



**Western Cape
Government**

Western Cape Gambling and Racing Board

Wes-Kaapse Raad op Dobbelary en Wedrenne • Ibhodi Yelentshona Kapa
Yokungcakaza Ngemali Neyemidyarho

Request For Applications (“RFA”) For new Bookmaker, Totalisator- and Bookmaker Premises Licences

Reference: PUBLIC NOTICE 1/2015



TABLE OF CONTENTS

1. CONTEXTUALIZATION

- 1.1 Definitions
- 1.2 Introduction
- 1.3 Purpose of RFA
- 1.4 Requests for information or clarification of RFA

2. GENERAL APPLICATION REQUIREMENTS

- 2.1 Legal Framework
- 2.2 Maximum number of licences to be licensed
- 2.3 Transformation objectives
- 2.4 Duration of licence
- 2.5 Incomplete applications and / or applications containing material misrepresentations
- 2.6 Commencement of Operations
- 2.7 Promotion of competition within the industry

3. ASSESSMENT CRITERIA

- 3.1 Suitability criteria
- 3.2 Competency and Viability of the intended Business Operation
- 3.3 Empowerment, economic and community benefits
- 3.4 Compliance with RFA criteria

4. APPLICATION AND LICENSING PROCESS

- 4.1 Prescribed Application Forms
- 4.2 Submission of comprehensive application



- 4.3 Application lie open for inspection
- 4.4 Public Hearings
- 4.5 Submission of Applications

5. PRINCIPLES APPLICABLE TO BOOKMAKER OPERATIONS

- 5.1 Bookmaker Operations
- 5.2 Prohibition of gambling by certain persons
- 5.3 Security in respect of gambling obligations
- 5.4 Wagering system
- 5.5 Standards for bookmaker and Totalisator premises
- 5.6 Successful Applicants
- 5.7 Social Impact
- 5.8 Offices of the Operator
- 5.9 Operating Hours
- 5.10 Credit Extension
- 5.11 Accounting and other records
- 5.12 Display of licence
- 5.13 Advertising
- 5.14 Payment of levies and taxes
- 5.15 Licensing of Employees

6. GENERAL TERMS AND CONDITIONS

- 6.1 General Disclaimer
- 6.2 Confidentiality
- 6.3 Variations
- 6.4 No guarantee by the Board
- 6.5 Rectification
- 6.6 Compensation
- 6.7 Board's right to cancel this RFA



6.8 Rejection

6.9 Refusal, suspension or revocation of licence

6.10 Possibility of changes in Legislation

6.11 Dissemination of information and retention of material

6.12 No binding agreement

6.13 Good faith

6.14 Conflict of Interest

PART 1: CONTEXTUALIZATION

1.1 DEFINITIONS

Unless the context clearly indicates otherwise, the following definitions shall be applicable to the contents of this RFA:

“ACT” means the Western Cape Gambling and Racing Act, 1996 (Act 4 of 1996), as amended.

“APPLICANT” means a person who has lodged an application for a new bookmaker licence, a totalisator premises or a bookmaker premises pursuant to this RFA, and shall include all persons and entities associated with such Applicant.

“BBBEE” means Broad-Based Black Economic Empowerment as envisaged in the Broad-Based Black Economic Empowerment Act No.53 of 2003 and the Codes of Good Practice on Black Economic Empowerment, issued under section 9(1) of the Broad-Based Black Economic Empowerment Act, as amended from time to time.

“BOOKMAKER” means a person who directly or indirectly lays fixed-odds bets or open bets with members of the public or other bookmakers, or takes such bets with other bookmakers;

“BOOKMAKER LICENCE” A bookmaker licence is required by every person who, in the Province, engages in the business of directly or indirectly laying or taking bets as defined in section 1 of the Act,



with members of the public or other bookmakers in one or more premises, specified in such licence, which premises shall be licensed in terms of section 55A of the Act.

“BOOKMAKER PREMISES LICENCE” A bookmaker premises licence is required in respect of each premises in the Province utilised by the holder of a bookmaker licence wholly or partially for the purpose of engaging in the business contemplated in section 55(1) of the Act.

“BOARD” means the Western Cape Gambling and Racing Board, established in terms of section 2 of the Act.

“DESIGNATED AREA” means an area within licensed premises where any gambling game is available to be played;

“GAMBLING EMPLOYEE LICENCE” A gambling employee licence is required by every person, excluding a key employee, who, in the Province, is employed by the holder of a principal licence contemplated in section 56 of the Act, and who is directly involved in the activities performed under such principal licence.

“GOVERNMENT” means the Western Cape Provincial Government.

“KEY EMPLOYEE LICENCE” a key employee licence is required by every executive or agent of, or any person in the employ of the holder of any licence issued under this Act (“the principal licence”) with the exception of licences issued in terms of this section and section 57 of the Act, who may exercise direct control over gambling operations or the activities authorised by the principal licence or such other person, whom the Board may identify, who may exercise control over any premises where gambling is conducted pursuant the Act.

“LICENCE HOLDER” means a person who holds a valid licence or temporary licence issued in terms of the Act.

“LICENSED PREMISES” means any premises in or on which gambling or racing or any related activity is conducted under a licence in terms of the Act.



“**MINOR**” means a person under the age of 18 years.

“**NATIONAL ACT**” means the National Gambling Act, 2004 (Act no. 7 of 2004).

“**NATIONAL REGULATIONS**” means the Regulations promulgated in terms of the National Gambling Act, Act 33 of 1996, as amended, as published in Government Gazette No 21945, Regulation Gazette No 6977, Volume 426 dated 21 December 2000.

“**PDI**” mean African, Coloured and Indian people as defined in the Black Economic Empowerment Act No.53 of 2003.

“**PERSON**” includes both a natural and a juristic person.

“**PROPOSAL**” means an Applicant’s written response to this RFA.

“**PROVINCE**” means the Province of the Western Cape as referred to in section 103 of the Constitution of the Republic of South Africa, 1996 (Act No.108 of 1996).

“**REGULATIONS**” means the Western Cape Gambling and Racing Regulations, made in terms of section 81 of the Act.

“**RFA**” means this Request for Application (RFA) issued by the Board as being open for the submission of qualifying applications, subject to the time-periods and closing dates specified herein.

“**RULES**” means the rules made in terms of section 82 of the Act.

“**SANS**” means standards set by the South African Bureau of Standards, specifying the technical requirements for gambling equipment.

“**SUCCESSFUL APPLICANTS**” mean those Applicants to whom the Board has decided to grant a licence, subject to compliance with any conditions which the Board may stipulate, within such period as the Board may determine.



“TOTALISATOR” A totalisator operator licence is required by every person who operates or permits the operation of a totalisator.

“TOTALISATOR PREMISES LICENCE” A totalisator premises licence is required for any premises in the Province where the holder of a totalisator operator licence accepts stakes in respect of a totalisator.

1.2 INTRODUCTION

The Board was established in terms of Section 2 of the Western Cape Gambling and Racing Act, with its primary objective being to regulate all gambling and racing and activities incidental thereto in the Province of the Western Cape. As part of its mandate, the Board is mandated to issue the licences outlined in Section 27 of the Act. This RFA seeks to invite all qualifying interested parties to apply for any of the three categories of licences in terms of this RFA:

i) Totalisator premises licences

The Board licensed one Totalisator in the Province to offer pool betting. The Totalisator may apply for additional premises licences pursuant to this RFA.

ii) New bookmaker operator licences

There are currently 42 bookmaker operator licences approved and operational within the Province. The Board determined that it will afford new market entrants the opportunity to make application for a new bookmaker operator licence.

iii) New bookmaker premises licences

As outlined under paragraph (ii) above, one of the Board's primary objectives with the publication of this RFA, is to afford new entrants the opportunity to acquire economic rights and contribute to the Government of the Western Cape's transformation goals as outlined further below. All bookmaker operator licence holders are required to apply for bookmaker premises licences for the premises where their operations will be conducted and managed. Existing bookmakers will also be afforded the opportunity to apply for additional new bookmaker premises licences, pursuant to this RFA.



The broad objectives sought to be advanced by the legislative enactments, viz the Act, the Regulations and Rules made in terms thereof and the issuance of this RFA are the following:

- To ensure that all forms of gambling conducted in the Province are effectively and closely regulated, engendering public confidence and trust in the industry;
- To enhance economic growth and development in the Province, particularly through the stimulation of the small and medium-sized business sectors;
- To economically empower historically disadvantaged communities;
- To create lawful and socially responsible forms of entertainment that is accessible to all communities of the Province;
- To promote entrepreneurship;
- To protect the public against unscrupulous operators, through the licensing and advancement of lawful gambling operators that adheres to the strict legal and regulatory requirements enforced by the Board;
- To eliminate unlawful gambling operations; and
- To generate additional fiscal revenue for the Province.

The attainment of these goals will ensure that the regulated gambling industry in the Province will stimulate economic and entrepreneurial activity in the Western Cape while advancing social upliftment and ensuring that the potentially negative effects of gambling on the communities of this Province are minimised.

1.3 PURPOSE AND FORMAT OF THE RFA

This RFA serves to invite suitable interested parties to apply for new bookmaker operator licences, totalisator- and bookmaker premises licences. The purpose of the RFA is to furnish all prospective Applicants with a clear indication of the criteria which will underpin the licensing of bookmaker Operators and Premises, as well as to acquaint Applicants with the nature of the licensing process. The RFA furthermore sets out the evaluation criteria against which all applications will be adjudicated or evaluated.

The RFA consists of the following parts:

PART ONE provides the purpose, legal and historic context within the RFA is issued by the Board.

PART TWO outlines the general application requirements that all applications must meet or conform to.

PART THREE outlines the assessment criteria against which all applications shall be evaluated.

PART FOUR provides guidance with respect the licensing and application process, the fees payable and the public participation processes that the Board presides over.

PART FIVE outlines the principles applicable to bookmaker operations.

PART SIX outlines the general terms and conditions that governs the issuance of this RFA and any party's reliance thereon.



1.4 REQUESTS FOR INFORMATION OR CLARIFICATION OF THE RFA

Requests for information or clarification of this RFA shall be submitted in writing and delivered to:

**The Chief Executive Officer
Western Cape Gambling and Racing Board
Seafare House
Orange Street
GARDENS
8001**

Or sent by post to:

**The Chief Executive Officer
P O Box 8175
ROGGEBAAI
8012**

Or faxed to:

Fax: (021) 422 2614

For attention: Mrs Yvonne Skepu

PART 2: GENERAL APPLICATION REQUIREMENTS

2.1 LEGAL FRAMEWORK

Prior to submitting their Proposals in response to this RFA, all prospective Applicants shall fully acquaint themselves with all legal prescripts governing the licensing and regulation of gambling including, but not limited to, the National Gambling Act, 2004 (Act No 7 of 2004) and the Regulations passed thereunder, the Western Cape Gambling and Racing Act, 1996 (Act 4 of 1996), the Western

Cape Gambling and Racing Regulations, 1997 and the 1999 Policy Determinations of the Provincial Government.

Applicants shall specifically take note of the following provisions contained in the Act:

- Kinds of licences (section 27);
- Qualification for licences (section 28);
- Disqualification in respect of licences (section 29);
- Persons having certain direct or indirect interests (section 30);
- Applicants (section 31);
- Licence applications (section 32);
- Objections and comments (section 33)
- Liabilities for costs of and consent to hearings, investigations or enquiries (section 34);
- Consideration of licence applications (section 35);
- Conditions applicable to licences (section 37);
- Electronic monitoring systems (section 38);
- Duration and renewal of licences (section 40);
- Non-transferability of licence (section 41);
- Suspension or revocation of licences (section 42);
- Licence and investigation fees (section 44);
- Bookmaker licence fees (section 44);
- Bookmaker licence (section 55);
- Bookmaker premises licence (section 55A);
- Key and gambling employees (sections 56 and 57);
- Financial interests (section 58);
- Gambling devices (section 60);
- Imposition of gambling taxes (section 64);

The Board wishes to emphasize that, in terms of Regulation 6 of the Regulations passed in terms of the Act, any licence, registration, finding of suitability or approval which is issued, made or granted by the Board is deemed to be a revocable privilege contingent upon continuous suitability for licensing, registration, finding of suitability or approval.



2.2 MAXIMUM NUMBER OF LICENSES TO BE ISSUED

The Board intends to issue up to a maximum of 5 bookmaker licences, 5 totalisator- and 10 bookmaker premises licences. The Board reserves the right to not issue any licence, or to increase the number of licences to be issued without further notice or consultation, at the Board's sole discretion.

2.3 TRANSFORMATION OBJECTIVES

Hitherto, the Board did not impose pre-determined requirements relative to transformation and / or local empowerment as qualificatory criteria for acquiring a bookmaker or totalisator licence. However, since 2008, the Board imposed licence conditions aimed at giving effect to the BBBEE Act and its concomitant Codes of Good Practice. The said conditions are currently under revision to determine the impact of and also give effect to the BBBEE Amendment Act and the revised Codes passed with it. Applicants that do not meet the minimum transformation criteria will be regarded as non-compliant. Non-compliant applications will be rejected and no further correspondence will be entered into with the Board. As a public entity, the Board upholds and promotes the principles enshrined in the legislation pertaining to Black Economic Empowerment and as such, will seek to ensure commitment, adherence and compliance to BBBEE legislative provisions.

The Board determined that, it will be a pre-condition that Applicants for a bookmaker licence must have a minimum of 40% shareholding held by South African PDIs, which shareholding shall comprise the full facets of ownership as espoused in the BBBEE Act, viz ownership, voting rights and economic interest. At the time of approval of the application by the Board, the Board must have satisfactory proof of the minimum shareholding held by PDIs. Direct shareholding by natural persons is preferred, however other corporate structures will be considered on a case-by-case, with the overriding principle being the net benefits that accrues to PDIs.

Should the terms of funding for the shareholding acquired by PDIs be such that it will be funded by dividends paid by the licence holder, the repayments (deductions from the dividends due and payable)



shall not exceed 3 years in total. The final stipulation is that the deductions from the dividends as aforesaid shall not exceed fifty percent (50%) of the total dividends payable to each PDI over the 3-

year period. The PDI acquisition of a financial interest in the businesses accords with the spirit and intent of the BBBEE Act, which Applicants are invited to consider in this regard. The Board firmly

believes that the achievement of a 40% PDI ownership level, will indeed assist licence holders in achieving the requisite BBBEE Level, as the revised conditions will in due course be imposed by the Board.

Over and above the achievement of a 40% PDI ownership requirement, the Board will also consider the following elements of each application:

- The Broad-based black economic empowerment commitments of the Applicant;
- Measures to create sustainable employment opportunities;
- Socio-Economic development objectives and projects;
- Enterprise development initiatives; and
- The Applicant's intended corporate social investment initiatives.

The above measures are more fully espoused in Paragraphs 3.2 and 3.3 of this RFA.

2.4 DURATION OF LICENCE

As per the Act, a licence is valid for a period of 12 months, whereafter the licence holder must renew its licence annually, subject to its continued suitability, compliance with the Act and payment of the prescribed licence fees.

2.5 INCOMPLETE APPLICATION AND / OR APPLICATIONS CONTAINING MATERIAL MISREPRESENTATIONS

Incomplete applications that do not meet the criteria either specified in this RFA or as required the by law, will not be considered by the Board and no further correspondence shall be entered into with such Applicants.

Withholding and / or misrepresenting information constitutes a legal basis for refusal of an application.

2.6 COMMENCEMENT OF OPERATIONS

A licence holder shall not commence with gambling operations on licensed premises, unless such premises have been finally inspected and approval for the commencement of gambling thereon has been granted by the Board.

2.7 PROMOTION OF COMPETITION WITHIN THE INDUSTRY

The factors that will be considered in evaluating an application are:

- Prevention of any dominant or over concentrated market share of betting outlets/facilities.
- Promotion of competition.
- Promotion of new entrants in the gambling industry.

PART 3: ASSESSMENT CRITERIA

Applications will be assessed for compliance with the assessment criteria outlined below. Licenses will be issued to Applicants that meet all the licensing criteria.

3.1 SUITABILITY CRITERIA

The Act, the National Act and Regulations outline the suitability criteria that all Applicants and associated natural persons and entities must meet in order to qualify for a licence. Associated entities refer to those natural and legal persons that hold a financial interest of five percent or more in a licence holder. Such associated entities and persons are also required to be found suitable, whereafter a Certificate of Suitability is issued by the Board. The suitability criteria as per the Act includes inter alia:

- Compliance with the law;



- Criminal history and prior convictions;
- Taxation compliance history; and
- Good character and integrity of key persons.

Similarly, premises are by law required to be suitable for the intended gambling and related activities. Successful Applicants wish to pursue subsequent to the granting of the licence. Section 35 of the Act mandates the Board to refuse an application if the premises is considered undesirable within the specific geographical environment, with reference to inter alia social, religious, educational and land-use aspects. As a general guideline, the following premises may be undesirable and it would prove best to avoid premises falling into either of the categories listed below:

- Cafés;
- Supermarkets;
- Liquor retail or off-sales stores;
- General dealers;
- Video arcades;
- Fast food outlets;
- Premises in direct line of sight or within close proximity to educational facilities for minors and / or places of worship;
- A theatre, cinema, museum or other place of culture;
- A private home;
- A petrol or diesel station;
- A school, university or college;
- A church, mosque or other places of worship; or
- Any other premises considered by the Board to be undesirable.

3.2 COMPETENCY AND VIABILITY OF THE INTENDED BUSINESS OPERATION

The Board will consider the managerial and operational expertise of the Applicants, which must be fully outlined in the application. The application must specifically outline:

- The financial arrangements and funding of the business;



- The business operational strategy, with clear financial projections for the first three years of operations (emphasis on the financial viability);
- Projected taxes payable within the first three years of operations;
- Measures to promote responsible gambling;
- A proposed organisational chart, with all management positions and staff in respect of all areas of operations;
- Experience in managing and operating a bookmaker business, or access to such expertise, and how this experience and expertise will be applied to the intended business operation;
- Operational chart of the top management of the Applicant;
- Premises selection and location considerations that informed the business strategy;
- Any market analysis done with regards to the feasibility and / or current economic conditions in terms of viability and market opportunities.

3.3 EMPOWERMENT, ECONOMIC AND COMMUNITY BENEFITS

This essentially entails the benefits flowing from the Successful Applicants' direct involvement or giving impetus to socio-economic development, employment creation, broad-based empowerment and promotion of new entrants into the gambling industry. These elements are further expanded on below:

(i) Sustainable Employment Creation

In their Proposals, Applicants shall provide details of:

- (a) The projected composition of employees for whom provision is made, including:
 - Provision for race;
 - Provision for gender;
 - Provision for the employment of disabled persons;
 - Staffing levels in respect of employees; and
 - Equity



- (b) In their Proposals, Applicants shall provide full details on the extent to which provision is made for the involvement of PDI's through equity-sharing in the Business, specifying:
- Provision for existing shareholding structure (to be in place upon the issue of the licence;
 - Provision for future involvement of PDI's in shareholding structure, and
 - Provision for involvement of persons from the Western Cape in the shareholding structure of the Operator.
- (c) The number of staff members to be recruited from the Western Cape and those that will be recruited from other Provinces;
- (d) The number of staff members to be recruited from outside the borders of South Africa; and
- (e) The Applicant's human resources strategy (training of employees, appointment and selection of staff, employment equity policy and plan).

(ii) PDI Involvement

Paragraph 2.3 outlines the minimum PDI-ownership requirements that all applications must meet for consideration by the Board. Applicants must therefore provide full details on the extent to which provision is made for the involvement of PDI's through equity-sharing in the Licence holder, specifying:

- (a) Provision for existing shareholding structure (to be in place upon the issue of the licence);
- (b) Provision for future involvement of PDI's in shareholding structure, and
- (c) Provision for involvement of persons from the Western Cape in the shareholding structure of the Operator.

The Board however encourages greater PDI involvement and participation since the bookmaker industry nation-wide remains largely untransformed. Other measures that provide for the meaningful participation of previously disadvantaged individuals, employees, co-operatives, women and youth must be outlined in the application.

(iii) SMME Development

The proposal must outline the extent to which the intended business operation will provide opportunities for the development of Small, Medium and Micro business enterprises.

(iv) Corporate Social Investment (CSI)

The full CSI strategy of the business must be outlined.

(v) New Entrants in the gambling industry

Applicants shall indicate if and the extent to which they are new market entrants in the gambling industry.

3.4 COMPLIANCE WITH RFA CRITERIA

The Board shall evaluate the extent to which Applicants comply with the criteria outlined in this RFA, specifically Sections 2 and 3. The board shall, within its sole discretion, refuse or deny applications that do not confirm with or comply with the criteria outlined in this RFA.

PART 4: APPLICATION AND LICENSING PROCESS

4.1 PRESCRIBED APPLICATION FORMS



The following prescribed application forms must be completed, depending on the category of licence being applied for:

- (i) Business History Disclosure Form
- (ii) Personal History Disclosure Form
- (iii) Totalisator Premises Application
- (iv) Bookmaker Premises Application

Applications must be submitted on the prescribed application forms. All prescribed forms are obtainable from the Western Cape Gambling and Racing Board website at: www.wcgrb.co.za. All supporting documentation as required on the prescribed forms must be included as part of the application, failing which the application will be considered incomplete and thus invalid. The Board will request further additional information from Applicants, if and where required.

4.2 SUBMISSION OF COMPREHENSIVE APPLICATION

4.2.1 Applications shall consist of the following information and documentation:

- i) A business proposal that comprehensively outlines the information required in sections 2 and 3 of this RFA.
- ii) A bank-guaranteed cheque for payment of the following prescribed licensing and investigation fees, with Applicants selecting the relevant fees payable for the category of licence being applied for:
 - Bookmaker and Totalisator premises annual licence application fee: R8 630,00
 - Bookmaker and Totalisator premises annual licence fee: R350,00
 - Bookmaker and Totalisator premises investigation deposit: R10 000,00
 - Bookmaker and Totalisator premises annual investigation fees: R860,00
 - New bookmaker licence fee: R1 730,00
 - New bookmaker licence application fee: R8 630,00
 - New bookmaker licence investigation deposit: R10 000,00



- New bookmaker operator licence annual investigation fee: R6 910,00
- Applicants shall be advised of the nature of the further estimated costs and expenses involved before they are incurred (section 34 of the Act).

4.2.2 Applicants shall submit one original and three loose-leaf bound copies of their sealed complete Applications, inclusive of the Proposal-document as well as a non-confidential Library Copy to be made available for public scrutiny. Applicants may, by law, remove confidential information from the inspection copy that will lie open for public inspection. The non-confidential document shall be clearly marked "For public inspection only".

4.3 APPLICATION LIE OPEN FOR INSPECTION

Each application shall lie open for public inspection at the Office of the Board for a period of 30 days. Members of the public are informed of the period for public inspection through a newspaper advertisement published in the government gazette and one newspaper circulating in the area where the proposed premises where the gambling operations will be conducted is situated. The application details are therefore duly advertised in the media and interested parties are invited to submit comments and/ or objections to the Board pertaining applications advertised as such and during the period specified.

4.4 PUBLIC HEARINGS

Before deciding whether or not to grant any licence, the Board may hold a close (in camera) or public hearing to consider aspects of any application. Such hearing, if required, shall be conducted in the manner determined by the Board. Applicants may be required to answer questions posed by the Board or in objections raised by the public during the said hearings or during the formal written objections period prescribed by law.

4.5 SUBMISSION OF APPLICATIONS

Applications shall be hand-delivered, in person to the address below and addressed to:

**The Chief Executive Officer
Western Cape Gambling and Racing Board
Seafare House
Orange Street
GARDENS
8001**

PART 5: PRINCIPLES APPLICABLE TO BOOKMAKER OPERATORS

5.1. BOOKMAKER OPERATIONS

All bets on horse races, sporting events or any lawful contingency placed with or through the Bookmaker must be done in accordance with the approved Bookmaker Operational Rules and any other relevant legislation.

5.2 PROHIBITION OF GAMBLING BY CERTAIN PERSONS

No licence holder shall accept a bet from any person under the age of 18 years, any person whose name is included on the list of excluded persons or any person by way of voice or data telephone transmission if the placing of such bet by such person will constitute a crime by such person in the jurisdiction from which the bet is so placed.

A person under the age of 18 years may not enter any licenced premises, unless a specific area has been demarcated for betting purposes. In such cases, a licence holder or employee of such licence holder may not permit any person who is under the age of 18 years to enter or remain in the designated area.

5.3 SECURITY IN RESPECT OF GAMBLING OBLIGATIONS



In accordance with Section 39 of the Act, Successful Applicants are required to file security in a form and manner acceptable to the Board for the payment of all taxes, fees and gambling obligations due.

5.4 WAGERING SYSTEM

All bookmaking activities must be conducted through an approved wagering system. Wagering and betting equipment must be tested by an accredited test laboratory in South Africa, certified by the National Regulator for Compulsory Specifications (NRCS) and approved by the Board. Any person or entity intended to supply or make available wagering and betting equipment, must apply to the Board for a license as a manufacturer before rolling out such equipment in the Western Cape, unless such manufacturer holds a national licence issued by any other Board.

5.5 STANDARDS FOR BOOKMAKER AND TOTALISATOR PREMISES

In considering the licensing of Premises and, with a view to ensuring acceptable standards and preventing over-stimulation of the latent demand for gambling, the Board will apply the following criteria:

- The Premises must comply with all applicable local authority health and safety regulations.
- The layout of the Premises must be such as to preclude access to the gambling area by persons under the age of eighteen years.
- Any signage on the Premises will be subject to the Board's approval, based on conformity with the requirements for and standards regarding advertising contained in the Regulations and General Rules.
- Premises and the management thereof shall comply with all lawful requirements in respect of the activities to be conducted thereon.
- Adequate security should exist at the Premises.
- The Premises must have the capacity to link up with the central monitoring system.
- The Premises shall be immovable.
- The interior decoration must be of an acceptable standard.



5.6 SUCCESSFUL APPLICANTS

The Successful Applicants shall advance the objectives of the intended business venture by detailing all considerations pertaining the establishment, operation and maintenance of a financially viable, socially responsible and law-abiding bookmaking and totalisator industry in the Western Cape.

Successful Applicants shall have the proven ability to finance and operate the intended licensed operations. It shall be an advantage if the Applicant is in a position to satisfy the Board that it has, either directly or indirectly, via its controlling shareholder, holding- or associated companies or management contractor or executives of such persons, gained experience in operating a business venture of a similar nature. The Applicant should further show a reputable and successful track record of managerial and operational expertise. Successful Applicants shall set the highest standards for product quality and service excellence.

5.7 SOCIAL IMPACT

Prospective Applicants should note that it shall be an express condition of licence that the licence holder shall participate in the National Responsible Gambling Programme (“the NRGP”) currently in force in South Africa, shall subscribe to the Industry Code of Conduct in respect thereof, shall contribute towards the funding of the NRGP in such equitable measure as may be determined with reference to the contributions required from the holders of other licences and similar licences, whether in the Western Cape individually or on a national basis, and shall implement such other measures regarding the issue of problem or compulsive gambling, the training required in respect thereof and rehabilitative measures in relation thereto as may be stipulated by the Board from time to time.

5.8 OFFICES OF THE OPERATOR

The offices of the bookmaker license holder at which administrative, accounting as well as monitoring and control functions will be conducted must be located within the Province of the Western Cape.



5.9 OPERATING HOURS

The hours of operations of the business will be subject to approval by the Board and may form part of the conditions of the licence.

5.10 CREDIT EXTENTION

No licence holder or employee of a licence holder shall directly or indirectly extend credit in any manner or form to any patron for the purpose of gambling or betting, except as approved by the Board.

5.11 ACCOUNTING AND OTHER RECORDS

Licence holders shall keep such records, submit such audited or verified financial statements and render such returns as are prescribed in legislation applicable to the business operations, their respective internal control procedures and licence conditions and shall abide by such further requirements as the Act, the Regulations and Rules of the Board may stipulate.

5.12 DISPLAY OF LICENCE

The licence issued by the Board to a bookmaker licence holder must be prominently displayed at the entrance to the designated area at all times.

5.13 ADVERTISING

Advertising of Bookmaker operations is allowed on condition that all advertising complies with the provision of the National Gambling Act, National Regulations, as well as the Act and Regulations of the Western Cape Gambling Board.



5.14 PAYMENT OF LEVIES AND TAXES

The calculation and payment of levies and taxes will be as prescribed in legislation.

5.15 LICENSING OF EMPLOYEES

The licensing of employees will take place in accordance with the provisions of sections 56 and 57 of the Act. In addition, all persons in control of Premises and any other person identified by the Board as such, will be regarded as key employees and shall require to be licensed as such.

PART 6: GENERAL TERMS AND CONDITIONS

6.1 GENERAL DISCLAIMER

Every effort has been made to ensure that the information contained in this RFA is complete and correct, but it is the obligation of interested parties to ensure that their Applications are complete, correct and comply with the provisions of the Act in all material respects. In view of the above:

- (a) Each Applicant shall make its own independent assessment and investigation of the issues required to be dealt with in its Application and accompanying Proposal and shall not rely absolutely on the adequacy or accuracy of the information in this RFA;
- (b) Neither the Board, its employees nor its agents shall be held liable for anything done in good faith, and

The Board reserves the right to request new or additional information regarding the Applicant or other business associated with it.

6.2 CONFIDENTIALITY



- (i) Subject to advertising, other public processes required by Law or the disclosure of information pursuant to its statutory functions, any information relating to the Application and accompanying

Proposal and all other information received from the Applicants, through the Process or otherwise, shall be treated in strict confidence. Should the need arise or the Board be requested to disclose any information regarded as confidential by Applicants to outside parties, such Applicants will be informed and provided the opportunity to comment prior to the dissemination of such information.

- (ii) Applicants shall not disclose in whole or in part any details pertaining to their Proposals and the Process to anyone not specifically involved in their Proposals, unless written consent is obtained from the Board prior to such disclosure.
- (iii) In terms of Regulation 9, the Chief Executive Officer of the Board shall keep confidential any documents or information which, in his/her opinion, is confidential or irrelevant for purposes of comment. Applicants shall indicate and motivate in their proposals which information or documentation shall be treated as confidential. In the interests of transparency, honesty and openness, an Applicant shall keep to an absolute minimum the information to be so characterized.
- (iv) Applicants shall not issue a news release or make any other public announcement pertaining to details of their Proposals or the Process without the prior written approval of the Board.
- (v) An Applicant agrees that it shall not be entitled to any information disclosed by other Applicants to the Board which the Board has determined to be of a confidential nature.

6.3 VARIATIONS

The Board may, at its sole discretion, by notice in writing to all Applicants, vary, supplement or update any of the contents or terms and conditions applicable to the RFA. It may similarly change procedures, timetables, requirements and any other aspects of or in connection with matters covered



in the RFA without being obliged to give any reason for so doing. Any costs and expenses associated with variations shall be for the account of the Applicant.

6.4 NO GUARANTEE BY THE BOARD

The Board does not guarantee that any Applicant shall be granted a licence, and this RFA shall not constitute an offer of any kind whatsoever to any Applicants.

6.5 RECTIFICATION

It shall be the duty of each Applicant to advise the Board forthwith in writing of any information contained in the Proposal which the Applicant subsequently establishes to be incorrect and to rectify such information. The Board reserves the right to deal with such rectified information as it may deem fit.

6.6 COMPENSATION

The Board shall 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 any party in evaluating or acting upon the RFA, in supplying any further information as may be required by the Board, or in submitting an Application or otherwise participating in the Process.

6.7 BOARD'S RIGHT TO CANCEL THIS RFA

The Board reserves the right to cancel or amend this RFA, or restructure or cancel the process.

6.8 REJECTION

The Board reserves the right to reject any or all Proposals at its sole and absolute discretion and to waive any immaterial defect, or lack of compliance with any formality, in any Proposal or Process.



6.9 REFUSAL, SUSPENSION OR REVOCATION OF LICENCE

The Board may, in terms of the Act, refuse, suspend or revoke a licence if any information contained in a Proposal should be found to have been false in any material respect or subject to any material omission at the time the information was furnished.

6.10 POSSIBILITY OF CHANGES IN LEGISLATION

Each Applicant shall be aware that the law, legislation, taxation, regulations and directives pertaining to gambling may change from time to time. The Board, its employees or agents shall in no way be held accountable for such changes.

6.11 DISSEMINATION OF INFORMATION AND RETENTION OF MATERIAL

The Board reserves the right to publicly disseminate any information of a non-confidential nature contained in any Application. Any and all eligible Applications, including all related material, shall become the property of the Board and shall not be returned.

6.12 NO BINDING AGREEMENT

This RFA and the Proposal from the Successful Applicants shall not constitute a binding agreement. The selection of the Successful Applicants does not mean that such Applicants' Proposals are necessarily totally acceptable in the form submitted. The Board reserves the right to decline to issue a licence to any Successful Applicant should such Successful Applicant fail, neglect or refuse to conform with any further or alternate requirements or conditions stipulated by the Board or should any of the information contained in the Proposal of such Successful Applicant be falsified, invalid, or incorrect.

6.13 GOOD FAITH

Applicants shall undertake to act in good faith in all their dealings with the Board, and shall include in their Proposals, a statement of willingness to negotiate in such spirit and to finalise agreements with the Board.

6.14 CONFLICT OF INTEREST

Applicants shall indicate in their Proposals whether they have any direct or indirect connection with any of the following persons:

- Any member of the Board;
- Any staff member of the Board;
- Any consultant, expert or other advisors assisting the Board;
- Any member of the Executive Council of the Government of the Western Cape or
- Any member of the Provincial Legislature of the Government of the Western Cape.

Which may in any way constitute or be deemed to constitute a conflict of interest.