daily basis.
- (3) Designated employees must review exception reports for all computerised table games' systems daily for propriety of transactions and unusual occurrences.
- (4) Audit processes undertaken and procedures used for auditing table games must be documented.

### **2.6.4 Fill and Credit Transactions**

A licensee's ICS in respect of Fill and Credit transactions must include the following:

- (1) Fill and credit slips must be in at least three parts, in a continuous numerical series, and pre-numbered or concurrently numbered in a form utilising the alphabet and only in one series at a time.
- (2) In the case of a computerised system, the computer must assign each fill and credit slip a unique identification number that will not be duplicated and will allow for the subsequent accounting of all slips issued.
- (3) Issued and un-issued fill and credit slips must be safeguarded and adequate procedures must be employed in their distribution, use and control.
- (4) In the case of a manual control system, the Accounts function or another function independent of fill and credit transactions, must be responsible for the issue and control of fill and credit slips.
- (5) Cash desk or table games employees must not be permitted access to the locked box or restricted copies of fill or credit slips.
- (6) Where a computerised system is used, employees that participate in fill and credit

- transactions must not be permitted access to data files and must be denied the ability to delete or alter such information.
- (7) When a fill or credit slip is voided after being processed, the words "VOID" must be clearly marked across the face of all copies, which must then be countersigned. All available parts must thereafter be submitted to the Accounts function for audit purposes.
  - (8) Where a computerised system is used, at least two employees from separate functions must be required to enter authorising identification numbers in order to void a fill or credit slip, and complete chronological records of the transactions and the authorisations must be retained in the computer system and printed on an exception report.

#### **2.6.4.1 Table Fill Transactions**

- (1) Fill transactions must be authorised by a designated senior employee by completing a fill slip request prior to the issue of fill slips and the transfer of chips, tokens or other monetary equivalents from the cage/cash desk to the table.
- (2) A fill slip request must be used to document the authorisation contemplated in paragraph (1) above and such request must be at least a two-part document and must include the following:
  - (a) Table number;
  - (b) Date and time;
  - (c) The amount of fill requested, by denomination; and
  - (d) The endorsement of the signatures of the supervisor authorising the fill and the cashier preparing the fill.
- (3) One part of the fill slip request must remain at the tables for subsequent comparison to the fill slip, and the other part must be taken to the cashier's cage by a member of the security personnel, for use by the cashier in the preparation of a fill slip.
- (4) Where a computerised system is used, the supervisor must provide the required information to the tables' personnel as prescribed in the licensee's approved jobs' compendium, who then enter the information into the computer system in order that a copy of the fill slip request is printed automatically in the cashier's cage.
- (5) One part of the fill slip must be transported to the tables with the fill and after the appropriate signatures are obtained, deposited into the table drop box.
- (6) One part of the fill slip must be retained in the cashier's cage for reconciliation of the cashier float.
- (7) In the case of a manual system, one part of the fill slip must be retained and secured, or in the case of a computerised system, a permanent record in the computer data files.
- (8) The table number, date, time and amount of the fill, by denomination and total, must be recorded on all copies of the fill slip.

- (9) All fills must be removed from the cashier's cage/cash desk by security personnel.
- (10) In order to verify that the fill has been counted and that the value thereof reconciles with the amount recorded on the fill slip, each fill slip must be signed by:
  - (a) The cashier who prepared the fill slip and issued the chips, plaques or tokens;
  - (b) The security personnel who conveyed the chips, plaques or tokens from the cage to the gaming table;
  - (c) The dealer who received the chips, plaques or tokens at the gaming table; and
  - (d) The supervisor who supervised the fill transaction.
- (11) Fills must be broken down and verified by the dealer in full view of the public and surveillance personnel.
- (12) Fill slips and request for fill slips must be placed in the drop box by the dealer only.

#### **2.6.4.2 Table Credit Transactions**

- (1) When table credits are transacted, a credit slip request must be prepared in order to transfer chips or other monetary equivalents from the tables to the cashier's area.
- (2) A credit slip request must be at least a two-part document and must include the table number, the date, time and amount of the credit, by denomination, and be endorsed with the full names and signature of the supervisor authorising the credit and the cashier preparing the credit slip.
- (3) One part of the credit slip request must be placed on the table in full view of the public and surveillance personnel and must be verified for correct entries, and the total amount of chips, plaques, or other monetary equivalents removed from the table must be documented.
- (4) One part of the credit slip request must be handed to the security personnel for conveyance with the chips, plaques, or other monetary equivalents to the cage, and must be used by the cashier to prepare the credit slip.
- (5) Where a computerised system is used, the supervisor responsible for the table operations must provide the required information to the tables' personnel as prescribed in the licensee's approved jobs' compendium, and must then enter the information into the computer system in order that a copy of the credit slip request may be printed in the cash desk/cage.
- (6) One part of the credit slip must be retained in the cash desk/cage for reconciliation of the cashier float, after the required signatures have been obtained.
- (7) One part of the credit slip must be handed to the tables by the security personnel who conveyed the chips or plaques from the table game to the cash desk/cage and once the appropriate full names and signatures are obtained, must be returned to the table game and deposited in the table drop box.

- (8) One part of the credit slip must, in the case of a manual system, be retained and secured or, in the case of a computerised system, a permanent record in the computer data files.
- (9) The table number, date, shift, time and amount of the credit, by denomination and total, must be recorded on all copies of the credit slip.
- (10) Chips or plaques must be removed from the table tray by the dealer only and must be broken down and verified against the request for credit in full view of the public and a member of the security and the surveillance personnel, prior to the said chips or plaques being placed in racks for transfer to the cash desk/cage.
- (11) Chips or plaques must not be removed from the table game until a request for credit in the equivalent amount has been placed on the table.
- (12) All chips or plaques removed from the table must be conveyed from the table to the cashier's desk/cage, or vice versa, by security personnel, as determined in the licensee's approved jobs' compendium.
- (13) In order to verify that the chips or plaques have been counted and that the value thereof reconciles with the amount recorded on the credit slip, credit slips must be signed by:
  - (a) The cashier who received the items which were transferred from the tables and who prepared the credit slip;
  - (b) The security personnel who carried the items which were transferred from the table to the cashier's desk/cage, and thereafter returned to the tables with the credit slip;
  - (c) The dealer who had custody of the chips or plaques prior to transfer thereof to the cash desk/cage; and
  - (d) The responsible supervisor who supervised the credit transaction.
- (14) The credit slip and the request for credit must be placed in the drop box by the dealer only.
- (15) Chips or plaques must be deposited on, or removed from table games only when the appropriate fill or credit slip is tendered and fills between two tables are strictly prohibited.

#### **2.6.5 Count Room**

- (1) The count room must:
  - (a) Be of a brick or concrete construction and both the ceiling and the floor be solidly constructed;
  - (b) Have no external windows;
  - (c) Have an emergency battery-lighting system which must be automatically activated in the event of a power failure and must have sufficient power to last until such time as backup power has been activated;

- (d) Be equipped with a panic alarm system which is:
    - (i) Connected to the surveillance office and with an easily accessible panic button or switch; and
    - (ii) Tested before the start of the count each day;
  - (e) Be equipped with an internal telephone.
- (2) The door to the count room must be:
    - (a) Locked or bolted from the inside while the soft count is taking place; and
    - (b) Fitted with a one-way spy hole.
  - (3) The lighting in the count room must be arranged so that there is no reflection from the count table onto the closed-circuit television cameras in the room.
  - (4) The surface of the count table must be of clear, toughened glass or a transparent, scratch-resistant alternative and there must be no shelves or objects upon, above or below the table, that would obstruct the view of the count supervisor or the closed-circuit television cameras.
  - (5) There must be a clear partition on the count table, so that the cash and chips which have not been counted will be separated from the cash and chips which have been counted.
  - (6) The count room must contain a safe or a lockable metal shelving system to secure uncounted cash in the event that the count is not completed on that business day.
  - (7) The count room must house a closed-circuit television system to allow for the entire process to be monitored and recorded.
  - (8) There must be a device within the count room capable of detecting any movement within the room once the drop boxes have been locked in the room.
  - (9) An alarm device must be installed on the count room door which is activated once the drop boxes have been locked in the room.

#### **2.6.6 Soft Count Procedure**

A licensee's ICS in respect of the soft count must include, but not be limited to the following:

- (1) The soft count must not be performed at the same time and at the same location as the count of other revenue functions.
- (2) The count personnel must be independent of the gaming personnel and must have no involvement in the subsequent accounting of the soft drop proceeds.
- (3) There will be at least three (3) persons, one of whom must be the count supervisor, present during the count.
- (4) Only English must be spoken in the count room.

- (5) The Security and Surveillance functions must be notified of the intention of any person to enter the count room prior to such person entering the count room.
- (6) The count process and any sound during such process must be monitored and recorded by the surveillance system.
- (7) Access to the count room during the count is restricted to members of the drop and count teams.
- (8) Access to stored drop boxes, whether full or empty, must be restricted to members of the drop and count teams only.
- (9) The count room door must only be opened during a count upon request of an authorised person after the count table has been cleared of all chips and cash.
- (10) At no time during the count must more than one person at a time leave the count room until all monies have been counted, verified and accepted into the cage or vault, except as provided in the casino licensee's ICS.
- (11) Count team members must be routinely rotated in such a way that the same three individuals are not grouped together in the count for more than four (4) days in any week.
- (12) The keys to the drop boxes as well as the drop box storage facility must be signed out from the security personnel, as authorised in the licensee's ICS approved by the Board.
- (13) Locked drop boxes must be removed from tables by security personnel, or a clearance team that is independent from the tables operation, under the supervision and attendance of a senior gaming staff member.
- (14) The drop boxes must be transferred to a secure storage area, which may be located in the count room.
- (15) The removal and transportation of the drop boxes must be monitored and recorded by surveillance personnel on the casino's closed-circuit television system.
- (16) All drop boxes must be cleared from the tables, regardless of whether the tables were opened or not.
- (17) The drop boxes removed must be placed in a trolley for transportation purposes and the drop boxes and trolley must remain in full view of the closed-circuit television cameras at all times.
- (18) All drop boxes removed from the table must be secured in the secure storage area.
- (19) Drop boxes must be individually emptied and counted and no more than one box may be open at any one time.
- (20) The count documentation of each box must be recorded in indelible ink or other permanent form of recording.
- (21) If currency counters are utilised and the count room table is used only to empty boxes and sort or stack contents, a count team member must, at all times, observe the loading and unloading of all currency at the currency counter, including rejected

- currency.
- (22) Drop boxes, when empty, must be shown to the other members of the count team who are observing the count, and to the closed-circuit television camera.
  - (23) Cash desk/cashier's cage and drop box copies of the fill or credit slips must be matched or otherwise reconciled by the count team or Accounts function to verify that the total rand amounts for the gaming day are identical.
  - (24) Requests for fills and credits must be matched to the fill or credit slips by the count team in the event that this function is not performed by accounts personnel.
  - (25) Fills and credits must be traced to, or recorded on, the count sheet or verified against electronic transaction reports, and must be examined for correctness by the count team, in the event that this function is not performed by accounts personnel.
  - (26) Copies of the markers removed from the drop boxes must be:
    - (a) Traced to or recorded on the count sheet by the count team; and
    - (b) Totalled and traced to the totals documented by the computerised system.
  - (27) The opening or closing table sheet and marker inventory forms, where applicable must be:
    - (a) Examined and traced to or recorded on the count sheet; or
    - (b) Where a computerised system is used, accounts personnel may trace the opening or closing table and marker inventory forms, where applicable, to the count sheet: Provided that any discrepancies must be investigated and the findings of the said investigation must be documented and made available for inspection by the Board.
  - (28) Corrections to information originally recorded by the count team on soft count documentation must be made by crossing out the error, entering the correct figure and thereafter obtaining the initials of at least two members of the count team to verify the change on the count sheet.
  - (29) The total count recorded on the count sheet must be reconciled to the total cash removed from the drop boxes by a count team member who does not function as the count team member who records that particular count.
  - (30) All members of the count team must attest by signature to the accuracy of the table games count.
  - (31) All monies and monetary equivalents that were counted must be turned over to the cash desk/cashier's cage/secure cash storage area, or on-site cash bureau facility, who must be independent of the count team and must certify by signature to the accuracy of the monies delivered and received.
  - (32) Where the soft count takes place on the day after the business day, the drop boxes will be locked into a safe or a lockable area within the count room and the process will be monitored and recorded by means of the closed-circuit television system.
  - (33) Observers and supervisors needed for the purpose of resolving problems,

- maintenance personnel and personnel required to collect the empty drop boxes for purposes of putting them on the tables, may enter the count room only if properly authorised.
- (34) The count sheet, with all supporting documents, must be promptly delivered to the Accounts function by the count team supervisor at the conclusion of the count, or the documentation may be placed in a locked container to which only accounting personnel can gain access until retrieved by accounts personnel.
- (35) The involvement of at least two individuals independent of the cash desk/cashier's cage, one of whom must be security personnel, must be required to access empty drop boxes.

## **2.7 CASINO GAMING MACHINES AND GAMING EQUIPMENT**

### **2.7.1 Gaming Machine and Gaming Equipment Standards**

- (1) All gaming machines must contain the following functioning meters:
- (a) A coin-in meter;
  - (b) A coin-out meter;
  - (c) A drop or cash box meter;
  - (d) A jackpot and credit win or hand pay meter;
  - (e) Number of games played; and
  - (f) Cashless system meters.
- (2) All gaming machines with currency acceptors must contain functioning bill-in meters which must record the rand amounts or number of bills accepted, by denomination.

### **2.7.2 EPROM or Gaming Software Control**

A licensee's ICS in respect of EPROMs or gaming software must include the following:

- (1) Verification on receipt of EPROMs or gaming software from the manufacturer, the master programme number, par percentage, and pay table, against the manufacturer's specification sheet and the Board's LOC number by the manager and supervisors as prescribed in the licensee's approved jobs' compendium, whereafter the EPROM or gaming software register must be signed by all parties present.
- (2) Registered copies of all percentage, game or personality EPROMs or gaming software, must be kept under the dual control of two employees, one of whom must be security personnel.
- (3) Maintenance of a register for all EPROMs or gaming software, which must include the following information:
- (a) EPROM or gaming software number;
  - (b) Board's LOC;

- (c) Details of the manufacturer;
  - (d) Date of the par verification and the signatures of all persons present at such verification;
  - (e) The reason for the removal of the EPROM or gaming software from the secured area, and the signatures of the individuals performing such removal;
  - (f) The date of destruction of the EPROM or gaming software, the reasons therefore, and the signatures of the individuals performing such destruction; and
  - (g) The testing device signature number.
- (4) Procedures for the electronic storage and copying of EPROMs or gaming software and the sealing of such into the machines.
  - (5) Procedures for the control of competition and promotional EPROMs or gaming software.

### **2.7.3 Machine Payouts**

#### **2.7.3.1 Theoretical and Actual Hold**

A licensee's ICS in respect of theoretical and actual hold, in accordance with the Rules, must include the following:

- (1) Record keeping of all gaming machines.
- (2) Setting of parameters which will be used to review all meter readings to assess reasonableness.
- (3) Procedures in respect of theoretical hold changes to gaming machines.
- (4) Management of gaming machine statistical reporting.
- (5) Procedures in respect of those gaming machines or groups of identical machines, excluding multi-game machines, where differences in theoretical payback percentage exceed a four percent (4%) spread between the minimum and maximum theoretical payback must be performed as follows:
  - (a) On a six-monthly basis, the meters that contain the number of plays by wager must be recorded; and
  - (b) On an annual basis, the adjusted theoretical hold percentage based on the distribution of plays by wager type, must be calculated, and the revised percentage added to the gaming machine statistical report.
- (6) For multi-game machines the following must be performed:
  - (a) At least quarterly, the recording of total coin-in meter;
  - (b) At least quarterly, the recording of coin-in meters for each game contained in the machine; and

- (c) Annual adjustment of the theoretical hold percentage to a weighted average based upon the ratio of coin-in for each game.
- (7) Maintenance of records for each machine reflecting the following:
- (a) The date the machine was placed into service;
  - (b) The date the machine was removed from operation;
  - (c) The date the machine was placed back into operation; and
  - (d) Any changes in the machine numbers and designations.
- (8) Where manual meter readings are taken, the recording of the meter reading information for all gaming machine meters, by a designated employee.
- (9) Where a computerised system is used, the meter reading information of the meters may be downloaded by the system at the time that the machine is cleared.
- (10) Where a computerised system is used, tolerance levels may be pre-set in the system to highlight these exceptions.
- (11) Upon receipt of the meter-reading summary, accounts personnel must review all meter readings for reasonableness, using pre-established and documented parameters, which must be contained in the licensee's approved ICS.
- (12) Prior to final preparation of statistical reports, meter readings that do not appear reasonable must be reviewed with gaming personnel and exceptions documented, so that meters can be repaired or clerical errors in the recording of meter readings can be corrected.
- (13) All follow-ups performed on unreasonable meter readings must be documented and retained with the report for a period of five (5) years.
- (14) A report must be produced at least monthly, showing month-to-date, year-to-date and, where practical, life-to-date of actual hold percentage computations for individual machines, compared to each machine's theoretical hold percentage.
- (15) Where promotional payouts and awards are included as a factor in preparing gaming machine statistical reports, it must be done in a manner that prevents the distortion of the actual hold percentage of the relevant machines.
- (16) A report must be produced monthly, showing year-to-date combined gaming machine performance, by denomination, and must include the following for each denomination:
- (a) The floor par, where floor par is the sum of the theoretical hold percentages of all machines within a denomination weighted against coin/bill-in contribution;
  - (b) The combined actual hold percentage;
  - (c) The percentage variance between the floor par and the combined actual hold percentage; and

- (d) The projected rand variance that is the coin/bill-in multiplied by the percentage variance.
- (17) Gaming machine statistical reports must be reviewed on a monthly basis by the management of the licensee's Gaming function.
- (18) Large variances between theoretical hold and actual hold must be promptly investigated and resolved by management, and the findings of such investigation documented and reported to the Board within fourteen (14) days of the completion of the investigation.
- (19) Maintenance of the computerised gaming machine accounting and monitoring system data files must be performed by Electronic Data Processing / IT personnel.
- (20) Updates to the computerised gaming machine accounting and monitoring system to reflect additions, deletions or movements of gaming machines, must be made at the time of the change, so as to ensure that reports reflect accurate information.

#### **2.7.3.2 Changes to Payout Percentages of Gaming Machines and Gaming Equipment**

- (1) Where changes to payout percentages are required, the following standards will apply: provided that a change may not occur more than once every three (3) months and the change may only take place during a time that the machine is not being offered for play:
  - (a) In the case of single game chip sets, the theoretical return to player in any game must not be capable of being changed without changing the chip set in the machine, and whenever such a change is made, the following must be recorded:
    - (i) The name of the person making the change;
    - (ii) The closing reading of the soft meters of the machine; and
    - (iii) Details of the change, such as, but not limited to, the chip's identification and testing device numbers.
  - (b) In the case of multi-game chip sets where a gaming machine contains a chip set with more than one game name, return to player, or bet size combination on the installed chip, such chip sets must be approved by the Board;
  - (c) In the case of multi-game chip sets where a gaming machine contains a chip set with more than one game, return to player or bet size combination, the set of games to be made available to the player may be varied via the monitoring and control system and, in such event, the following must be recorded by the monitoring and control system:
    - (i) The name of the person making the change; and
    - (ii) The closing reading of the soft meters of the game(s) being replaced.
- (3) A licensee must apply to the Board for approval of any changes to payout percentages of gaming machines by means of the completion and submission of the prescribed form (Alterations and/or Modifications) as contained in Schedule 2 to the Rules.

### 2.7.3.3 Supplementary/Promotional Payouts and Awards

- (1) A licensee must follow the application procedure as prescribed in paragraph 1.3 above for the approval of supplementary/promotional payouts and awards using the form prescribed in Schedule 2 to these Rules.
- (2) A licensee's ICS in respect of supplementary payouts and verification of same must include the following:
  - (a) All payouts and awards procedures, including verification controls.
  - (b) The form or documentation completed in respect of promotional payouts and awards must include the following information:
    - (i) The date and time;
    - (ii) The machine number and denomination;
    - (iii) The rand amount of payout, or description and value of the prize awarded if not cash;
    - (iv) The type of promotion, such as double jackpots or four-of-a-kind bonuses; and
    - (v) The signature of a supervisor from the Gaming function and at least one other employee authorising and completing the transaction.

### 2.7.4 Hand Payouts, Gaming Machine Hopper Fills, Short Pays and Accumulated Credit Payouts

A licensee's ICS in respect of hand payouts, gaming machine hopper fills, short pays and accumulated credit payouts must include the following:

- (1) Hand payouts, gaming machine hopper fills, short pays, and accumulated credit payouts procedures and verification procedures, which must include:
  - (a) For all hand payouts and gaming machine fills, the payout form or documentation must be at least three parts, or single sheet if it is computer-generated, and must include the following information:
    - (i) The date and time;
    - (ii) The machine number;
    - (iii) The rand amount of the cash payout, both alpha and numeric or the description and value of the prize awarded, if not cash;
    - (iv) In the case of handwritten payouts, the game outcome for jackpot and progressive payouts only, including reel symbols, card values and suits;
    - (v) The type of payout, including progressive, jackpot, credit win, short pay, special pay or hopper fill (where licensees still use coins);

- (vi) The signatures of all employees verifying and witnessing the jackpot payout or gaming machine hopper fill;
  - (vii) The signature of the customer; and
  - (viii) The same pre-printed or concurrently printed sequential number on all copies of the form.
- (b) For hopper fills, the payout form documentation must be at least three part or single sheet if it is computer-generated, and must include the information contemplated in paragraph (1) (a) above.
- (c) For machine short pays and payouts required for accumulated credits, the payout form must be the same form as described in paragraph (1) (a) above, and must include the following information:
- (i) The date and time;
  - (ii) The machine number;
  - (iii) The rand amount of payout, both alpha and numeric; and
  - (iv) Signatures verifying and witnessing the payout.
- (d) For short pays, the value paid must also be recorded on the machine entry log contained in the machine.
- (e) The person authorising and making the payout must sign the machine entry log.
- (2) Controls in respect of signature verifications.
- (3) Password and physical controls in respect of all payouts, including controls for verification by supervisors of all corrections made to jackpot payouts information and gaming machine hopper fills (where licensees still use coins or tokens).
- (4) Computer systems used to record gaming machine transactions must be capable of generating adequate documentation of all information recorded on the source documents and transaction detail, including jackpot payout slips and gaming machine hopper fill slips.
- (5) Access to the computer-generated documentation contemplated in paragraph (4) above, must be restricted to authorised personnel who have no incompatible functions.
- (6) The computer-generated documentation contemplated in paragraph (4) above must include the following information:
- (a) System exception information, including appropriate system parameter information, corrections and voids; and
  - (b) A personnel access listing which must include the following:
    - (i) The employee's name;

- (ii) The employee's identification number; and
  - (iii) A list of the functions the employee may perform.
- (7) Restricted copies of forms used to record jackpot payout and gaming machine hopper fills must be:
  - (a) Treated as secured and controlled stationery;
  - (b) Completed in triplicate with the same pre-printed number appearing on all copies of the form; and
  - (c) Accounted for by accounts personnel, who must investigate and provide a report, to be retained for Board inspection for a period of five (5) years in respect of all missing or altered forms.
- (8) In the case of a computerised system, the restricted copy must be in the form of restricted computer storage media, which must be verified by the Accounts function against the documents issued on the casino floor.

#### **2.7.5 Coin and Token Clearance**

A licensee's ICS in respect of coin and token clearance procedures (where applicable) must include the following standards:

- (1) A minimum of three (3) employees, at least one of whom must be a member of the Security function and one of whom must be the count supervisor, must be involved in the removal of the gaming machine drop.
- (2) If more than one clearance team is used, security personnel must be assigned to each clearance team for the duration of the clearance process.
- (3) Proper security must be provided at all times over the contents removed from the gaming machine drop cabinets, prior to the contents being transported to, and secured within, the hard count room.
- (4) If more than one trip is required to remove the gaming machine drop from all of the machines, the filled carts or coins must be locked and secured immediately in the count room, or in another equivalent manner.
- (5) The Surveillance function must monitor and record the entire gaming machine clearance process, so as to ensure that all coins and tokens are adequately safeguarded during the clearance process.

#### **2.7.6 Currency Acceptor Clearance and Counts**

A licensee's ICS in respect of currency acceptor clearance and counts must include the following standards:

- (1) The currency acceptor canister must be removed by an employee independent of the Gaming function, placed in locked trolleys, transported directly to the count room, or other similarly restricted location, and locked in a secure manner until the count takes place.

- (2) The removal and transportation of currency acceptor canisters must be performed by a minimum of three (3) employees, one of whom must be from the security personnel.
- (3) The currency acceptor count must be performed in the count room.
- (4) The currency acceptor count must be performed by at least three (3) employees as prescribed in the licensee's approved jobs' compendium.
- (5) The currency acceptor count team must be independent of the transactions being reviewed and counted.
- (6) Currency acceptor canisters must be individually emptied and counted in such a manner as to prevent the mingling of funds between canisters until the count of each canister has been permanently recorded.
- (7) The count of each canister must be recorded in indelible ink or some other permanent form of recording.
- (8) Where currency sorters and counters are utilised and the count room table is used only to empty canisters and sort or stack contents, a count team member and surveillance personnel must be able to monitor the loading and unloading of all currency at the currency counter, including rejected currency.
- (9) Currency canisters, when empty, must be shown to another member of the count team and to a surveillance camera, to verify that all the contents have been removed.
- (10) The notes counted must be reconciled with the machine meter reading on a daily basis.
- (11) Corrections to information originally recorded by the count team on currency acceptor count documentation must be made by crossing out the error, entering the correct figure, and then obtaining the initials of the count room supervisor and at least one other count team member who verified the change.
- (12) The total drop recorded on the count sheet must be reconciled with the total drop by the count team supervisor and one other count team member, who does not function as the recorder.
- (13) All members of the count team and accounts personnel, as determined in the licensee's jobs' compendium approved by the Board, must attest, by means of signature, to the accuracy of the currency acceptor canister count.
- (14) Once all currency acceptor canisters have been counted and the totals reconciled by the count team, all monies must be turned over to the cash desk/cashier's cage or secure cash storage area, which must be independent of the count team, or on-site cash bureau facility.
- (15) The cash desk/cashier's cage representative must certify, by signature on the count sheet, the accuracy of the currency delivered and received and upon signing the count sheet the cash desk/cashier's cage must become responsible and accountable for the currency count proceeds.

- (16) Access to stored full currency acceptor canisters must be restricted to authorised members of the clearance and count teams only.
- (17) Access to the count room must be restricted to members of the count team, authorised observers and supervisors responsible for resolving problems, and authorised maintenance personnel.
- (18) All persons other than the authorised count team members must be accompanied by security personnel at all times they are present in the count room.
- (19) The count sheet, with all supporting documents:
  - (a) Must be delivered to the Accounts function by a count team member or security personnel; or
  - (b) May be adequately secured by means of a locked container to which only accounts personnel can gain access until it is retrieved by the Accounts function.
- (20) Controls and procedures for the investigating and reporting of all variances between the notes counted and the machine meter reading.

#### **2.7.7 Gaming Machine Hopper Contents**

A licensee's ICS in respect of gaming machine hopper contents must include the following:

- (1) Controls in respect of securing of gaming machine drop and hopper contents:
  - (a) When machines are temporarily removed from the floor, where licensees make use of coins and/or tokens, gaming machine drop and hopper contents, they must be secured to avoid misappropriation of stored funds.
  - (b) Security personnel must be present when machine contents are secured to ensure that such contents are adequately safeguarded.
- (2) When machines are permanently removed from the floor, the hopper contents must be added to the gaming machine drop by at least two (2) employees in the presence of security personnel.
- (3) A closing fill must be made out to the equivalent value of the opening fill, and the closing fill documentation must be passed to the Accounts function.
- (4) The Accounts function must pass the closing fill documentation to the count personnel.

#### **2.7.8 Emergency Clearances of Notes or Coins for Gaming Machines**

Every licensee's ICS for the emergency clearance of notes or coins from gaming machines procedure must include the following:

- (1) The Board must be notified in writing of the reasons for the emergency clearance within one (1) working day.

- (2) Details of the employees who participated in the emergency clearance and the supervisor/manager who authorised such clearance, must be included in such notification.

#### **2.7.9 Weigh Scale**

A licensee's ICS in respect of weigh scale calibration must include the following standards:

- (1) The weigh scale calibration module must be secured by means of a pre-numbered seal, lock and key, or by some other means, so as to prevent unauthorised access thereto by count personnel.
- (2) Security personnel must be present whenever the calibration module is accessed for repair or re-calibration, and personnel responsible for the Surveillance function, as prescribed in the licensee's approved jobs' compendium must be notified prior to any person accessing the said module.
- (3) Each time the calibration module is accessed, a log must be completed that includes the following:
  - (a) Date and time;
  - (b) Nature of the repair; and
  - (c) Signatures of all persons observing the process.
- (4) The log contemplated in paragraph (3) above must be retained for Board inspection for a period of five (5) years.
- (5) Prior to the gaming machine count beginning, a minimum of two (2) employees, at least one (1) of whom must be security personnel and one of whom must be the supervisor responsible for the count, must verify the accuracy of the weigh scale and weigh scale interface with varying weighs, or with varying amounts of previously counted coins for each denomination.
- (6) The results of the tests contemplated in paragraph(5) above must be documented by the employees performing the tests, who must sign and date the form containing the results of the tests and must be retained for Board inspection for a period of five (5) years.
- (7) If a weigh scale interface is used, access thereto must be adequately restricted so as to prevent unauthorised access thereto by count personnel, by means of passwords or keys, or other means.
- (8) If the weigh scale has a zero adjustment mechanism, it must be physically limited to minor adjustments, or physically situated so that any unnecessary adjustments to it during the weigh process will be observed by other count team members and personnel from the Surveillance function.
- (9) The weigh scale and weigh scale interface, where applicable, must be tested by the Internal Audit function on a quarterly basis, with the test results being documented and retained for Board inspection for a period of five (5) years.

### 2.7.10 Gaming Machine Hard Count and Wrapping of Coins

The licensee's ICS in respect of gaming machine hard count and wrapping must include the following:

- (1) The weigh or count process must be performed by a minimum of three (3) employees, at least one (1) of whom must be a supervisor responsible for the count.
- (2) At no time during the weigh or count process must there be fewer than three (3) count team members in the count room.
- (3) The Surveillance function must be notified prior to the commencement of the weigh or count process and must observe and record the weigh and wrap of the gaming machine drop.
- (4) Prior to the gaming machine count beginning, the accuracy of the weigh scale and weigh scale interface must be verified by personnel as prescribed in the licensee's approved jobs' compendium.
- (5) The functions performed during the counting of the gaming machine drop must include:
  - (a) A count team Supervisory and Recording function, which must involve the recording of the gaming machine count or the entering of the appropriate information, into a computerised system and overall control of the weigh or count and wrap process; and
  - (b) A Manual Labour function which must involve the assistance of a count team member in the weigh or count process in a non-supervisory capacity.
- (6) The amount of the gaming machine drop proceeds from each machine must be recorded in indelible ink on a gaming machine weigh or count document by the recorder, or be mechanically printed by the weigh scale.
- (7) Where a weigh scale interface is used, the gaming machine weigh or count figures must be transferred and recorded via a direct line or computer storage medium.
- (8) The weigh tape and the gaming machine count document, attesting to the accuracy of the weigh or count, must be signed by the count team supervisor or recorder, and at least one other count team member.
- (9) All other persons who participate in the weigh, count and wrap process must sign the gaming machine count document or summary report so as to attest to their presence and participation in the weigh, count and wrap process.
- (10) The gaming machine document or summary report must also be signed by a member of the Accounts function so as to attest to the accuracy thereof.
- (11) Coins and tokens must be wrapped and reconciled in a manner which precludes the mingling of the current count with coin and tokens from the preceding or following count.
- (12) The total coins counted per machine must be reconciled with the meter readings obtained from the machine.

- (13) Procedures for the investigation and reporting of variances between the total coins counted per machine and the meter readings thereof.
- (14) The results of any such investigations undertaken into variances must be documented and retained for the Board's inspection for a period of five (5) years.
- (15) A minimum of three (3) employees must be present throughout the process of wrapping the gaming machine drop proceeds, and the said employees must remain responsible for all the proceeds until the funds are handed over to the designated employee responsible for the secure storage area.
- (16) The Accounts function must verify the accuracy of the reconciliation and wrapped gaming machine counts.
- (17) Transfers of values out of the count room during the gaming count and wrap process must be recorded on a separate pre-numbered, multi-part form, which is used solely for the recording of gaming machine count transfers, and must be subsequently reconciled by the accounts personnel so as to ensure the accuracy of the reconciled and wrapped gaming machine drop.
- (18) Transfers of values out of the count room during the gaming count and wrap process is prohibited.
- (19) The transfers as contemplated in paragraph (17) above, must be counted and signed for by at least two (2) members of the count team, a member of accounts personnel who is responsible for authorising a transfer of such nature as determined in the licensee's jobs' compendium as approved by the Board, and the employee receiving the said transfer.
- (20) Upon completion of the wrapping of the gaming machine drop proceeds:
  - (a) The count team supervisor, one other member of the count or wrap team, the accepting secure storage area cashier, and a member of the Accounts function must count the final wrapped, bagged or racked gaming machine drop, independent of each other; and
  - (b) The counts contemplated in paragraph (a) must be independently recorded in a summary report which must note any discrepancies which may exist between the counts, whether a re-count was performed, and any differences which were reconciled and which must be forwarded to the Accounts functions for scrutiny and retention purposes.
- (21) At the conclusion of the reconciliation, the count team supervisor, one other count team member, the cash desk/cage employee, and an accounts employee must sign the summary report attesting to its accuracy and accountability for the gaming machine drop proceeds, which must thereafter be transferred to the cash desk or cashier's cage.
- (22) The total of the wrapped, bagged or racked coins and tokens, exclusive of proper transfers, must be transported to the cage or secure storage area, after the reconciliation of the weigh or count to the wrap.
- (23) Investigation and reporting procedures in respect of variances between the weigh or count, and the wrap.

- (24) The results of investigations in respect of variances between the weigh or count, and the wrap, must be documented and retained for Board inspection for a period of five (5) years.
- (25) All gaming machine count and wrap documentation, including any applicable computer storage media, must be immediately delivered to the Accounts function by the count team or security personnel: provided that the count documentation may be secured by means of a locked container.
- (26) Corrections made on gaming machine count documentation must be made by crossing out the error, entering the correct figure, and obtaining the initials of the count team supervisor and at least one other count team member.
- (27) Where a weigh scale interface is used, corrections to gaming machine count data must be done by:
  - (a) Crossing out the error on the gaming machine document, entering the correct figure and then obtaining the initials of at least two count team employees. Thereafter an employee independent of the Gaming Machine function and count team, must enter the corrected figure into the computer system prior to the generation of related gaming machine reports; or
  - (b) Correcting the error in the computer system and entering the passwords of the count team supervisor and at least one other count team member during the count process. Thereafter, an exception report must be generated by the computer system, wherein the gaming machine number, the error, the correction, and the count team employees attesting to the correction, are identified.

#### **2.7.11 Wide Area Progressive System Gaming Machines or Inter-Casino Linked Progressives**

- (1) A licensee must follow the application procedure as prescribed in paragraph 1.3 above for the approval of a wide area or inter-casino linked progressives, using the form prescribed in Schedule 2 to the Rules.
- (2) A licensee's ICS in respect of wide area progressive system gaming machines or inter-casino linked progressives, must include the following standards:
  - (a) Procedures for wide area progressive gaming machines or inter-casino linked progressives in respect of the following:
    - (i) The reconciliation of meters and jackpot payouts;
    - (ii) The collection or drop of gaming machine funds;
    - (iii) Jackpot verification and payment and billing thereof to casinos on a pro-rata basis; and
    - (iv) System maintenance and system accuracy.
  - (b) Any wide area progressive system via gaming machines or inter-casino linked progressives must be adequately restricted to prevent unauthorised access thereto.

- (c) The restriction contemplated in (b) above may be achieved by changing passwords at least monthly, restricting access to the EPROMs or gaming software, and restricting physical access to computer hardware.

#### **2.7.12 Accounting and Auditing of Gaming Machines**

A licensee's ICS for the accounting and auditing of gaming machines must include the following:

- (1) Review by accounting or auditing personnel of exception reports for all computerised gaming machine systems for propriety of transactions and unusual occurrences.
- (2) The recording and retention of all gaming machine auditing procedures and any follow-ups performed.
- (3) The recording and retention of all follow-ups performed and the results of any investigation of unresolved variances.
- (4) Where a computerised gaming machine accounting and monitoring system is used, the random verification of the system's accuracy of transmitted and received data from the gaming machines, and the accuracy of the meter readings as recorded in the gaming machine statistical report.
- (5) Reconciliation of gross gaming revenue on tax returns with the win in the gaming machine analysis report.
- (6) Quarterly random verification by accounting or auditing personnel of EPROM or gaming software changes reflected in the gaming machine analysis reports.

### **2.8 CHIPS, GAMING PLAQUES, TOKENS, INTEGRATED CIRCUIT CARDS (SMART CARDS) AND OTHER FACE VALUE INSTRUMENTS**

#### **2.8.1 Approval of Chips, Plaques, Tokens, Integrated Circuit Cards and Other Face Value Instruments**

A licensee must follow the application procedure as prescribed in paragraph 1.3 above for the approval of chips, plaques, tokens, integrated circuit cards and other face value instruments, using the form prescribed in Schedule 2 to the Rules.

#### **2.8.2 Approval of Promotional or Tournament Chips, Plaques or Tokens**

A licensee must follow the application procedure as prescribed in paragraph 1.3 above for the approval of promotional or tournament chips, plaques or tokens, using the form prescribed in Schedule 2 to the Rules.

#### **2.8.3 Approval of Transportation Containers for Movement of Chips**

A licensee must follow the application procedure as prescribed in paragraph 1.3 above for the approval of its transportation containers for the movement of chips, using the form prescribed in Schedule 2 to the Rules.

#### **2.8.4 Control of Chips, Gaming Plaques and Gaming Machine Tokens**

A licensee's ICS relating to the issue, exchange, use and removal of chips, gaming plaques and gaming machine tokens must include both the requirements of the Regulations and must include, but not be limited to, the following:

- (1) Chips, gaming plaques and gaming machine tokens must only be issued at the cashier's desk/cashier's cage or at tables, and must be redeemed at the cashier's cage: provided that chips may be exchanged by a patron at the gaming machine booths for currency or coins, or for gaming machine tokens to be used for play on gaming machines in the casino concerned.
- (2) A casino licensee must, upon presentation of any chip, plaque or token by a patron, exchange the chip, plaque or token for the equivalent amount in cash or a cheque, or a combination of cash and a cheque, which must be dated the same date on which the chips or plaques are exchanged.
- (3) Whenever there is reason to suspect that the casino is taking on counterfeit chips, or whenever any impropriety or defect in the utilisation of the primary set of chips makes removal of the primary set necessary, or whenever the Board so directs, the reserve set must be placed into active play.
- (4) Whenever the primary set of chips is removed from active play, such removal must be reported to the Board within (2) days, providing reasons for such occurrence.
- (5) The system of accounting in respect of gaming chips and plaques should include the value of the primary and reserve sets of chips on the licensed premises at all times.
- (6) Systems of exchange and issue of chips, plaques or tokens on licensed premises, or between one licensee and another licensee.

#### **2.8.5 Integrated Circuit Cards ("smart cards")**

A licensee's ICS pertaining to integrated circuit cards must include the following:

- (1) Ordering, receiving and issuing of smart cards and associated devices;
- (2) Access control and storage of temporary smart cards;
- (3) Lost, found, stolen or missing smart cards; and
- (4) Destruction of damaged or redundant smart cards.

### **2.9 DICE**

#### **2.9.1 Approval of Dice**

A licensee must follow the application procedure as prescribed in paragraph 1.3 above for the approval of dice, using the form prescribed in Schedule 2 to the Rules.

### **2.9.2 Approval of Transportation Containers for Movement of Dice**

A licensee must follow the application procedure as prescribed in paragraph 1.3 above for the approval of its transportation containers for the movement of dice, using the form prescribed in Schedule 2 to the Rules.

### **2.9.3 Receipt of Dice from Manufacturer or Supplier**

A licensee's ICS in respect of dice received must include the following:

- (1) On receipt of dice from the manufacturer or supplier thereof, the boxes must be opened and the contents inspected by designated personnel.
- (2) Appropriate annotations must be made in the inventory register contemplated in the Rules for this purpose.
- (3) Any defects with the dice or any discrepancy between the manufacturer or supplier's invoice or other document accompanying the dice, and the actual dice received, must be reported to the Board and recorded in the inventory register.
- (4) Any defective dice must be placed in a sealed bag or container and a label must be attached identifying the following:
  - (a) The detail of the defect;
  - (b) The date and time;
  - (c) The manufacturer or supplier's invoice number; and
  - (d) The names and signatures of the persons inspecting the dice.
- (5) The sealed envelope bag or container containing the defective dice must be removed to the surveillance offices, where the surveillance personnel authorised to receive the dice, must sign for the receipt of the dice and retain such in the secure storage area used for this purpose, for a period of twelve (12) months, or such longer period as the Board may require. The dice must thereafter be destroyed in accordance with the destruction or disposal procedure as approved by the Board.
- (6) Any dice received in accordance with the rule, and which are not defective or are not intended for immediate use at a gaming table in the licensee's casino, must be recorded in the inventory register as reserve dice, and must be stored in a secured storage area used for this purpose.
- (7) Keys for the secure storage area must be controlled as specified in the licensee's ICS for the control of keys.

### **2.9.4 Inventory Register and Movement of Dice**

A licensee's ICS in respect of the inventory register and the movement of dice must include, but not be limited to, the following:

- (1) An inventory register must be kept for all approved dice for purposes of recording the following information:

- (a) The quantity of dice taken into stock on receipt thereof from the manufacturer or supplier;
  - (b) The date and time on which the dice were received and taken into stock;
  - (c) The names and signatures of the employees who opened and inspected such dice;
  - (d) Any defects or discrepancies and the reporting thereof to the Board;
  - (e) The quantity of defective dice retained by the Surveillance function for destruction;
  - (f) The quantity of dice put into immediate use at a gaming table, and the date thereof;
  - (g) The quantity of dice placed in, removed from, and returned to, the reserve inventory;
  - (h) Daily, monthly and annual inventories of dice; and
  - (i) Any other information the Board considers necessary.
- (2) Procedures in respect of daily inventory to be taken of dice distributed to gaming tables, dice destroyed, dice in reserve, and dice returned to the designated secure storage area from gaming tables, and for details thereof to be recorded in the inventory register.
- (3) Procedures in respect of quarterly inventory to be taken of all dice in reserve and in use and the recording of results in the inventory register, and the reporting of any discrepancies to the Board.
- (4) Controls in respect of the secure storage of all dice in the possession of the licensee during non-gaming hours.
- (5) Controls in respect of the removal or return of dice must include the following:
- (a) Whenever dice are required at a table game in the casino, or are returned therefrom:
    - (i) The dice must either be removed from or returned to the secure storage area for this purpose, in the presence of designated surveillance and gaming personnel.
    - (ii) The dice so removed or returned must be recorded in the inventory register by the persons referred to in paragraph (i) above, who must date and sign the inventory register and note the time of such annotation.
  - (b) Prior to commencement of gaming each day, the persons referred to in (i) above, who are in possession of the keys to the secure storage area must remove the appropriate number of dice for that gaming day from the designated secure storage area, and then place them in a separate envelope bag or container appropriately marked for each gaming table.
- (6) Control procedures in respect of the inspection of dice to ensure that dice comply with SANS 1718 specifications (where applicable) must include the inspection of dice

with a micrometre or any other approved instrument which performs the same function.

- (7) Control procedures in respect of the movement of dice, which must include:
  - (a) The use of a transparent envelope bag or container that is fitted with a secure seal; and
  - (b) The method of sealing.

#### **2.9.5 Defective Dice or Dice which have been Tampered With**

A licensee's ICS in respect of defective dice or dice which have been tampered with, must include, but not be limited to, the following:

- (1) Internal control procedures to ensure that dice are not tampered with.
- (2) Procedures in respect of the removal of any dice where there is any indication of tampering or other defects, which will affect the integrity or fairness of the game, or at the request of the Board or an inspector of the Board, and the reporting of any evidence of tampering or other defect to the Board.
- (3) Procedures in respect of the inspection of dice for evidence of tampering, or other defect, and the reporting thereof to the Board.
- (4) Procedures to deal with defective dice, or dice which show evidence of having been tampered with, which must include placement of such dice in a designated secure storage area for a minimum period of twelve (12) months, or such longer period as the Board may require, for purposes of investigating the circumstances under which the dice became defective or were tampered with.

#### **2.9.6 Disposal and Destruction of Dice**

A licensee's ICS in respect of disposal and destruction of dice must include, but not be limited to the following:

- (1) Control procedures detailing the following:
  - (a) The method to be used for the disposal and destruction of dice;
  - (b) The secure location where such procedure will take place; and
  - (c) The personnel responsible for undertaking such destruction and disposal.
- (2) Procedures in respect of maintenance of destruction/disposal records to include the following:
  - (a) The number of dice destroyed on obtaining required approval from the Board;
  - (b) The date on which the defective dice, or dice which has been tampered with, was found;
  - (c) The date, place and method of destruction or other form of disposal;

- (d) The names of the persons carrying out the destruction or other form of disposal on behalf of the licensee; and
- (e) Such other information as the Board may require.

## **2.10 PLAYING CARDS**

### **2.10.1 Approval of Playing Cards**

A licensee must follow the application procedure as prescribed in paragraph 1.3 above for the approval of playing cards' artwork designs and specifications using the form prescribed in Schedule 2 to the Rules.

### **2.10.2 Approval of Transportation Containers for Movement of Playing Cards**

A licensee must follow the application procedure as prescribed in paragraph 1.3 above for the approval of its transportation containers for the movement of playing cards, using the form prescribed in Schedule 2 to the Rules.

### **2.10.3 Receipt of Cards from Manufacturer or Supplier**

A licensee's ICS in respect of cards received must include the following:

- (1) On receipt of cards from the manufacturer or supplier thereof, the boxes must be opened and the contents inspected by designated personnel.
- (2) Appropriate annotations must be made in the inventory register contemplated in the Rules for this purpose.
- (3) Any defects with the cards, or any discrepancy between the manufacturer or supplier's invoice, or other document accompanying the cards and the actual cards received, must be reported to the Board and recorded in the inventory register.
- (4) Any decks of cards containing defective cards must be placed in a sealed bag or container and a label must be attached identifying the following:
  - (a) The detail of the defect;
  - (b) The date and time;
  - (c) The manufacturer or supplier's invoice number; and
  - (d) The names and signatures of the persons inspecting the cards.
- (5) The sealed envelope bag or container containing the defective decks of cards must be removed to the surveillance offices, where the surveillance personnel authorised to receive the cards, must sign for the receipt of the cards and retain such in the secure storage area used for this purpose, for a period of twelve (12) months, or such longer period as the Board may require. The cards must thereafter be destroyed in accordance with the destruction or disposal procedure as approved by the Board.
- (6) Any decks of cards that are not defective, and which are not intended for immediate use at a gaming table in the licensee's casino, must be recorded in the inventory register as reserve decks of cards, and removed to the bulk storage area approved

- for this purpose by the Board, or to the secure storage area by surveillance and gaming personnel.
- (7) Any decks of cards that are not defective and intended for distribution to the gaming tables, must be recorded in the inventory register and removed to the primary storage area referred to in paragraph (9) below, by surveillance and gaming personnel.
  - (8) The licensee must ensure that the reserve decks of cards are stored in a secure area as contained in the approved ICS.
  - (9) Decks of cards must not be issued directly from the bulk storage area to gaming tables, but first issued to the primary storage area referred to in paragraph (10) below, from where they may be issued to gaming tables.
  - (10) The primary storage area referred to in paragraph (7) above must be located in the surveillance area, and the location and security thereof must be approved by the Board.
  - (11) Keys for the secure storage area must be controlled as specified in the licensee's ICS for the control of keys.

#### **2.10.4 Inventory Register and Movement of Cards**

A licensee's ICS in respect of the inventory register and the movement of cards must include, but not be limited to, the following:

- (1) An inventory register must be kept for all approved cards for purposes of recording the following information:
  - (a) The quantity of decks of cards taken into stock on receipt thereof from the manufacturer or supplier;
  - (b) The date and time on which the cards were received and taken into stock;
  - (c) The names and signatures of the employees who opened and inspected such cards;
  - (d) Any defects or discrepancies and the reporting thereof to the Board;
  - (e) The quantity of defective decks of cards retained by the Surveillance function for destruction;
  - (f) The quantity of reserve decks of cards placed in and removed from the bulk storage area;
  - (g) The quantity of decks of cards placed in, removed from, and returned to the primary storage area;
  - (h) Daily, monthly and annual inventories of decks of cards; and
  - (i) Any other information the Board considers necessary.
- (2) Procedures in respect of daily inventory to be taken of decks of cards distributed to gaming tables, decks of cards destroyed, decks of cards in reserve in the bulk storage area or primary storage area, and decks of cards returned to the primary storage

area from gaming tables, and for details thereof to be recorded in the inventory register.

- (3) Procedures in respect of inventory to be taken at least quarterly of all decks of cards in reserve in the bulk storage area, decks of cards in primary storage and in use; recording of results in the inventory register; and reporting of any discrepancies to the Board.
- (4) Controls in respect of the secure storage of all cards in the possession of the licensee during non-gaming hours.
- (5) Controls in respect of the removal or return of cards must include the following:
  - (a) Whenever cards are required at a table game in the casino, or are returned therefrom:
    - (i) The cards must either be removed from or returned to the primary storage area, in the presence of surveillance and gaming personnel; and
    - (ii) The cards so removed or returned must be recorded in the inventory register by the persons referred to in paragraph (i) above, who must date and sign the inventory register and note the time of such annotation.
  - (b) Prior to commencement of gaming each day, the designated surveillance personnel who are in possession of the keys to the primary storage area, must remove the appropriate number of decks of cards for that gaming day from the primary storage area, and must place:
    - (i) The decks of cards required by each table in a separate envelope bag or container appropriately marked for each gaming table; and
    - (ii) The replacement decks of cards required by each table in a separate envelope or bag appropriately marked for each table.
- (5) Control procedures in respect of the movement of cards, which must include:
  - (a) The use of a transparent envelope bag or container that is fitted with a secure seal; and
  - (b) The method of sealing.

#### **2.10.5 Distribution and Verification of Cards**

Control procedures in respect of the distribution and verification of the decks of cards must include the following:

- (1) That the designated surveillance personnel shall distribute decks of cards to the designated gaming manager or supervisor, for verification of issuance of playing cards for daily gaming.
- (2) That such verification includes the checking of each envelope or container to determine if all decks of cards are present and are of the same colour.

- (3) That the designated employee must place the replacement decks of cards in a locked compartment of the tables stand, the keys to which must be kept in the possession of the designated employee and whenever it is necessary to use the replacement cards at the gaming table, the provisions of paragraph 2.9.3(6) must apply.

#### **2.10.6 Card Inspection by Dealer**

Control procedures in respect of the checking of cards must include the following:

- (1) That prior to being used at a gaming table, each deck of cards must be examined by the dealer in the presence of a supervisor, which examination shall require the dealer to:
  - (i) Sort each deck of cards into sequence and into suit to ensure that all cards are in the deck; and
  - (ii) Examine the back of each card to ensure that it is not scratched or marked in any way.
- (2) If, after checking the cards, the dealer finds that a card is unsuitable for use, the designated manager or supervisor must bring a substitute card from the replacement deck.
- (3) Unsuitable cards must be placed in a sealed envelope or container, with a label identifying the table number, and recording the date, time and signatures of the dealer and the supervisor assigned to that table. The designated employee must retain the envelope or container in a secure place within the tables until collection at the end of the gaming day by surveillance personnel.

#### **2.10.7 Collection of Cards**

- (1) At the end of each gaming day, or at least once a day, the cards must be collected from the gaming tables.
- (2) The cards collection procedure must include the following controls:
  - (a) The designated supervisor must:
    - (i) Collect all used cards, which must be placed in a sealed envelope bag or container with a label identifying the table number, date, time and signatures of the dealer and floor person assigned to the table;
    - (ii) Place any unused sealed decks of cards in a separate sealed envelope bag or container with a label identifying the table number, date, time and signatures of the dealer and floor person assigned to the table;
    - (iii) Place any unused cards in a replacement deck, the seal to which has been broken for purposes of substituting an unsuitable card in the manner contemplated in paragraph 2.10.8(2) in a separate sealed envelope bag or container with a label identifying the table number, date, time and signatures of the dealer and floor person assigned to the table; and

- (iv) Retain the envelope bags or containers in a secure place within the tables area, until collection thereof at the end of the gaming day by surveillance personnel.
- (b) Designated surveillance personnel must collect and sign for all envelopes or containers containing the cards contemplated in paragraph (a) and must return the envelope bags or containers to the surveillance offices.

#### **2.10.8 Defective Cards or Cards which have been Tampered With**

A licensee's ICS in respect of cards damaged during play, or cards which have been tampered with, must include the following:

- (1) Processes at the end of each gaming day, or at such other times as may be necessary, where the designated manager/supervisor must visually inspect each deck of cards distributed to the gaming tables, for evidence of tampering or other defect, and any evidence of tampering or other defect must be reported to the Board within three (3) days of detection.
- (2) Processes where any cards which, at any time during gaming hours, are found to have:
  - (a) Become damaged during the course of play;
  - (b) Been tampered with; or
  - (c) Have other defects that will affect the integrity or fairness of the game,

must be removed by the dealer, who must request the tables manager/supervisor to bring a substitute card from the replacement cards where the provisions of paragraph 2.10.6 (3) must apply.

- (3) Processes where any cards that have become damaged, or are found to have been tampered with, must be placed in a sealed envelope bag or container, with a label identifying the table number, date, time and signatures of the dealer and floor person assigned to the table;
- (4) Processes where the designated manager or supervisor must retain the envelopes or containers in a secure place within the tables' area, until collection at the end of the gaming day by designated surveillance personnel.
- (5) Processes where designated surveillance personnel authorised to receive the cards must sign for the receipt of the cards, and retain them in the secure storage area for a period of twelve (12) months, or such longer period as the Board may require for purposes of investigating the circumstances under which the cards became defective or were tampered with.

#### **2.10.9 Disposal or Destruction of Cards**

A licensee's ICS in respect of disposal or destruction of cards must include the following:

- (1) Processes where on receipt of the envelope bags or containers of used cards and

opened decks of replacement cards to the surveillance personnel, the cards must be inspected for tampering, marks, alterations, missing or additional cards, or anything that may indicate unfair play.

- (2) The inspections contemplated in paragraph (1) must, at the minimum, include the sorting of cards sequentially by suit; inspection of the packs with ultraviolet light; inspection of the sides of the cards for crimps, bends, cuts and shavings; and inspection of the front and the back of all plastic cards for consistent shading and colouring.
- (3) Processes where any evidence of tampering, marks, alterations, missing or additional cards, or anything that might indicate unfair play discovered at the time of inspection, or at any other time, must be reported to the Board within twenty four (24) hours.
- (4) On conclusion of the inspection, all cards must be destroyed forthwith: provided that any cards which may be used as evidence in any hearing or dispute must be placed in an envelope bag or container with a label identifying the findings of the inspection and the table number at which the cards were used, the identity of the dealer and floor person assigned to the table, the date, time and signature of the surveillance personnel who inspected the card. The cards must be retained by the surveillance personnel until such time as the Board authorises their destruction.
- (5) Cards must be destroyed by shredding, or such other method in a secure location, which must be approved by the Board.

## **2.11 ROULETTE WHEELS AND BALLS**

### **2.11.1 Roulette Wheels**

A licensee's ICS in respect of roulette wheels must include, but not be limited to, the following:

- (1) Maintenance procedures in respect of roulette wheels, including that during maintenance, security seals must not be tampered with or broken and the bowl and cylinder numbers must correspond.
- (2) Procedures in respect of the removal of defective roulette wheels from the gaming floor.
- (3) During non-operating hours, or while the roulette table is closed, a transparent security plate must be fitted over the bowl and the turret of the roulette wheel to prevent any tampering.
- (4) The number of the seal, or the keys of the locks used for the purpose contemplated in paragraph (3) above, must be recorded in a log book and verified by designated security and gaming (tables) personnel.
- (5) Spare roulette wheels must be stored in a secure area as approved for this purpose by the Board.
- (6) New wheels must be levelled and tested before play commences on that table.

### 2.11.2 Roulette Balls

All required internal control standards and procedures pertaining to the control, storage, movement, transportation, exchange or removal of playing cards will apply *mutatis mutandis* to roulette balls.

## 2.12 SURVEILLANCE SYSTEMS

### 2.12.1 General Standards of Surveillance Systems

- (1) High-resolution monitors with audio-transmitting capabilities must be used in the surveillance room.
- (2) All controls on the monitors must be within easy reach of the operators.
- (3) Each monitor must be capable of displaying any selected view or multiple view.
- (4) The number of cameras and the intensity of the camera coverage must be taken into account when determining the number of monitors to be accommodated in the surveillance room: Provided that the surveillance system includes a minimum of one (1) monitor for every twenty-five (25) cameras in the gaming machine area, and one (1) monitor for every fifteen (15) cameras for the gaming tables.
- (5) A ratio of one (1) surveillance personnel to eight (8) monitors must be maintained during casino operating hours, including any cash-up transaction or count area.
- (6) Cameras must be controlled from the surveillance room by means of a variable speed control unit.
- (7) High resolution colour cameras must be used to cover all table games, and each camera must have the capability of having its picture displayed on a monitor.
- (8) All visual data recorded must have the ability to be selected and controlled from the control unit in the surveillance room or any other designated control unit approved by the Board, and include date/time/information display.
- (9) For the purposes of paragraph (6) above:
  - (a) the words " control unit" is a device that has the capability to select any camera to any monitor in the surveillance system, control Pan Tilt and Zoom ("PTZ") cameras at a variable speed, and control all digital recorders in the surveillance system; and
  - (b) paragraph (a) above, "PTZ Camera" is a camera which possesses, as a minimum, the capability to rotate three-hundred-and-sixty degrees (360°), tilt one hundred-and-eighty degrees (180°) with the capability to orientate itself, and must have pre-set and zoom capabilities.

### 2.12.2 Surveillance System Plan

The Surveillance System Plan must include the following information:

- (1) Details of the camera view;

- (2) Identification of the gaming machines, gaming tables, cash transaction areas and other areas to be covered by the cameras as a narrative; and
- (3) A detailed inventory of the surveillance system, including the number of cameras, monitors, equipment specifications including cameras, and the detailed matrix plan.

### **2.12.3 Approval of Surveillance System Plan**

- (1) A licensee must follow the application procedure as prescribed in paragraph 1.3 above for the approval of its Surveillance System Plan, using the form prescribed in Schedule 2 to the Rules.
- (2) Such application must be submitted to the office of the Board thirty (30) days prior to the implementation thereof.

### **2.12.4 Surveillance Systems, Interfaces and Alarms**

The surveillance system must be interfaced with gaming machines, weigh scales, coin and note counters in such a way that the information specified below in terms of the above transactions can be determined:

- (a) Gaming machine error codes and significant events;
- (b) Coin counters:
  - (i) Denomination;
  - (ii) Rand value of coins counted;
  - (ii) Area;
- (c) Weigh scale:
  - (i) Denomination;
  - (ii) Rand value of coins counted;
  - (iii) Area;
- (d) Note counter:
  - (i) Denomination;
  - (ii) Rand value of notes counted; and
  - (iii) Area.

### **2.12.5 Surveillance Systems for Gaming Machine Area**

- (1) All cameras recording the gaming machine area in a casino must be positioned so that one camera is able to record, on a continuous basis, twelve (12) gaming machines, which includes the view of the machines' tower lights, drop boxes and bill validators.
- (2) All cameras recording the gaming machine area in a casino must be positioned so that opened machine doors do not obstruct the view to the inside of the machine cabinet.

### **2.12.6 Storage of Recordings**

A licensee must develop procedures in respect of the labelling (where applicable) and storage of all recordings.

## **2.13 MONITORING AND CONTROL SYSTEMS**

### **2.13.1 On-Line Central Monitoring and Control System**

A licensee's computerised on-line Central Monitoring and Control System must meet the following standards in respect of its capabilities:

- (1) The logging, searching and reporting of gaming equipment events are to include the following:
  - (a) Cash box door open; and
  - (b) Cash box door close.
- (2) The collection of individual device financial data.
- (3) The collection of individual soft meter data at game level, which will include, at a minimum, the following:
  - (a) Cashless/in meter;
  - (b) Cashless/out meter;
  - (c) Coin drop meter to cash box;
  - (d) Hand-pay meter;
  - (e) Handle pull meter;
  - (f) Bill validator meters reflecting value of notes accepted by denomination; and
  - (g) Both cash and cashless meters including, but not limited to, (a) to (f) above.
- (4) The reconciliation of soft meter data against cash box hard count.
- (5) The details of the systems security.
- (6) The collection of soft meter data must be performed via a secure link to the machine software.
- (7) The logging of all manual inputs to the monitoring control system, including the person performing and authorising the input.
- (8) Sufficient capacity for processing, memory, communication interfaces, and hard disk storage, to efficiently monitor, log and control all gaming devices as prescribed above.
- (9) Any other requirements as specified by the Board.

### **2.13.2 Approval of Monitoring Control System Hardware and Software Configuration**

A licensee must follow the application procedure as prescribed in paragraph 1.3 above for the approval of its Monitoring Control System Hardware and Software Configuration including any changes thereto, using the form prescribed in Schedule 2 to the Rules.

### 2.13.3 Meter Wrap Handling and Meter Width

A licensee's operational procedures in respect of meter wrap handling and meter width must include the following standards:

- (1) Details of the width of the meters and the expected rate of meter counts.
- (2) The width and rates must be sufficient to cater for resulting meter wrap events, such as detecting and correctly handling meter wraps, in order to preserve the true total statistics.

### 2.13.4 Password Protection

A licensee's password protection controls in respect of the monitoring control system must include the following:

- (1) Access controls to ensure the security of the monitoring control system.
- (2) All computer programmes and important data files may only be accessed by entry of a password, which must be known only to authorised personnel.
- (3) The Board requires that passwords and PINs be encrypted by means of at least, a one-hundred-and-twenty-eight (128) bit encryption key.
- (4) A computer programme must be available that will list all registered users on the system, including their privilege level, on both the operating system or systems, and the monitoring control system.

### 2.13.5 Access to Monitoring Control System by the Board

A licensee's access controls in respect of the monitoring control system must include the following:

- (1) Comprehensive search mechanisms for the purpose of examination of events and statistical data. Such search mechanisms should cater for a variety of "keys" for the search, including the following:
  - (a) Date;
  - (b) Time;
  - (c) Event number;
  - (d) Machine/terminal number; and
  - (e) Combinations thereof.
- (2) Ability for officers of the Board to log onto the computer system to execute external audit and interrogation programmes by means of "Read Only" access to all data.

### **2.13.6 Link to Board's Computing Facilities**

The operator of the monitoring control system must provide and maintain such electronic access or link to its central computing facilities as the Board may require from time to time, which must include the following:

- (1) All necessary equipment (e.g. lightning protection, computer terminals, Telkom, Network Termination Units, routers, and modems).
- (2) The necessary software and relevant training to enable the Board to link and log on to the monitoring control system.
- (3) A link for either logging on to the monitoring control system interactively, or downloading data at a frequency as specified by the Board.
- (4) Communications and systems security in accordance with the relevant IT standards for sever rooms.

### **2.13.7 Facilities for Inspectors**

A licensee must ensure that, at a minimum, the following facilities within the monitoring control system are provided for Board Inspectors:

- (1) The ability to determine operational software version levels and record operational hardware.
- (2) The ability to verify that gaming machine and other equipment is on-line.

### **PART 3 LIMITED PAYOUT MACHINES**

In addition to the general minimum standards detailed in Part 1 above, route operators and independent site operators must ensure the inclusion of the standards and procedures contained herein, in their internal control standards for consideration and approval by the Board.

#### **3.1 Application for Licence**

An applicant who wishes to operate as a route operator, independent site operator, Type "A" or Type "B" operator must follow the application procedure as prescribed in paragraph 1.3 above, using the form prescribed in Schedule 2 to the Rules.

#### **3.2 Advertising for Type "B" Sites**

A route operator or independent site operator licensee must follow the application procedure as prescribed in paragraph 1.3 above for the approval of its advertising, using the form prescribed in Schedule 2 to the Rules.

#### **3.3 Organisational Structure / Jobs' Compendium**

Unless otherwise approved by the Board, every licensee's organisational structure and jobs' compendium must include certain mandatory functions that are responsible for the following:

##### **3.3.1 Technical**

The Technical function must be supervised by a manager as prescribed in the licensee's jobs' compendium approved by the Board, and such function will be responsible for the following:

- (1) The installation and maintenance of LPMs and SDLs.
- (2) Performing such other functions as prescribed by these Rules and the route operator or independent site operator's ICS.

##### **3.3.2 Administration**

The Administration function must be supervised by a manager as prescribed in the licensee's jobs' compendium approved by the Board, and such function will be responsible for the following:

- (1) Ensuring that gambling-related financial information, including the compilation of monthly tax returns, is accurate and reliable.
- (2) Performing such other functions as prescribed by these rules and the route operator or independent site operator's ICS.

### 3.3.3 Compliance

The Compliance function must be supervised by a manager as prescribed in the licensee's jobs' compendium approved by the Board, and such function will be responsible for the following:

- (1) Monitoring, auditing and reporting on compliance with the Act, Regulations, Rules and the route operator or independent site operator's ICS.
- (2) Performing such other functions as prescribed by these rules and the route operator or independent site operator's ICS.

### 3.4 Registered Employees

Registered employees must be appointed on each LPM site and must during all operating hours:

- (a) Supervise gambling and gambling-related activities;
- (b) Ensure that all gambling and gambling-related activities are conducted in accordance with the Act and the route operator or independent site operator's ICS;
- (c) Ensure the proper functioning of LPMs, insofar as prescribed by the Act and the route operator or independent site operator's ICS; and
- (d) Attend to patron disputes.

### 3.5 Floor Plan

A licensee must follow the application procedure as prescribed in paragraph 1.3 above for the approval of its floor plan/or amendments thereto, using the form prescribed in Schedule 2 to the Rules.

### 3.6 Non-Operation of LPMs at a Licensed Site

The internal control standards in respect of the non-operation of LPMs at a licensed site must include the following:

- (1) The procedure of reporting to the Board of non-operation of all or part of its operation and deactivation of CEMs cards.
- (2) The submission of information to the Board if a licensed site is to cease all or part of its operations permanently in respect of the LPMs:
  - (a) Written reasons why operations are to cease, details of the municipal district, and the number of LPMs; and
  - (b) A written request to remove the LPMs from the licensed site.

### 3.7 Access to LPMs

A route operator and type "B" site operator's internal control standards in respect of access to LPMs must include, but not be limited to, the following:

- (1) Control measures to ensure that only authorised, registered employees of the route operator, registered employees on a LPM site, and a licensed manufacturer, may access an LPM, including the LPM logic area and SDL access.
- (2) The requirement of the insertion of the employee card of the registered employee of the relevant LPM site in the SKP each time a LPM is accessed.
- (3) The requirement that all doors of the LPMs and SDL are secured at all times.
- (4) The requirement of recording of relevant entries in the Machine Book each time a LPM is accessed.

### 3.8 Employee Cards

A route operator and type "B" site operator's internal control standards for the issuing, usage and control of employee cards must include, but not be limited to, the following:

- (1) Control procedures in respect of the issuing, activation and retrieval of employee cards, including password reset.
- (2) That employee cards are issued to and used only by that authorised registered employee.
- (3) That prior to accessing a LPM or SDL, a registered employee must insert his or her employee card in the SKP.
- (4) That employee cards are issued to registered employees at a LPM site and are valid only in respect of the specific LPM site.
- (5) That employee cards issued to registered employees of a route operator or independent site operator are valid only in respect of the specific LPM site linked to such operator.
- (6) That the employees insert passwords prior to performing any function or maintenance on a LPM or SDL.
- (7) That employee cards are not left unattended in the SKP when the registered employee is not physically on the site.
- (8) That an employee card immediately be deactivated in the event that it is lost or when the employee to whom it relates has resigned.

### 3.9 User Access Rights

A route operator and type "B" site operator's internal control standards relating to user access levels and rights assigned to persons authorised to access the CEMS must include that the following information be submitted to the CEMS operator, in writing, to allocate the employee's user rights in terms of the pre-approved user access rights matrix:

- (a) The applicant or employee's name and surname;
- (b) User access rights to be allocated;
- (c) Route operator or independent site operator name;
- (d) LPM site name, where applicable; and
- (e) Board licence or registration number.

### **3.10 Route and Independent Site LPM Records**

The internal control standards in respect of the electronic, accurate and current database records in the route operator or independent site operator's inventory, must include the following:

- (1) That each LPM, reflect –
  - (a) The date on which the LPM cabinet and game software was received;
  - (b) The serial number assigned to that LPM cabinet by the manufacturer thereof;
  - (c) A unique asset number assigned to that LPM cabinet and game software, which must remain unchanged for the entire duration of the period during which such LPM is owned by or in possession of the LPM operator;
  - (d) The location to which the LPM has been assigned;
  - (e) The number assigned to the position of the LPM at the LPM site;
  - (f) The name of the licensed manufacturer of the LPM cabinet and game software;
  - (g) The LPM-certified model Board approval number;
  - (h) The LPM game software letter of certification number;
  - (i) The LPM game name;
  - (j) The LPM theoretical and actual RTP percentages;
  - (k) The LPM denomination;
  - (l) The method and date of disposal of the LPM cabinet and game software;
  - (m) The total number of LPMs in use at the LPM site and in storage; and
  - (n) That each SDL, reflect –
    - (i) The date on which the SDL was received;
    - (ii) The serial number assigned to that SDL by the manufacturer thereof;
    - (ii) A unique asset number assigned to that SDL, which must remain unchanged for the entire duration of the period during which such SDL

is owned by, or in the possession of the route operator or independent site operator;

- (o) The site or location to which the SDL has been assigned; and
- (p) The SDL model number and Board letter of certification registration number.

### 3.11 Investigations

A route operator or type "B" site operator's internal control standards must include details of procedures in respect of the following investigations:

- (1) The recording and correction of RAM clears, meter wraps and LPM soft meter violations;
- (2) The detection, investigation and reporting of exceptions and unusual events, including –
  - (a) Significant events; and
  - (b) The integrity of CEMS and LPM meters;
- (3) The investigation and reporting of variances between estimated and actual LPM drop as well as clearance and count of LPM drop; and
- (4) The detection, investigation and reporting of LPM RTP percentages that are below 85%.

### 3.12 Administrative and Accounting Procedures

A route operator or type "B" site operator's internal control standards in respect of administrative and accounting procedures must include, but not be limited to, the following:

- (1) Procedures and controls to determine the liability for taxes and fees under the Act and incorporate the provisions specified in the Regulations pertaining to route operators and independent site operators.
- (p) Procedures for the calculation, compilation and verification of the Monthly Gaming Revenue Tax Return, including the verification and reconciliation of computerised reports used to calculate LPM gambling revenue, so as to ensure the integrity and accuracy and the collection thereof.

#### 3.12.1 Journal Entries

The internal control standards in respect of journal entries must include the following:

- (1) That printouts are made prior to and subsequent to changes being effected thereto, in the event of incorrect information being reflected on the CEMS reflecting an audit trail of the amendments and the reason for such amendments by the designated function, as approved by the Board in the ICS.
- (2) That the route operator or independent site operator requests the CEMS operator, in writing, on the prescribed Journal Entry Register, to affect the necessary adjustments.

- (3) That all journal entries be authorised and signed off.

### 3.13 Internal Audits

The Internal Audit function must include the following:

- (1) The review, evaluation, and reporting on an annual basis, of the route operator or independent site operator's—
  - (a) Internal Control Standards in order to determine the effectiveness and adequacy thereof;
  - (b) Adherence to licence conditions;
  - (c) Compliance with the Act, Regulations and the licensee's ICS;
  - (d) Effectiveness and adequacy of the day-to-day gambling-related operations of the Technical, Administration and Compliance functions;
  - (e) Gambling-related taxes to confirm they are current and accurate; and
  - (f) Integrity, adequacy, accuracy and reliability of all gambling-related information and systems;
- (2) The annual compilation and review of an operational risk profile in respect of the mandatory functions; and
- (3) The annual determination whether the gambling and gambling-related financial and operating information is accurate, current, timeously generated, complete, valid and reliable, including the reconciliation of such information with tax returns submitted to the Board.

### 3.14 Audits

A route operator and type "B" site operator's internal control standards in respect of the performance of audits must include the following audits to:

- (1) Verify that only approved game and communication software is installed in LPMs;
- (2) Verify that only approved software is installed in SDLs;
- (3) Ensure that access to the CEMS has been allocated to authorised personnel only;
- (4) Assess procedural compliance at the LPM site with these Rules and the route operator or independent site operator ICS;
- (5) Verify that all employees performing gambling-related functions are correctly registered;
- (6) Review the RTP percentages which are below eighty-five percent (85%) over a continuous twelve (12) month period;

- (7) Ensure that journal entries have been performed correctly and with the necessary authorisation;
- (8) Check monitored key registers for accuracy;
- (9) Check controlled stationery registers for accuracy and stock levels; and
- (10) Verify the accuracy and integrity of information on the CEMS.

### **3.15 Reporting**

A route operator or type "B" site operator's internal control standards in respect of reporting must include, but not be limited to, the monthly report required to be submitted to the Board in terms of the Rules and must contain the following information:

- (a) Any contraventions of the Act, Regulations, Board's Rules and the operator's ICS;
- (b) Any discrepancies detected during the prescribed audits and investigations;
- (c) Detail of all journal entries;
- (d) A summary of all patron disputes arising;
- (e) The detection of any cheating activities; and
- (f) Such other detail as may be required by the Board.

### **3.16 Key Control Standards**

A route operator or type "B" site operator's internal control standards in respect of the control of keys must include, but not be limited to, the following:

#### **3.16.1 Key Control**

- (1) The method of completing entries in monitored key registers;
- (2) Details of designated personnel involved in monitored key transactions;
- (3) Procedures in respect of:
  - (a) Duplicate keys;
  - (b) Lost keys;
  - (c) Dual control of keys;
  - (d) Destruction of keys; and
  - (e) Reconciliation and auditing of monitored key registers.

#### **3.16.2 Controlled Keys**

The following keys are regarded as controlled keys:

- (a) LPM cabinet door keys;
- (b) Logic area door keys;
- (c) Such other keys that are required to be controlled in terms of the Act, Regulations, Rules and the licensee's ICS; and
- (d) Each duplicate key to the keys contemplated in paragraphs (a) to (c) above.

### **3.16.3 Key Control Logs**

- (1) Key control logs must be maintained for keys listed in paragraph 3.16.2 above.
- (2) Key control logs must contain, at a minimum, the following information for each of the keys mentioned in paragraph 3.16.2 above:
  - (a) Type of key or combination of keys;
  - (b) Date and time issued;
  - (c) Details of relevant LPM site, where applicable;
  - (d) Signature and name or employee number of the employee issuing the keys;
  - (e) Signature and name or employee number of the employee receiving the keys;
  - (f) Date and time returned by the custodian of the controlled key;
  - (g) Number of keys made, duplicated or destroyed; and
  - (h) Signatures of all persons involved in the creation, duplication or destruction of such keys.

### **3.17 Controlled Stationery**

The internal control standards in respect of controlled stationery must include the following:

- (1) That a Machine Book for each LPM site is maintained to document each time a LPM is accessed and reflects the following relevant events where required:
  - (a) Access;
  - (b) Malfunction; and
  - (e) RAM Clear.
- (2) That information required to be reflected on controlled stationery is recorded in indelible ink.
- (3) That corrections to information recorded on controlled stationery are made by drawing a single line through the error and entering the correct detail, whereupon at

least one employee involved in the transaction must append his or her initials alongside the changes, specifying his or her name or employee ID number.

### **3.18 LPM GAME RULES**

#### **3.18.1 Approval of LPM Game Rules**

A licensed route operator or independent site operator must follow the application procedure as prescribed in paragraph 1.3 above for the approval of LPM game rules and any amendments thereto, using the form prescribed in Schedule 2 to the Rules.

#### **3.18.2 Payouts**

The internal control standards must include payout procedures, including manual payments and the recording thereof.

### **3.19 LIMITED PAYOUT MACHINES**

#### **3.19.1 LPM Requirements**

Each LPM must electronically record, store and send to the CEMS significant event information in respect of the following:

- (a) Authorised and unauthorised LPM cabinet door, drop box door and bill canister;
- (b) Authorised and unauthorised access to the LPM logic area while power is off;
- (c) Authorised and unauthorised access to the SDL;
- (d) Communication failure to the CEMS, and
- (e) Software validation or signature failure.

#### **3.19.2 Commissioning, Alteration and De-commissioning of LPMs and SDLs**

The internal control standards in respect of the commissioning, alteration and de-commissioning of LPMs and SDLs must include the following:

- (1) Procedures of the tests that must be performed as contemplated in the Rules whenever SDLs and LPMs are moved or relocated from their initial locations to new locations at the site.
- (2) Procedures to ensure that the CEMS is immediately updated to reflect any commissioning, alteration or de-commissioning of LPMs at the time of such occurrence.
- (3) Procedures for the recording of the results of these tests, which include that such record be signed by a representative from the route operator or independent site operator's designated function, as approved in their ICS.

- (4) Control measures for the maintenance of significant events and meter test documentation, including system reports in respect of the tests contemplated in the Rules for a period of at least five (5) years, for Board inspection.
- (5) Completion of full data collection by the CEMS prior to de-commissioning a LPM.
- (6) That A LPM may not be exposed for play before the tests have been successfully completed and the information on the CEMS has been verified as being correct.

### **3.19.3 Malfunctions**

The internal control standards in respect of malfunctions of the LPMs and CEMS must include, but not be limited to, the following:

- (1) Procedures in the event of a malfunction, which include that the LPM must be powered down immediately and disabled until repaired.
- (2) Procedures in the event of a communication malfunction occurring between the CEMS and the LPM which cannot be repaired immediately, and the reporting thereof to the Board in writing within five (5) days.
- (3) Procedures in the event that a malfunction is detected by the Board and the machine disabled until such time that the malfunction has been repaired.

### **3.19.4 Maintenance**

The internal control standards in respect of maintenance must include, but not be limited to, the following:

- (1) Procedures in respect of maintenance of LPMs and SDLs at all LPM sites.
- (2) Procedures for the detection of LPM, SDL and CEMS malfunctions.

### **3.19.5 Ram Clear**

Internal control standards in respect of LPM RAM clears must include, but not be limited to, the following:

- (1) Procedures that prior to and after performing a RAM clear on a LPM, the LPM technician records the LPM soft meter readings on the prescribed route operator or independent site operator's RAM Reset Document and that –
  - (a) This information is forwarded to the designated function as prescribed in the licensee's approved ICS, for recording purposes; or
  - (b) The LPM soft meters are archived on the CEMS.
- (2) Procedures where the LPM Technician or representative of the CEMS operator ensures that full data collection has been completed by the CEMS prior to performing a RAM clear on the gaming machine.

### **3.20 SURVEILLANCE SYSTEMS FOR TYPE "A" LPM SITES**

#### **3.20.1 General Standards of Surveillance System – Type A**

- (1) The surveillance system must include a monitor, camera and server capable of recording the activities of the LPMs.
- (2) The surveillance system must record in colour and be capable of identifying all patrons and cash transactions.
- (3) The surveillance system and its equipment must be directly and securely wired in a way to prevent tampering therewith.

#### **3.20.2 Surveillance System Plan – Type A**

The surveillance system plan must include the following:

- (a) A gaming floor plan showing the placement of all surveillance equipment; and
- (b) Details of the camera view, if applicable.

#### **3.20.3 Approval of Surveillance System Plan – Type A**

A licensee must follow the application procedure as prescribed in paragraph 1.3 above for the approval of the Surveillance System Plan or any amendments thereto, using the form prescribed in Schedule 2 to the Rules.

### **3.21 SURVEILLANCE SYSTEMS FOR INDEPENDENT SITE OPERATORS AND TYPE "B" LPM SITES**

The internal control standards in respect of surveillance systems must include the following:

#### **3.21.1 General Standards of Surveillance System – Type B**

- (1) The surveillance system and its equipment must be directly and securely wired in a way to prevent tampering therewith.
- (2) The surveillance system must be connected to an auxiliary power source capable of providing uninterrupted power to the surveillance system in the event of a power loss and the power supply must provide sufficient lighting to operate the surveillance system at all times when LPMs are in operation.
- (3) A lightning protection unit must be fitted to safeguard the surveillance system against lightning.
- (4) In the event that cameras are used as part of the surveillance system:
  - (a) Each camera must have the capability of having its picture displayed on a monitor;
  - (b) All cameras forming part of the surveillance system must record in colour, unless otherwise approved by the Board;

- (c) Each camera in the surveillance system located in a public area must be placed behind a dome;
- (d) All image recordings must be made in real time and not in a time lapse recording mode; and
- (e) Surveillance system image recordings must be kept for seven (7) days.

### **3.21.2 Surveillance System Plan – Type B**

The surveillance system plan must include the following:

- (a) A gambling floor plan that shows the placement of all surveillance equipment;
- (b) Details of camera views, if applicable;
- (c) Identification of the LPMs covered by the Surveillance System; and
- (d) A detailed inventory of the surveillance system, which must include the number of cameras, monitors and equipment specifications, if applicable.

### **3.21.3 Approval of Surveillance System Plan – Type B**

A licensee must follow the application procedure as prescribed in paragraph 1.3 above for the approval of the Surveillance System Plan, or any amendments thereto, using the form prescribed in Schedule 2 to the Rules.

### **3.21.4 Malfunctions of Surveillance System Equipment**

The internal control standards in respect of malfunctions of surveillance system equipment must include, but not be limited to, the following:

- (1) Maintenance of a written log of any and all surveillance system equipment malfunctions by the independent site operator or site licensee.
- (2) Procedures in respect of the following:
  - (a) Reporting of malfunctions to the Board; and
  - (b) Undertaking of repairs, including that each malfunction to the approved surveillance system must be repaired within twenty-four (24) hours of the malfunction.

### **3.21.5 Storage and Record Keeping**

The licensee's internal control standards must include procedures for storing and record keeping of image recordings, and any amendments to existing approved methods.

## **PART 4 BINGO**

In addition to the general minimum standards detailed in Part 1 above, bingo licensees must ensure the inclusion of the standards and procedures contained herein, in their internal control standards for consideration and approval by the Board.

### **4.1 Application for Licence**

Any person who wishes to operate bingo must follow the application procedure as prescribed in paragraph 1.3 above, using the form prescribed in Schedule 2 to the Rules.

### **4.2 Organisational Structure / Jobs' Compendium**

Unless otherwise approved by the Board, every licensee's organisational structure and jobs' compendium must include certain mandatory functions that are responsible for the following:

#### **4.2.1 Internal Audit**

The Internal Audit function must be supervised by a manager as prescribed in the licensee's jobs' compendium approved by the Board, and such function will be responsible, without limitation, for the following:

- (1) The review and evaluation of the adequacy of the licensee's internal controls and their compliance with the minimum internal control standards provided for in the Act, Regulations and these Rules;
- (2) The reporting to the Board of Directors of the bingo licensee or a committee thereof, the executive management of the bingo licensee, or any structure approved by the Board, of all instances of non-compliance with the minimum internal control standards provided for in the Act, Regulations and these Rules;
- (3) The reporting to the Board of Directors of the bingo licensee, or a Committee thereof, executive management of the bingo licensee and the Board, of any material weaknesses in the system of internal control;
- (4) The recommendation to the management of the bingo licensee's business procedures aimed at eliminating any material weakness in the system of internal control; and
- (5) The preparation and maintenance of reports which contain the information required in terms of these prescribed functions.

#### **4.2.2 Electronic Data Processing / Information Technology**

The Electronic Data Processing /IT function must be supervised by a manager as prescribed in the licensee's jobs' compendium approved by the Board, and such function will be responsible, without limitation, for the following:

- (1) The quality, reliability and accuracy of all computer systems used by the bingo licensee;

- (2) Specifications of appropriate computer software, hardware; and
- (3) Procedures for security, physical integrity, audit and maintenance of:
  - (a) Access codes and other data-related security controls used to ensure appropriately limited access to computers and the reliability of data;
  - (b) Computer tapes, disks or other electronic storage media containing data relevant to bingo operations;
  - (c) Computer hardware, communications equipment and software used in the conduct of all bingo operations; and
  - (d) Adequate backup and recovery procedures.

#### **4.2.3 Security**

The Security function must be supervised by a manager as prescribed in the licensee's jobs' compendium approved by the Board, and such function will be responsible, without limitation, for the following:

- (1) The enforcement of applicable legislation;
- (2) The physical safety of patrons in the establishment;
- (3) The physical safety of personnel employed by the establishment;
- (4) The protection of patrons and the establishment's property from any illegal activity;
- (5) The identification and removal of any person who is required to be excluded, or who may be excluded or rejected, or of any person who is prohibited from entering a bingo hall; and
- (6) All other functions assigned to it by the bingo licensee and approved by the Board.

#### **4.2.4 Bingo Operations**

The Bingo Operations function must be supervised by a manager as prescribed in the licensee's jobs' compendium approved by the Board, and such function will be responsible, without limitation, for the following:

- (1) The operation of the game of bingo;
- (2) The management of the cash desk; and
- (3) The management of staff members, who must include, at a minimum, employees who require registration certificates approved by the Board.

#### **4.2.5 Bingo Accounts or Treasury**

Bingo Accounts or Treasury function, which must be independent of the Bingo Operations function, supervised by the manager as prescribed in the licensee's ICS approved by the Board and which must be responsible, without limitation, for the following:

- (1) The daily verification of the reconciliation by the cash desk, in accordance with the reconciliation procedures approved by the Board;
- (2) The control over unsold bingo cards as well as money at hand;
- (3) The management of controlled stationery;
- (4) The day-to-day accounting functions with regard to the operation of the Bingo Operations Department, including the cash desk; and
- (5) The monthly audit of the cash desk by a member of the Bingo Accounts personnel or by Internal Audit personnel, after which all variances must be reported to the head of the Bingo Accounts function. The manager, as designated in the licensee's approved ICS will authorise all journal entries and ensure that revenue, expenses, assets and liabilities are reconciled to the general ledger on a monthly basis.

#### **4.3 Floor Plan**

A licensee must follow the application procedure as prescribed in paragraph 1.3 above for the approval of its floor plan/or amendments thereto, using the form prescribed in Schedule 2 to the Rules.

#### **4.4 Bingo Halls**

Every bingo hall must contain, at a minimum, the following equipment:

- (1) A random number-selecting device, which must operate either electronically or by means of a ball-drawing apparatus;
- (2) A control desk, which must be elevated from the rest of the premises and be clearly visible to all players;
- (3) A public address system which must ensure clear audibility to all players, of all instructions and information from the control desk in relation to the conduct of the game;
- (4) One or more information panels or screens, which must be clearly visible to all players, on which must be displayed the following information:
  - (a) The face value of the card being played;
  - (b) All numbers drawn in the game currently being played;
  - (c) All prizes available in the game currently being played;
  - (d) The amount of the applicable jackpot as well as the maximum number of draws for the jackpot;

- (e) The number of draws made in the game currently being played; and
  - (f) The number of cards sold in respect of the game currently being played.
- (5) A closed-circuit television system, or other system approved by the Board, of which at least one of the monitors or other devices must be clearly visible from all positions which may be occupied by a player, on which the numbers being selected are clearly displayed.
- (6) A cash desk, or the control desk, in which a cashier, card controller or card seller must be stationed and in which the following must be kept:
- (a) All bingo cards removed from the storage area in order to be sold;
  - (b) All money paid by players for the purchase of bingo cards until removed to the secure storage area.
  - (c) Any other equipment needed by the cashiers to perform their functions; and
  - (d) Any other item(s) which the Board may require from time to time.
- (7) A computer system, approved by the Board, which must be used to record and store the game records, required in terms of Rule 20.6.
- (8) If the game is played using electronic cards, or similar approved devices, the following must be clearly visible to the player –
- (a) A clear digital representation of the electronic card or cards;
  - (b) The minimum stake per game;
  - (c) The amount of the applicable jackpot as well as the maximum amount of draws for the jackpot; and
  - d) All numbers, pictures and symbols drawn in the game currently being played.
- (9) Every bingo hall must in a visible position display a notice that advises patrons where the following information may be obtained:
- (a) Prices of the bingo cards;
  - (b) Number of cards making up the sets;
  - (c) Different types of prize-winning combinations and the proportionate share of each prize;
  - (d) Applicable gaming tax; and
  - (e) Rules of the game (which will be made available on request by the holder of that card).

#### **4.5 Game Records**

The licensee's internal control standards in respect of game records must include the following:

- (1) Procedures in respect of games record keeping.
- (2) Procedures in respect of malfunctions of computer system/electronic device used for recording games information.

#### **4.5.1 Approval of Electronic Record-Keeping Systems**

A licensee must follow the application procedure as prescribed in paragraph 1.3 above for the approval of its electronic record-keeping systems in respect of both bingo cards, and electronic cards or other devices, using the form prescribed in Schedule 2 to the Rules.

#### **4.5.2 Games Record-Keeping System for Bingo Cards**

At a minimum, the approved computer system must include the following:

- (1) A link to the control desk.
- (2) The capability of recording, simultaneously with the playing of each game, all information relevant to each game of bingo, including, but not limited to, the following:
  - (a) The date;
  - (b) The series and serial number of the first card sold;
  - (c) The series and serial number of the last card sold;
  - (d) The total number of cards sold;
  - (e) Details of unsold or damaged cards;
  - (f) The amount of the face-value of the cards;
  - (g) The amount accumulated in the jackpot, if any, after the sale of the cards;
  - (h) The time of commencement of number selection;
  - (i) The numbers selected up to each of the prizes awarded;
  - (j) The serial number of the card or cards winning each of the prizes;
  - (k) The net amount of the total of each prize;
  - (l) The total number of numbers selected; and
  - (m) Any incident which may have an effect on the result of the game.

#### **4.5.3 Games Record-Keeping for Electronic Cards or Other Devices**

At a minimum, the approved computer system must be capable of recording the following information:

- (a) The date;

- (b) The total amount of cash staked per player position, electronic card or device;
- (c) The total amount of prize money paid out per player position, electronic card or device;
- (d) The total amount of cash hold per player position, electronic card or device;
- (e) The percentage payout and hold per player position, electronic card or device;
- (f) The total amount of cash staked;
- (g) The total amount of prize money; and
- (h) Total amount of cash hold.

#### **4.6 Administrative and Accounting Procedures**

The licensee's internal control standards in respect of administrative and accounting must include, but not be limited to, the following:

- (1) Procedures and controls to determine the liability for taxes and fees under the Act and incorporate the provisions specified in the Regulations pertaining to bingo licensees.
- (2) Procedures for the calculation, compilation and verification of the Monthly Gaming Revenue Tax Return, including the verification and reconciliation of computerised reports used to calculate bingo gambling revenue, so as to ensure the integrity and accuracy and the collection thereof.

#### **4.7 Internal Audit**

The licensee's internal control standards in respect of Internal Audit must include an internal audit programme.

#### **4.8 Receipt, Storage, Destruction and Access Control**

The licensee's internal control standards in respect of the receipt, storage, destruction and access control of bingo Cards must include, but not be limited to, the following:

- (1) Control measures in respect of the receipt, storage and access to all bingo cards.
- (2) A disaster recovery plan in the event of any of the bingo cards being stolen or lost.
- (3) Control systems in respect of all keys for the bingo cards secure storage area.
- (4) Procedures in respect of the retention and destruction of all bingo cards.
- (5) Access controls for all bingo areas.

## **4.9 BINGO CARDS**

### **4.9.1 Approval of Bingo Cards, Electronic Cards and Bingo Balls**

A licensee must follow the application procedure as prescribed in paragraph 1.3 above for the approval of bingo cards, electronic cards and bingo balls, using the form prescribed in Schedule 2 to the Rules.

### **4.9.2 Bingo Cards Standards**

In addition to the requirements contained in the Rules, a bingo licensee's must ensure that the following information is printed on each card:

- (a) The numbers to be marked off by the players;
- (b) The set to which the card belongs;
- (c) Its unique serial number within the set; and
- (d) A design, logo or the name of the bingo hall at which the card is sold (printed on each card or on the front cover of a book of cards).

## **4.10 BINGO DEVICES**

### **4.10.1 Random Number-Selecting Device**

A licensee must ensure that when a ball-drawing apparatus is used as a random number-selecting device, the following requirements are met:

- (1) The number of balls used must equal the eligible game numbers on the tickets and the numbers reflected on the balls must be the same numbers reflected on the game tickets, the lowest of which must be number one and the highest of which must be equal to the highest number being played.
- (2) The balls used must be identical to one another in respect of all physical characteristics except for the colour and number painted on each ball.
- (3) No two balls must have the same number.
- (4) Each ball must be indelibly imprinted with its particular number in such a way, and in such combination of colours, to guarantee perfect visibility thereof on the closed circuit television monitors, if such ball is drawn by the ball-drawing apparatus.

### **4.10.2 Maintenance of Bingo Devices**

The licensee's internal control standards in respect of bingo devices must include all maintenance procedures and the detection of malfunctions.

## **4.11 BINGO GAMES**

### **4.11.1 Approval of Bingo Games, Games Rules, Prizes and Jackpots**

A licensee must follow the application procedure as prescribed in paragraph 1.3 above for the approval of bingo games, game rules, prizes and jackpots, and any amendments thereto, using the form prescribed in Schedule 2 to the Rules.

### **4.11.2 Simultaneous Bingo – Approval of Hardware and Software Configuration of Distribution Network**

A licensee must follow the application procedure as prescribed in paragraph 1.3 above for the approval of the hardware and software configuration of the distribution network used within the province for simultaneous bingo, and any upgrade or change thereto, using the form prescribed in Schedule 2 to the Rules.

### **4.11.3 Conducting the Game of Bingo**

The licensee's internal control standards in respect of conducting the game of bingo must include, but not be limited to the following:

- (1) Details of the methods of conducting the various games of bingo (including simultaneous bingo) and the prizes to be won.
- (2) All control measures and procedures for the conducting of any bingo game, (including the use of electronic bingo cards and simultaneous games), from commencement to conclusion of the game, which must include the following:
  - (a) Process prior to commencement, including the sale of bingo cards and inspection of equipment prior to commencement of game;
  - (b) Procedures in respect of announcement and display of face value and unique serial number of first card to be sold prior to the sale of tickets;
  - (c) Procedures on commencement of clear announcing and displaying of all numbers, pictures or symbols selected during the game;
  - (d) Procedures in respect of game interruptions;
  - (e) Procedures in respect of prize claims and verification of winning cards, which include the following:
    - (i) That the first player or players to complete the combination necessary for a prize on the respective card and, where applicable, within the required number of draws, is entitled to the applicable prize, if he/she claims the prize within the time and in the manner provided for in the Rules;
    - (ii) That the game is interrupted when any player claims a prize and the card for which the prize is claimed is collected by the designated employee, who must check the card in order to verify whether the claim is legitimate;

- (iii) That if the check reveals that the relevant prize has been won, it will be announced through, or by means of, a public address system and/or displayed on monitors. If the check reveals otherwise, the game will continue until all available prizes have been won;
  - (iv) That once the existence of a prize-winning card has been verified and announced and/or displayed, that the caller shall enquire from the players whether there are any other winning cards, allowing a reasonable time before ordering the game to be resumed, or declaring it to have ended, as the case may be. That once the caller has declared the game to have ended all rights to claim any prize in respect of said game, shall be lost; except in the event when a dispute is lodged in accordance with patron disputes as contained in the general rules.
  - (v) That when the last available prize in a particular game has been claimed and positively verified, that the caller declares the game closed and all prizes paid to the winners before the commencement of the next game.
  - (f) Options available for players at completion of game;
- (3) Controls relating to the physical and logical security of the system where approved bingo games are being downloaded electronically or electronically housed in a system.

#### **4.11.4 Cash Desk Procedures**

The licensee's internal control standards in respect of cash desk procedures must include, but not be limited to, the following:

- (1) The daily reconciliation of the bingo cards received, sold and returned to the storage area;
- (2) Management of floats and money by the cash desk, Treasury or Accounts function; and
- (3) The monthly reconciliation and inventory of all bingo cards.

#### **4.12 SURVEILLANCE SYSTEMS**

The licensee's internal control standards in respect of surveillance systems must include, but not be limited to, the following:

##### **4.12.1 Surveillance System Standards**

- (1) As part of the surveillance system –
  - (a) Each camera must have the capability of having its picture displayed on a monitor;
  - (b) All cameras must record in colour, unless otherwise approved by the Board;

- (c) Each camera located in a public area must be placed behind a dome; and
  - (d) All image recordings must be made in real time.
- (2) The surveillance system and its equipment must be directly and securely installed in such a way so as to prevent tampering.
  - (3) The surveillance system must be connected to an auxiliary power source capable of providing uninterrupted power to the surveillance system in the event of a power loss.
  - (4) The power supply must provide sufficient lighting to operate the surveillance system at all times when bingo devices are in operation.

#### **4.12.2 Surveillance System Plan**

The surveillance system plan must include the following:

- (a) A gambling floor plan that shows the placement of all surveillance equipment;
- (b) Details of the camera views, if applicable;
- (c) The identification of all bingo devices covered by the surveillance system; and
- (d) A detailed inventory of the surveillance system, which must include number of cameras, monitors and equipment specifications, if applicable.

#### **4.12.3 Approval of Surveillance System Plan**

A licensee must follow the application procedure as prescribed in paragraph 1.3 above for the approval of its Surveillance System Plan, or any amendments thereto, using the form prescribed in Schedule 2 to the Rules.

#### **4.12.4 Malfunctions of Surveillance System Equipment**

The internal control standards in respect of malfunctions of surveillance system equipment must include, but not be limited to the following:

- (1) Procedures where a written log of any and all surveillance system equipment malfunctions is established and maintained by the bingo licensee.
- (2) Procedures in respect of the following:
  - (a) Reporting of malfunctions to the Board; and
  - (b) Undertaking of repairs, including that each malfunction to the approved surveillance system must be repaired within twenty-four (24) hours of the malfunction.

#### **4.12.5 Storage and Record Keeping**

The licensee's internal control standards must include procedures for storing and record keeping of image recordings, and any amendments to existing approved methods.



## SCHEDULE 2 TO THE KWAZULU-NATAL GAMING AND BETTING BOARD GAMING RULES: KZNGBB FORMS

As required in the Act, Regulations and the Rules, the Board has developed forms to be used by licensees/applicants.

Form Number	Description of Form
	<b>General (Casino / LPM / Bingo) Forms</b>
001	Application for Dispensation
002	Request for Access to Record of Public Body
003	Application for Approval of Internal Control Standards (including Amendments to Internal Control Standards)
004	Application for Approval of Relocation of Business to Other Premises
005	Notification to Board of Disqualifying Information in terms of the KZN Gaming and Betting Act
006	Report of Any Act of Cheating or Contravention of the Act, Regulations or Board Rules
007	Application for Extension of Time for Reporting
008	Lodging of Gaming Dispute to the Board
009	Claim for Refund of Overpaid Gaming Tax
	<b>Licence Application Forms</b>
010	Casino Licence – Corporate Entity
011	Route Operator Licence – Corporate Entity
012	Route Operator Licence – Natural Person
013	Independent Site Operator Licence – Corporate Entity
014	Independent Site Operator Licence – Natural Person
015	Type "A" Site Operator Licence – Corporate Entity
016	Type "A" Site Operator Licence – Natural Person
017	Type "B" Site Operator Licence – Corporate Entity
018	Type "B" Site Operator Licence – Natural Person
019	Bingo Licence – Corporate Entity
020	Bingo Licence – Natural Person
021	Consent to Acquire a Financial Interest of 5% or More in a Licensee – Corporate Entity
022	Consent to Acquire a Financial Interest of 5% or More in a Licensee – Natural Person
023	Transfer of Licence – Corporate Entity
024	Transfer of Licence – Natural Person
025	Amendment, Substitution or Rescission of Condition attached to a Gaming Licence, including amendment to a licence for the purposes of changing any gaming equipment or gaming machine specified therein

<b>Form Number</b>	<b>Description of Form</b>
	<b>Registration Application Forms</b>
026	Manufacturer / Supplier / Maintenance Provider – Corporate Entity
027	Manufacturer / Supplier / Maintenance Provider – Natural Person
028	Certificate of Suitability – Corporate Entity
029	Certificate of Suitability – Natural Person
030	Special Employee/Director/Owner: Casino/Manufacturer/Supplier/Maintenance Provider/Route Operator/Independent Site Operator/Bingo
031	Other Employee: Casino / Service / Manufacturing
032	Site Key Employee
033	Amendment, Substitution or Rescission of Condition attached to a Certificate of Registration
	<b>Renewal Application Forms</b>
034	Casino Licence
035	Route Operator Licence
036	Independent Site Operator Licence
037	Type "A" Site Operator Licence
038	Type "B" Site Operator Licence
039	Bingo Licence
040	Manufacturer, Supplier, Maintenance Provider
	<b>Gaming Machines / Gaming Equipment and Amusement Machines Application Forms</b>
041	Registration of Gaming Machines and Gaming Equipment
042	Deregistration of Gaming Machines and Gaming Equipment
043	Approval of Alterations or Modifications of Gaming Machines and Gaming Equipment
044	Approval of Sale, Transfer or Destruction of Gaming Machines and Gaming Equipment
	<b>Amusement Machines Application Forms</b>
045	Registration of Amusement Machines / Authority to Keep and Make Amusement Machines Available / Amendment of a registration or transfer of authority to keep and make amusement machines available
	<b>Casino: Applications For Approvals</b>
046	Table Games / Table Game Equipment / Table Games Rules (including Amendments to Table Games / Table Game Equipment / Table Games Rules)
047	Wide Area or Inter-Casino Linked Progressives
048	Gaming Machine Supplementary/Promotional Payouts and Awards
049	Chips/Plaques/Tokens/Integrated Circuit Cards/Other Face Value Instruments/ Promotional or Tournament Chips, Plaques and Tokens
050	Dice/Playing Cards
051	Transportation Containers for Movement of Chips/Playing Cards/Dice/Roulette Wheels
052	Casino Surveillance System Plan
053	Amendments to Casino Surveillance System Plan
054	Casino Monitoring Control System Hardware and Software Configuration (including Amendments to Monitoring Control System Hardware and Software Configuration)

<b>Form Number</b>	<b>Description of Form</b>
	<b>Limited Payout Machines: Applications for Approvals</b>
055	Advertising – Type "B" LPM Sites
056	LPM Site Floor Plan (including Amendments to Approved LPM Site Floor Plan)
057	LPM Game Rules
058	LPM Type "A" Surveillance System Plan
059	Amendments to LPM Type "A" Surveillance System Plan
060	LPM Type "B" Surveillance System Plan
061	Amendments to LPM Type "B" Surveillance System Plan
	<b>Bingo: Application for Approvals</b>
062	Bingo Site Floor Plan (including Amendments to Approved Bingo Site Floor Plan)
063	Bingo Electronic Record Keeping Systems
064	Bingo Cards / Bingo Balls
065	Bingo Games / Bingo Games Rules / Jackpots / Prizes (including Amendments to Bingo Games / Bingo Games Rules / Jackpots / Prizes)
066	Linked Bingo Halls (Distribution Network)
067	Bingo Hall Surveillance System Plan (including Temporary or Permanent Alterations or Modifications to Surveillance System Plan)
068	Amendments to Bingo Hall Surveillance System Plan