

REPUBLIC OF SOUTH AFRICA

**PORTFOLIO COMMITTEE AMENDMENTS
TO
NATIONAL GAMBLING
AMENDMENT BILL**

[B 31—2007]

*(As agreed to by the Portfolio Committee on Trade and Industry)
(National Assembly)*

[B 31A—2007]

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AMENDMENTS AGREED TO

NATIONAL GAMBLING AMENDMENT BILL
[B 31—2007]

LONG TITLE

1. On page 2, to omit the long title and to substitute:

“To amend the National Gambling Act, 2004, so as to change certain definitions and insert new definitions; to provide for the regulation of interactive gambling so as to protect society against the stimulation of the demand for gambling; to provide for the registration of players and opening of player accounts; to provide for the conditions applicable to interactive gambling licenses; to provide for further protection of minors and other persons vulnerable to the negative effects of gambling; to provide for the remittance of winnings to foreign nationals; to ensure that the gambling industry complies with the Financial Intelligence Centre Act; and to prevent gambling from being associated with crime, money laundering or financing of terrorist and related activities; and to provide for matters related thereto.”

CLAUSE 1

1. On page 3, in line 31, to omit “a software license”
2. On page 3, in line 31, to omit “personnel” and to substitute “employment”
3. On page 3, in line 39, to omit all the words after “played” up to and including “means” in line 42.
4. On page 3, after line 42, to insert the following paragraph:
 - (j) by the insertion after the definition of “**minor**” of the following definition:

“**money laundering**” has the meaning set out in section 1 of the Financial Intelligence Centre Act, 2001 (Act No.38 of 2001)”.

CLAUSE 11

1. On page 6, in line 36, after “account” to insert “in the prescribed manner”.
2. On page 6, from line 41, up to and including line 49, to omit paragraph (b).
3. On page 7, from line 8, to omit paragraph (e) and to substitute:

“(e) in the prescribed manner and form—

 - (i) establish and verify the identity of players;
 - (ii) record the identity, address and account information of players;
 - (iii) obtain and record a statement from a player confirming that a player is 18 years or older;

- (iv) obtain and record a statement from a player confirming that the law of a country within which the player primarily resides, does not prohibit the player from playing interactive games; and
- (v) report to the board any information which the interactive provider suspects may relate to the commission of an offence.”

4. On page 7, after line 17, to add the following subsection:

- (2) For the purposes of this section, an interactive provider or a player, must not—
- (i) convert any funds in a player account into any other form of value; or
 - (ii) transfer any funds from a player account to any account other than the account nominated in terms of subsection (1)(a)(ii) where the funds initially originated from.

5. On page 7, from line 31, to omit “terrorist funding” and to insert “financing of terrorist and related activities”

CLAUSE 15

Clause rejected

NEW CLAUSE

1. That the following be a new clause:

Amendment of section 15 of Act 7 of 2004

15. Section 15 of the principal Act is hereby amended by the addition of the following subsections:

(3A) Any person who provides any form of advertising or promotional services in respect of interactive gambling, shall be guilty of an offence, and liable to conviction.

(3B) Despite the provisions of subsections (1), (2), (3) and (4), an interactive provider who fails to comply with section 15 (3A), shall be guilty of an offence, and liable to conviction.

NEW CLAUSES

1. That the following be new clauses:

Amendment of section 30 of Act 7 of 2004

16. Section 30 of the principal Act is hereby amended—

- (a) by the substitution in subsection (1) for subparagraph (ii) of paragraph (a) of the following subparagraph:

“(ii) subject to Part B of this Chapter, national licences for any activity or purpose for which a national licence is required or optional in terms of this Act, other than an interactive gambling licence;”

- (b) by the substitution in subsection (1) for item (aa) of subparagraph (iii) of paragraph (b) of the following item:

“(aa) national licences issued by it, subject to sections 33 and 34; or”

(c) by the substitution in subsection (2) for paragraph (b) of the following paragraph

“(b) ensure compliance with, conduct investigations and issue offence notices under the Financial Intelligence Centre Act, to the extent required by that law, in so far as it applies to the gambling industry, other than interactive gambling;”

Amendment of section 31 of Act 7 of 2004

17. Section 31 of the principal Act is hereby amended—

(a) by the substitution in subsection (1) for subparagraph (ii) of paragraph (b) of the following subparagraph:

“(ii) that are operated in terms of a national licence issued by that licensing authority; or“

(b) by the substitution in subsection (1) for item (aa) of subparagraph (iii) of paragraph (b) of the following item:

“(cc) a national licence issued by that licensing authority;”

(c) by the substitution in subsection (1) for subparagraph (ii) of paragraph (c) of the following subparagraph:

“(ii) a national licence issued by that licensing authority, to the extent that the national licensee is operating within that province;”

(d) by the substitution in subsection (1) for paragraph (e) of the following paragraph:

“(e) to supervise and enforce compliance by licensees with the obligations of the accountable institutions in terms of the Financial Intelligence Centre Act, to the extent required by that law, in so far as it applies to the gambling industry, other than interactive gambling;”

(e) by the substitution in subsection (1) for subparagraph (ii) of paragraph (g) of the following subparagraph:

“(ii) national licence issued by that licensing authority-“

CLAUSE 19

1. On page 9, in line 23, to omit “interactive“.

CLAUSE 20

1. On page 9, after line 43, to insert the following subparagraph as subparagraph (v):

“(v) that a person providing goods or services to an interactive provider which are integral to the provision of interactive games, hold a certificate of suitability issued by a relevant provincial licensing authority.

2. On page 9, in line 44, to omit “complete the” and to substitute “the complete and”.
3. On page 10, in line 12, to omit “accordance with this Act” and to substitute “the prescribed manner”.
4. On page 10, in line 15, to omit “43A” and to substitute “43(3)”.

CLAUSE 22

1. On page 10, in line 48, to omit “conditions to be attached” and to insert “criteria or a framework of subject matter to be taken into account by the Board in attaching conditions”.
2. On page 10, after line 56, to insert the following subparagraph:

“(ii) internal systems and controls of an interactive provider, in particular regarding the identification of customers and reporting of suspicious transactions”.

CLAUSE 24

1. On page 11, in line 43, to omit “personnel” and to substitute “employment”.

CLAUSE 26

1. On page 12, in line 7, to omit “personnel” and to substitute “employment”.

CLAUSE 31

1. On page 13, in line 25, after “2004” to insert “the Prevention of Organised Crime Act, 1998 (Act No. 121 of 1998), the Financial Intelligence Centre Act, the Protection of Constitutional Democracy Against Terrorist and Related Activities Act, 2004 (Act No. 33 of 2004)”.

CLAUSE 32

1. On page 13, in line 42, after “2004” to insert “the Prevention of Organised Crime Act, 1998 (Act No. 121 of 1998), the Financial Intelligence Centre Act, the Protection of Constitutional Democracy Against Terrorist and Related Activities Act, 2004 (Act No. 33 of 2004)”.

CLAUSE 36

1. On page 14, after line 39, to add the following paragraph:

(e) by the addition in subsection (4) of the following paragraph:
“(d) may, in consultation with the Council, make rules not inconsistent with this Act, determining any matter that is considered necessary or expedient for purposes of achieving the objects of this Act”.

CLAUSE 40

1. On page 15, after line 20, to insert:

“Section 87 of the principal Act is hereby amended by the substitution for paragraph (d) of subsection (3) of the following paragraph:
“(d) the period of duration of a licence and the procedures and fees for the amendment or renewal of licenses.”

NEW CLAUSE

1. That the following be a new clause:

42. Insertion in Act 15 of 2004

15. The following section is hereby inserted in the principal Act after section 88:

Tax on interactive gambling

88A. Tax on interactive gambling activities will be imposed in terms of appropriate legislation.

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