

MPUMALANGA GAMING BOARD



**REQUEST FOR APPLICATIONS
IN RESPECT OF
SITE OPERATOR LICENCES**



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DEFINITIONS

In this request for applications, including the appendices and annexures thereto, unless the content indicates otherwise:

applicant	means a person who has lodged an application for a site operator licence, pursuant to this RFA, as contemplated in section 24 read with sections 23 and 31 of the Act; and shall include all owners, members, partners and shareholders, where applicable.
cash	means physical coins, notes, tokens, magnetic or smart cards or any other representation of money in the gambling environment;
credits	means the amount of money available to a player, as reflected on a limited payout machine in increments of the denomination of that particular limited payout machine in Rand value, which accrues as a result of the insertion of cash or tokens, into the limited payout machine or the accumulation of anything won by a player at the completion of a game;
designated area	means an area designated at a site where limited payout machines are authorised to be placed;
double up	means a gambling option whereby a player may during a game risk a previous win, bet or a portion of that bet on the selection of a further outcome;
employee	means any person employed at the site, who manages or is directly involved in gambling activities on the site;
limited payout machine	means a gambling machine outside of a casino in respect of the playing of which the stakes and prizes are limited as prescribed by the Act or National Regulations;

limited payout machine game

means any game on a limited payout machine which

- (a) commences when the player –
 - (i) makes a bet from the player’s credit meter that is not part of any previous game; or
 - (ii) inserts cash and game play is initiated;
- (b) is completed when the player –
 - (i) cannot continue play activity without committing additional credits from the credit meter or coin acceptance device; and
 - (ii) has no credits at risk; and
- (c) contains one or more of the following elements, each of which is deemed to be part of a single game -
 - (i) a game that triggers a free game feature and subsequent free games;
 - (ii) a metamorphic feature;
 - (iii) a “second screen” bonus feature;
 - (iv) a game with player choice, for example draw poker and blackjack;
 - (v) a game where the rules permit the wagering of additional credits, for example blackjack or the second part of a two-part keno game; or
 - (vi) a gamble feature – such as a double up.

National Regulations

means the National Regulations on Limited Payout Machines, 2000 promulgated on 21 December 2000.

person

shall include a natural as well as a juristic person;

progressive jackpot

means an additional variable award, additional to the game’s maximum aggregate prize, available to be won by a player as a result of an event on one or more limited payout machine(s);

Province

means the Mpumalanga Province;

RFA

means the Request For Application, for site operator licences, as per this document;

Regulation	means regulations made in terms of section 85 of the Act;
route operator	means a company registered in terms of the Companies Act, 1973 (Act No. 61 of 1973), which is – <ul style="list-style-type: none"> (a) licenced to own and operate limited payout machines; (b) responsible for maintaining limited payout machines; and (c) responsible for affecting the collection of money and paying the provincial taxes and levies in respect of any limited payout machine under its licence.
Rules	means rules made by the Board in terms of section 84 of the Act;
site	means premises licensed by the Board for the placement and operation of one or more limited payout machine(s);
site licensee	means a holder of a site operator licence;
site operator	means the licensee who is entitled to keep limited payout machines owned by a route operator on his premises and to make them available to be played by members of the public;
the Act	means the Mpumalanga Gaming Act, 1995 (Act No. 5 of 1995), as amended;
the Board	means the Mpumalanga Gaming Board, established in terms of section 2 of the Act;
token	means a metal or other representative of value, with an indicated Rand value, redeemable for cash and issued and sold by a licensee for use in limited payout machines at the licensee’s licensed premises.

1. BACKGROUND

1.1 Introduction

Gaming was introduced in the Mpumalanga Province in terms of the Act, Regulations and Rules, with a view to achieve the following objectives:

- a) To enhance economic growth and development in the Mpumalanga Province through the stimulation of the tourism sector, the creation of tourism infrastructure and the creation of employment opportunities within, inter alia, the tourism sector;
- b) to uplift, advance and economically empower, historically disadvantaged communities; and
- c) to generate additional fiscal revenues for the Province.

Following from the above, the Mpumalanga Province regards gaming as a means towards an end, and not an end in itself. In this regard, gaming is seen as an important vehicle to achieve economic growth and development within the Mpumalanga Province.

1.2 Objectives of licensing route operators

Following from the above objectives, the Board realises that route operations, on its own, will not fully accomplish the above stated objectives set for the introduction of legal gaming in the Mpumalanga Province. Route operations are seen as supplementary to casinos in achieving the above objectives. Although route operations will contribute minimally to the development of new infrastructure and tourist facilities, it can play a meaningful role to support and develop existing and new entertainment and recreational facilities throughout the Province.

Simultaneously, route operations, could create opportunities for the direct involvement of small and medium size entrepreneurs within the gaming industry and will provide employment and entrepreneurial opportunities for all the people of the Province. In addition, route operations could also play a major role in satisfying the gaming needs of the people of the Province, in that it will have a much wider distribution throughout the Province.

The Board, also realises the potential negative impact that route operations may have within the Province. The Board will therefore, regulate this section of the gaming industry to ensure that:

- a) the demand for gaming is absorbed, without over-stimulating the latent demand thereof;

- b) gaming at licensed sites will remain a secondary activity to the main form of entertainment or business provided at such a site;
- c) minors are prohibited from participating in gaming activities;
- d) the number of limited payout machines per site and the maximum prize and bet size, are controlled; and
- e) gaming taxes and levies are regularly paid.

The concept of a route operator, results from the fact that it is often regarded as more cost effective for owners of premises on which a relatively small number of limited payout machines are operated, not to own those machines, but rather to enter into a service agreement with a route operator, who owns the limited payout machines. The route operator normally maintains the limited payout machines, effects the collection of monies, and pays the taxes due to the Board and Government.

As a result of the fact that sites do form an integral part of the route operation, the Board wishes to satisfy itself that both the site, as well as the route operator, complies with the provisions of the National Regulations, the Act, Regulations and Rules as well as the requirements of the Board.

1.3 Purpose of request for applications (RFA)

The purpose of this RFA is to furnish all prospective applicants for site operator licences with a clear indication of the underlying principles applicable to the licensing of routes and sites, as well as the process and criteria applicable to the licensing of such applicants. Simultaneously, the RFA will provide all applicants with clear guidelines on the information required by the Board, to evaluate all applications.

2. PRINCIPLES APPLICABLE TO ROUTE OPERATIONS

In licensing route operators and sites within the Mpumalanga Province, the Board adopted the following principles:

2.1 Maximum number of limited payout machines in the Province

The maximum number of limited payout machines in the Province, shall be as prescribed by the National Regulations, from time to time.

2.2 Maximum number of limited payout machines per route operator

The Board does not intend to limit the maximum number of limited payout machines per route operator. The Board is of the view that economic and population dynamics in the Province, as well as the number of sites available, will be a natural limiting factor.

2.3 Maximum number of limited pay-out machines per site

In accordance with section 31(2)(b) of the Act, the Board will allow a maximum number of 5 (five) limited payout machines per site. Although the aforementioned number represents the maximum number of limited payout machines on one site, the Board decided to further limit the placement of limited payout machines to an average of 3.5 machines per site in respect of each route operator.

However, in order to accommodate the roll-out and initial establishment of the industry, the Board decided to postpone the implementation of the 3.5 average machines requirement until each route operator has been in operation for at least 12 months from the date of operation of their first gaming machines.

Although all the limited payout machines will be operated by holders of route operator licences, there might be a need or public demand for more than the maximum allowable five machines, as per the National Regulations, in certain sites. The Board may, on good cause shown and upon application for more than five machines at a site, approve the operation of limited pay out machines in excess of five machines and not more than forty (40) subject to the provisions of Regulation 3(2) of the National Regulations. Provided that such applications must be made in respect of every site for which limited payout machines in excess of five (5) is sought.

However, the Board's position in this regard will be influenced by the physical location of the site and especially the extent to which it supports the principle of enhancing rural based entertainment. The above mentioned average of 3.5 machines per site in respect of each route operator will not be factored for applications for more than the maximum of 5 limited payout machines per site.

2.4 Maximum number of route and site operator licences within the Province

The Board does not intend to limit the maximum number of route and site operator licences within the Province. The Board is of the view, that it is not necessary to limit the maximum number of route and site operator licences within the Province, as the economic realities of having to pay licence fees, taxes, as well as the availability of suitable sites, will be a natural determining factor on the number of entrants into the market.

2.5 Offices of route operator

The offices of a route operator, at which the administrative, accounting as well as monitoring and control functions will be conducted, shall be based within the Mpumalanga Province.

2.6 Geographic distribution of sites throughout the Province

The Board will, through their evaluation criteria, promote a wide geographic spread of site operators, to ensure that this form of entertainment is accessible to a wide range of the population of the Mpumalanga Province.

2.7 Sites

In terms of the Act, a site operator licence shall authorise the operation and keeping on the licensed premises, or such part of such premises, as specified in the licence, of any prescribed limited payout machines or limited payout machines specified in the licence.

An excessive proliferation of limited payout machines in our society is clearly undesirable. The rights of those who wish to participate in gaming, need to be balanced against the rights of those who are opposed to the presence of limited payout machines in everyday life.

The following constitutes a list of typical sites that may qualify to be licenced by the Board:

- a) clubs;
- b) pubs;
- c) taverns;
- d) betting outlets;
- e) licensed bingo premises;
- f) hotels; and
- g) restaurants.

In special circumstances, based upon a motivation by an applicant, the Board may consider any other entertainment, leisure and recreation facilities for a site operator licence.

Subject to what is said below, the following sites will not be considered by the Board for site operator licences:

- a) cafés;
- b) supermarkets;
- c) bottle stores;
- d) general dealers;
- e) video arcades;
- f) fast-food outlets; and
- g) any other area that the Board might not deem appropriate for licensing.

Although the Board does not regard the licensing of the above sites in the interest of the Province, the onus will remain on the applicant to convince the Board, that a particular site qualifies to be licensed as a site, specifically, considering the ability to provide entertainment, leisure and recreation facilities.

2.8 Prohibition of gambling by certain persons

A person under the age of 18 years may not enter any designated area or take part in any gambling on a limited payout machine or operate a limited payout machine.

A licensee or employee of such licensee may not permit any person who is under the age of 18 years to enter or remain in a designated area or to take part in any gambling or to handle or operate a limited payout machine.

2.9 Stakes and prizes

The maximum amount that may be wagered in total, to enable a person to play all pay lines of a game on a limited payout machine, shall be R5.00, as prescribed in the National Regulations.

The maximum amount or value of any other prize, which may be paid out in respect of a game played on a limited payout machine, shall be R500.00, as provided for in the National Regulations. There are a number of reasons for limiting the payout of limited payout machines. A limited payout of R500.00 will change the emphasis of the average user of gambling machines from attempting to win large jackpot prizes to participation in a form of entertainment, which offers the possibility of receiving monetary prizes.

Furthermore, it is also less likely that the average player of such a gambling machine will risk the whole, or a substantially large portion of his/her income to win R500.00, thus reducing some of the potential of problem gambling in our society.

Progressive jackpots or double-ups will not be allowed in respect of limited payout machines.

2.10 Operating hours

The hours of operation may form part of the condition of the licence.

The Board is of the view that while, in many cases the operating hours of a licensed establishment, may not need to be limited at all, each case should be dealt with on its merits. In this regard, the Board will ensure that the hours of operation of sites, are in accordance with the hours of operation of the primary business.

2.11 Electronic monitoring

In terms of section 30(4) of the Mpumalanga Gaming Act as well as the National Regulations, the holder of a route operator licence, shall link all limited payout machines situated at a site, in respect of which the licence has been granted, to an electronic monitoring system. The holder of a route operator licence shall comply with the SABS specifications (as contained in SABS 1718 part 3), as well as the minimum standards of the Board. After complying with the aforementioned requirements, the Board will grant approval for the operation of the said equipment.

The rationale for linking all limited payout machines, to an electronic monitoring system, relates to the need for the following:

- a) The accurate determination of limited payout machine statistics, turnover and/or revenue, which can be used to ensure that the appropriate taxation payments are made to Government;
- b) The electronic monitoring shall detect and record significant events (as specified in SABS 1718 Part 3 and approved by the Board).

2.12 Display of prizes

All winning combinations, together with the corresponding prizes must be clearly displayed on every limited payout machine exposed for play.

2.13 Return to public

Limited payout machines exposed for play must have a theoretical return to the public of not less than 75 percent.

2.14 Registration of employees

The registration of all employees will take place in accordance with the provisions of Chapter 4 of the Act.

The following guidelines are applicable to the registration of key employees:

- (1) The Board may, upon written notification, declare any position, function or individual to be a key position, key function or key employee.
- (2) The Board will not be restricted by the title of the position or individual, but will consider the functions and responsibilities of the person or position involved in making its decision as to key employee status.
- (3) A licensee must, within 14 days of termination of the employment of a key employee, notify the Board in writing of such termination and the reasons therefor.
- (4) Any information that comes to the attention of a licensee which may affect the suitability of an employee to be registered or licensed, must be brought to the attention of the Board within 7 days of such information coming to the licensee's attention.
- (5) A licensee must, in respect of every key employee, keep a copy of such key employee's certificate on the employment record of that key employee.
- (6) The following employees are classified as key employees:
 - (a) the senior management of the licensee;
 - (b) if the licensee is a corporate body, every director, officer or equivalent of such corporate body;
 - (c) any individual who has the authority to hire or terminate the employment of personnel;
 - (d) any executive, employee or agent of a licensee having the power to exercise a significant influence over decisions concerning any part of the operations of such licensee;
 - (e) any individual who has been specifically represented to the Board by a licensee, officer or director thereof as being important or necessary to the operation of the licensee; and
 - (f) all persons who individually or as part of a group formulate management policy.

The following general guidelines are applicable to the registration of other employees:

- (1) The Board may, upon written notification, declare any occupation to be a site occupation.
- (2) A licensee must, within 14 days of termination of the employment of an employee, notify the Board in writing of such termination and the reasons therefor.
- (3) A licensee must, in respect of every employee required to be registered in terms hereof, keep a copy of such employee's certificate on the employment record of that employee.
- (4) Any information that comes to the attention of a licensee which may affect the suitability of an employee to be registered or licensed, must be brought to the attention of the Board within 7 days of such information coming to the licensee's attention.

- (5) A licensee may outsource occupations with the prior approval of the Board: Provided that all such employees must be registered or licensed by the Board.
- (6) The following occupations are classified as site occupations –
 - (a) counter;
 - (b) collector;
 - (c) accounting personnel;
 - (d) computer operator;
 - (e) technician;
 - (f) marketing personnel;
 - (g) floor attendant;
 - (h) security attendant;
 - (i) limited payout machine attendant;
 - (j) training personnel;
 - (k) internal audit personnel; and
 - (l) cashier.

2.15 Accounting records

Holders of route operator and site operator licences, will be expected to keep records and returns, as prescribed in the Regulations.

2.16 Credit extension

A holder of a route operator licence or a site operator licence, shall not directly or indirectly, extend credit in any form whatsoever to any patron, for the purpose of playing on, or operating, a limited payout machine.

For the purpose of this RFA credit extension includes advancement of cash by the licensee against a person's credit card or a cheque.

2.17 Randomness of games

All games in machines offered for play, shall be purely random, as prescribed in SABS specification 1718.

2.18 Movement of limited payout machines

- (1) The movement of limited payout machines to or from sites must be done with the prior approval of the Board.
- (2) The route operator shall submit as part of the minimum standard of internal control procedures, the following:
 - a) sourcing of machines;

- b) distribution and movement of machines;
 - c) machine conversions;
 - d) disposal of machines;
 - e) linking to approved central electronic monitoring system.
- (3) A site operator must maintain adequate control and supervision of all limited payout machines during hours of operation and must not exceed the number of licensed limited payout machines or change the location of any limited payout machine within the site without the prior approval of the Board.

2.19 Registration or licensing of limited payout machines

No limited payout machine may be:

- (a) distributed to a site operator; or
- (b) exposed for play unless such machine has been:
 - (i) certified according to the SABS as outlined in SABS 1718 specifications; and
 - (ii) approved and registered or licensed by the Board.

2.20 Display of Licence

The licence issued by the Board to a site operator must be prominently displayed at the entrance to the designated area, together with a copy of the licence issued to the relevant route operator.

2.21 Payment of levies

The levies payable on gross gaming revenue by a site operator, in accordance with the prescribed formula, will be collected by the route operator from the site operator. The route operator will be responsible to pay such levies on behalf of the site operator, over to the Board as follows:

- (a) not later than Wednesday in each week or, if any Wednesday is a public holiday, not later than the next working day submit to the Board a return in the form and containing such information in respect of its gambling operations during the preceding week as may be determined by the Board;
- (b) simultaneously pay to the Board any gambling levy due in respect of the preceding week, unless the Board determines otherwise; and
- (c) the preceding week contemplated above shall be the week ending at the close of a licensee's gambling day on the preceeding Sunday.



3. APPLICATION AND LICENSING PROCESS

3.1 General overview

The application process will be a continuous one, implying that a route operator may, at any time, lodge an application on behalf of an applicant with the Board for a site operator licence in terms of this RFA.

The site operator licensing process consists of the following steps:

- 3.1.1 Issuing of RFA (01/02/2002)
- 3.1.2 Clarification of RFA (from 01/02/2002)
- 3.1.3 Submission of applications to the Board (from 01/03/2002)
- 3.1.4 Public inspection and objection period (continuous process)
- 3.1.5 Evaluation, investigations, hearings and/or enquiries (continuous process)
- 3.1.6 Public hearings
- 3.1.7 Decision by the Board to refuse or grant a site operator application (continuous process)
- 3.1.8 Issuing of a licence certificate (continuous process)

3.2 Clarification of RFA

Applicants may seek clarification of the requirements of this RFA, during office hours (08:00 to 16:30). All requests for clarification must be in writing, and may be sent by facsimile. If requests for clarification are raised which, in the opinion of the Board, are relevant to all other applicants, the Board will provide written clarification to all applicants. Requests for clarification should be directed to:

The Chief Executive Officer		Private Bag X9908
The Mpumalanga Gaming Board	OR	White River
First Avenue		1240
White River		South Africa

Facsimile: 013 – 750 8099

3.3 Submission of Applications

3.3.1. Notice of intent to apply

Applicants should note that a notice of intent to apply for a site operator licence must be published in the Provincial Gazette and in a newspaper circulating in the area in which the site premises are situated, in terms of section 24(2) of the Act, within 7 days prior to the lodging of the application.

3.3.2. Lodging of applications

Applicants must lodge 1 (one) copy of the detailed application (Part 1) and 1 (one) copy of the application for public inspection (Part 2), at the offices of the Board. The copies submitted should be separately bound. The detailed copy (Part 1), should contain all information required and should be marked “confidential”, while the second submission (Part 2) should only contain the information for public inspection (i.e. excluding the information which the registrant deems confidential), as envisaged in section 26A of the Act, and should be marked “For public inspection only”.

The application must be in English, prepared in black and white, standard A4 format, and be lodged with:

The Chief Executive Officer		Private Bag X9908
The Mpumalanga Gaming Board	OR	White River
First Avenue		1240
White River		South Africa

3.3.3. Application and Investigation fees

Each application for a site operator licence must be accompanied by the prescribed non-refundable application fee, to the amount of R5700.00 (VAT Inclusive).

In terms of Section 25(b), read in conjunction with Section 27, of the Act, any person who submits an application to the Board under Section 24, shall be liable for and pay to the Board, all reasonable direct expenses incurred by the Board, if any, to conduct the investigations referred to in Section 27 of the Act. In an attempt to deal with the site licensing process in the most cost and time efficient manner, the Board decided to ask a predetermined investigation fee calculated as follows: a basic fee of R1 140.00 (VAT Inclusive) for the business/site and R 570.00 (VAT Inclusive) for each owner, partner, member, shareholder and/or gaming employee. In addition to the above, each application for a certificate of approval for key employee and/or gaming employee must be accompanied by the prescribed non-refundable application fee, to the amount of R1 140.00 (VAT Incl.) and/or R285.00 (VAT Incl.) respectively.

Should it be deemed necessary, the Board may require an additional investigation fee before proceeding with the investigation of an applicant. In such cases the applicant may request the Board to provide a budget/breakdown of the anticipated additional costs to be incurred.

The investigation fee is payable, together with the application fee on submission of the application.

3.3.4. Multiple applications

Site operators must ensure that only one route operator applies on its behalf for a site operator licence. This implies that site owners must execute their right to choose between route operators before the application process begins and applications are lodged by route operators on their behalf.

In order to confirm the choice of a route operator by the site owners, an Application Authorisation Form (attached as annexure 1) should be completed and signed, on a date after the issuing of the RFA, by both the route operator and site owner.

The submission of multiple site operator licence applications will not be to the advantage of the prospective site operator. If more than one route operator submits an application in respect of a particular site, the Board will only accept such an application when informed of the decision of the site owner regarding which route operator the site will be linked to. This will obviously cause a delay in the evaluation and licensing of such a site.

3.4 Information required by the Board

The following minimum information is required for purposes of lodging an application for a site licence:

Detailed Application

(Part 1)

- a) Business Entity Disclosure Form (Appendix A)
 - i) Application Authorisation Form (Annexure 1)
 - ii) Confirmation of payment of prescribed fees (Annexure 2)
 - iii) Certified copies of prescribed notices (Annexure 3)
 - iv) Site Location Plan (Annexure 4)
 - v) Site Plan / Outlay (Annexure 5)
 - vi) Financial statements or Business plan (Annexure 6)
 - vii) Copy of Liquor, Gambling and/or other licences (Annexure 7)
- b) Personal History Disclosures (Appendix B)

Application for public inspection

(Part 2)

- a) Business Entity Disclosure Form (Appendix A)
 - i) Copy of Application Authorisation Form (Annexure 1)
 - ii) Copies of prescribed notices (Annexure 3)
 - iii) Site Location Plan (Annexure 4)
 - iv) Site Plan / Outlay (Annexure 5)
 - v) Copy of Liquor, Gambling and/or other licences (Annexure 7)

In providing the information, required by the Board in the above appendices and annexures, applicants should note the following:

- a) The Board assumes that applicants are in possession of copies of the National Regulations, the Act, Regulations and Rules and, that they have familiarised themselves with each of the provisions contained therein;
- b) failure to provide all the information required by the Board, could result in a delay in the processing of an application;
- c) the Board may deny a licence, if any of the information contained in an application for a site operator licence was false in any material respect, or was subject to omission with the intention to mislead the Board; and
- d) the Board may also suspend and/or revoke a licence subsequent to the issuing thereof, should it at a later stage be found that any of the information contained in an application for a site operator licence was false in any material respect, or was subject to omission with the intention to mislead the Board.

The above mentioned Business Entity Disclosure and Personal History Disclosure forms may be downloaded from the Mpumalanga Gaming Board website at: www.mgb.org.za . Also note that the Board subscribes to the principle of standard international application forms and would therefore accept applications in the said format, provided that all the above mentioned required information is included in the said application. The Board will request further additional information from applicants, if and where required.

3.5 Layout of Site

Upon application for a site operator licence, an applicant must submit with the application a clear and legible diagram, together with photographs of the exterior and interior of the business and a meaningful written description of the primary business.

The diagram contemplated above must be representative and proportional, and must include specific reference to the size of the premises through the use of detailed measurements.

The diagram contemplated above must depict the number of limited payout machines to be exposed for play and their location within the establishment in a manner which must provide adequate supervision of each limited payout machine and which must depict –

- (a) an unobstructed view of each limited payout machine from the point of supervision;
- (b) any mirrors necessary to maintain adequate supervision; and
- (c) any video surveillance equipment that will be used for supervision.

Where the premises to which an application for a limited payout machine site licence relates are accessible to persons under the age of 18 years, no such licence may be issued unless there is a separate cordoned off area wherein all limited payout machines are to be located. Provided that such limited payout machines may be located in a restricted part, as contemplated in the Liquor Act, 1989 (Act No. 27 of 1989), from which persons under the age of 18 years are excluded under section 45 read with section 44(2) of that Act.

No limited payout machine shall be within two metres of the edge of the area contemplated above where that area joins the floor area of the rest of the premises: Provided that such limited payout machines may be less than two metres from the edge of such area where such area is separated from the rest of the premises by a non-transparent continuous wall with a height of at least two metres and all such limited payout machines are located at least two metres from any apertures of such wall.

3.6 Criteria applicable to the evaluation of applications

The following criteria will be applicable during the evaluation of applications for site operator licences:

3.6.1. Applicant

Evaluation criteria applicable to the applicant are:

- (a) All applications will be evaluated in terms of the criteria laid down in the National Regulations, the Act, Regulations and Rules.
- (b) The Board may deem that premises are unsuitable for the conduct of gambling operations by reason of ownership by a person who is disqualified to hold a gambling licence;
- (c) In all cases in which the premises in or on which the gambling operation for which a licence is sought are not wholly-owned by the applicant, the applicant must furnish to the Board a statement of the name and address of the owner or owners of such premises, a copy of all agreements whereby the applicant is entitled to possession of the premises, and such other information as the Board may require.
- (d) In all cases in which the premises are owned or partly owned by the applicant, the applicant must furnish to the Board complete information pertaining to the interest held by any person, including interest held under any mortgage, deed or trust agreement, or other device whatsoever, together with such other information as the Board may require.
- (e) Every applicant must furnish to the Board complete information pertaining to any change of ownership of the site or of any change of any interest in the site in or on which the licensed gambling is operated within thirty days of becoming aware of such a change.

- (f) The knowledge and experience of the applicant in matters relating to gambling and business management, intended training in which the applicant will participate or access to knowledgeable and experienced persons.

3.6.2. Site

The criteria that will be used to evaluate sites will be categorised into two main areas, namely: business conducted and the site itself (incorporating internal and external areas).

3.6.2.1 The criteria applicable to the business conducted are:

- a) The primary function of the site, must be to provide leisure, recreation and/or entertainment. The playing of limited payout machines on the site, must constitute a secondary form of entertainment to the main form of entertainment and recreation, provided at the site. This principle shall, however, not apply to premises in respect of which a bingo operator licence or a licence to operate a betting outlet has been granted.

In determining whether the applicant's proposed operation of limited payout machines is incidental to the primary business at particular premises, the Board may consider some or all of the following factors:

- (i) The floor space used for the limited payout machines as compared to the floor space used for the primary business;
 - (ii) the investment in the operation of the limited payout machines as compared to the investment in the primary business;
 - (iii) the time required to manage or operate the limited payout machines as compared to the time required to manage or operate the primary business;
 - (iv) the gross revenue generated by the limited payout machines as compared to the gross revenue generated by the primary business;
 - (v) whether a substantial portion of the financing of the business as a whole has been provided in exchange for the right to operate limited payout machines on the premises; or
 - (vi) other factors, including but not limited to the establishment's name, the establishment's marketing practices and the public's perception of the business.
- b) All business conducted on the premises, must be conducted lawfully. This implies, that the site on which the primary business is conducted, should carry the necessary approval for such business to be conducted in a lawful manner.

- c) In the event that business development is not completed, the intended vision, plans and action steps pertaining to all intended business activities.

3.6.2.2 In determining whether a site qualifies for a site operator licence, the Board will consider the following:

- a) Proximity to other, already licensed sites and premises;
- b) the demand for this form of gambling by the public;
- c) the extent to which the premises are situated in the vicinity of a place of worship, a school, childrens playground or residential area;
- d) the availability of sufficient parking on the site of the business, or street, or both;
- e) area in which the machines are to be placed, should provide recreation strictly for adults;
- f) limited payout machines must not be visible to the general public, from the outside of the site;
- g) gambling areas within hotels, restaurants or places of entertainment, leisure or recreation, shall be clearly separated/demarcated from the rest of the site, on which the primary business is conducted;
- h) signage, advertising the presence of limited payout machines, will be permitted subject to the provisions of the Act and Regulations;
- i) adequate security, supervision and surveillance should exist at the site;
- j) the site shall be immovable;
- k) the entrance to the gambling areas, shall clearly state that persons under the age of 18 years are not allowed;
- l) the interior decoration should be of an acceptable standard;
- m) the gambling area shall not be less than 3m² per gaming machine;
- n) the site must conform to Health and Safety Regulations;
- o) the layout of the site must prevent any access by persons under the age of 18 years to gambling areas;

- p) the conduct of gambling on the site must be consistent with the public interest and policies of the Republic; and
- q) sites located in a place where gambling is specifically prohibited by valid zoning rights will not be approved.

The Board may deny an application for a site licence, if the Board deems the place or location for which the licence is sought to be unsuitable for the conduct of such gambling.

3.7 Public Hearings

Before deciding whether or not to grant a site operator licence, the Board shall hold a public hearing in the manner determined by the Board. Applicants for site operator licences may be required to present an application, explain and provide answers to questions raised in objections and written representations from the public during the said public hearings.

3.8 Issuing of licence

Should the Board decide to grant a licence to an applicant, a prescribed annual licence fee will be payable by the applicant, calculated as follows: R2850.00 (VAT Inclusive) plus R285.00 (VAT Inclusive) per registered limited payout machine for every year or part of a year ending on a date prescribed by the Act and/or Regulations. The number of limited payout machines used for purposes of this calculation will be the maximum number of machines intended for use on the site, as indicated on the application for a site licence form. No licence certificate will be issued to an applicant, until such time as all fees are paid to the Board.

Once the machines, games, central monitoring system, as well as the interface between the machines and the central monitoring system has been certified by the SABS and approved by the Board, the Board will issue the licence certificate.

Verification of the site layout, in terms of the Site Plan / Outlay as submitted in the detailed application form, will be conducted after the issuing of the licence certificate on a continuous basis.

4. GENERAL TERMS AND CONDITIONS

4.1 Disclaimer

This RFA is not intended to be a recommendation by the Board that an applicant participates in the licensing process, referred to in this RFA, or otherwise seek to become a licensee of a route operation. The information contained in this RFA is subject to clarification and alteration. Certain statements contained in this RFA reflect various assumptions and expectations by the Board. These assumptions or expectations may, or may not, prove to be valid. Furthermore, this RFA does not purport to contain all the information that a registrant may require in deciding whether or how to participate in the licensing of site operators.

In view of the above, the following principles are applicable:

- a) Each registrant must make his own independent assessment and investigation of the issues required to be dealt with in his application, and should not rely on the adequacy or accuracy of any information in this RFA; and
- b) the Board makes no representation and gives no warrantee, and the Board and its respective officers, employees, agents, consultants and professional advisors, will not be liable in any way as to the contents, validity, accuracy and completeness of, or any errors or omissions in the information or statements contained in this RFA, or in any subsequent material or communication.

Any additional information provided to the registrants by the Board or any of its officers, employees, agents, consultants or professional advisors, in connection with this RFA, will also be governed by the terms of this RFA.

4.2 Confidentiality

In terms of section 24(3) of the Mpumalanga Gaming Act, an applicant may in the application concerned, identify any document or information included in the application, which in the opinion of the applicant is confidential or should for any reason not be disclosed to the public and show cause why the Board may determine that such document or information should not be open to public inspection. Applicants are, therefore, required to submit a list containing all information deemed confidential, as well as the reasons why such information should not be disclosed.

In terms of section 26A (2) of the Mpumalanga Gaming Act, the Board may determine that any document or information relating to the personal history and financial capacity of any person participating in an application, to the names of prospective employees, the financial projections of the applicant or the business plans of an applicant, shall not be open to public inspection, providing such documentation or information can be separated from the remainder of the application and is marked confidential.

The Board may also determine that the identity of any person who lodged an objection to an application, shall not be divulged to any other person.

4.3 Variations

The Board may, at its discretion, vary, supplement or update any of the contents of this request. It may also vary procedures, time-tables, requirements and any other aspect of, or in connection with the evaluation process, without being obliged to give any reason for doing so.

The Board reserves the right to approve amendments to an applicant's application, subsequent to the receipt thereof. An application may, with the approval of the Board, be amended in any respect at any time prior to final action thereon by the Board. Furthermore, any amendment to an application shall have the effect of establishing the date of such amendment as the new date of submission of such application with respect to the time requirements for action on such application.

The Board may, subject to informing all applicants, also consider further, other or alternative factors in its decision to grant/deny a licence.

The Board is unable to guarantee confidentiality if ordered by a competent court to disclose such information.

4.4 Compensation

The Board will not, under any circumstances, be liable to compensate an applicant or any other party for any costs, expenses or losses incurred or suffered by that applicant or party, in evaluating or acting upon this request, in supplying any information to supplement, update or amend this request, in registering an interest, in submitting an application and/or otherwise participating in any evaluation process.

An applicant must accept any risk of adverse publicity, embarrassment, criticism or financial loss which may result from action with respect to an application and expressly waive any claim for damages against the Board, as a result thereof.

4.5 Rejection

An application for a licence, registration, finding of suitability or approval is seeking the granting of a privilege, and the burden of proving his qualification to receive any licence, registration, finding of suitability or approval shall at all times rest with the applicant.

The Board reserves the right to reject any and all offers for applications at its sole and absolute discretion and to waive any immaterial defect or lack of compliance with any formality in any application or application procedure. Registrants and applicants should

understand that the Board also reserves the right to consider any factor, including economic factors, in its selection process.

4.6 Denial, suspension or revocation of licence

The Board may, in terms of the Act, deny, suspend or revoke a licence if any information contained in an application made by a registrant, applicant or licence holder for the purposes of obtaining a licence was, at the time the information was furnished, false in any material respect or was subject to any material omission with the intention of misleading the Board.