

LOTTERIES ACT

[Updated to 14 April 2015]

Act 57 of 1997 (GoN 1514, G. 18427),
Proc. R68, G. 19073,
Proc. 83, G.19188,
Proc. R10, G. 20937,
Act 10 of 2000 (GoN 264, G. 21011, c.i.o 17 March 2000),
Act 46 of 2001 (GoN 1339, G. 22927, c.i.o 7 June 2002 [Proc R48, G. 23502]),
Proc. R42, G. 24837,
Act 12 of 2004 (GoN 559, G. 26311, c.i.o 27 April 2004),
Act 30 of 2007 (GoN 22, G. 30675, c.i.o 1 April 2008 [Proc. R8, G. 30935]),
Act 68 of 2008 (GoN 467, G. 32186, c.i.o 31 March 2011 [GeN 917, G. 33581]),
Act 32 of 2013 (GoN 1020, G. 37171, c.i.o 14 April 2015 [Proc. R. 19, G. 38687]).

[Commencement: ss 1 to 20: **17 July 1998**; ss 55 to 68: **28 august 1998**; ss 21 to 53: **1 March 2000**; s 54: **2 May 2003**]

It is hereby notified that the President has assented to the following Act which is hereby published for general information.

GENERAL EXPLANATORY NOTE:

[] Words in bold type in square brackets indicate omissions from existing enactments.

____ Words underlined with a solid line indicate insertions in existing enactments.

ACT

To regulate and prohibit lotteries and sports pools; to establish a National Lotteries Board; consequentially to amend the Post Office Act, 1958, the Gambling Act, 1965, and the Gambling Act, 1982 (Ciskei), and to repeal the State Lotteries Act, 1984 (Ciskei), and the Lotteries Decree, 1989 (Transkei); and to provide for matters connected therewith.

(English text signed by the President.)

(Assented to 6 November 1997.)

BE IT ENACTED by the Parliament of the Republic of South Africa, as follows.

ARRANGEMENT OF SECTIONS

1. Definitions

PART I
THE NATIONAL LOTTERY

CHAPTER 1
National Lotteries Commission

2. Establishment of National Lotteries Commission
- 2A. Functions of Commission
- 2B. Appointment of Commissioner
- 2C. Removal of Commissioner
- 2D. Appointment of staff of Commission
- 2E. Disqualifications
- 2F. Conflict and declaration of interest
- 2G. Confidentiality and restraint of trade
3. Composition of board
- 3A. Disqualification of members of board
- 3B. Conflict of interests
- 3C. Confidentiality and restraint of trade
4. Meetings of board
5. Committees
6. Remuneration and allowances of members of board
7. ...
8. Funds of board
9. Finances
10. Functions of board
- 10A. Delegation by board
11. Consultation by board
12. Audit and annual report

CHAPTER 2
Licensing of National Lottery

13. Licence to conduct National Lottery
- 13A. Appointment of organ of state to conduct National Lottery
- 13B. Temporary licence
14. Requirements and conditions of licence
15. Variation of conditions of licence
16. Enforcement of conditions of licence
17. Grounds for revocation of licence
18. Notice of proposed revocation

19. Suspension of licence
20. Revocation of licence

CHAPTER 3

Distribution of net proceeds of National Lottery

21. Establishment of National Lottery Distribution Trust Fund
22. Administration of the fund
23. Revenue of fund
24. Banking account
25. Investment of money not immediately required
26. Allocation of money in fund
- 26A. Distributing agency
- 26B. Function, composition, appointments and conditions of service of distributing agency
- 26C. Disqualifications for distributing agency membership
- 26D. Conflict and declaration of interest
- 26E. Restraint of trade
- 26F. Control and management of affairs of distributing agency
- 26G. Applications for grants
- 26H. Review
27. Allocation to reconstruction and development programme
28. Allocation to charities
29. Allocation to sport and recreation
30. Allocation to arts, culture and national heritage
31. Allocation for miscellaneous purposes
32. Payment of allocations
33. Power of Minister to prohibit, withdraw or reduce certain grants
34. Payments from fund in respect of expenses
35. Public administration

PART II

OTHER LOTTERIES

CHAPTER 1

Lotteries incidental to exempt entertainment, private lotteries, society lotteries and promotional competitions

36. Lotteries incidental to exempt entertainment
37. Private lotteries

CHAPTER 2

Society lotteries

- 38. Society lottery
- 39. Management of society lotteries
- 40. Frequency of society lotteries

CHAPTER 3

Functions of board in respect of society lotteries

- 41. Registration of societies
- 42. Revocation of registration
- 43. Fees and levies
- 44. Requirements after registration of society
- 45. Control of registered societies
- 46. Audit of society lottery
- 47. Certification of lottery managers
- 48. Conditions of certificate
- 49. Variation of conditions of certificate
- 50. Period of validity of certificate
- 51. Revocation of certificate
- 52. Control of lottery managers and audit
- 53. Rules of society lotteries
- 54. ...

CHAPTER 4

Sports pools

- 55. Licence to conduct sports pools

PART III

General provisions

- 56. Unlawful lotteries and competitions
- 57. General offences
- 58. Offences relating to National Lottery and sports pools
- 59. Prohibition of activities in Republic in relation to lottery or sports pool conducted outside Republic
- 60. Regulations in respect of National Lottery and sports pools
- 61. Regulations in respect of lotteries incidental to exempt entertainments, private and society lotteries
- 62. Penalties
- 63. Savings
- 64. Transitional provisions
- 65. Lottery debts enforceable
- 66. Registration of illegal lotteries

67. Access to information
68. Repeal and amendment of laws
69. Short title
Schedule: Laws repealed or amended

1. Definitions

In this Act, unless the context indicates otherwise—

“**board**” means the board of the National Lotteries Commission appointed in terms of section 3;
[“board” subs by s 1(a) of Act 32 of 2013.]

“**broadcasting service**” means broadcasting service as defined in section 1 of the Broadcasting Act, 1976 (Act 73 of 1976);

“**charitable expenditure**” means expenditure by any organisation or institution established for charitable, benevolent or philanthropic purposes, including friendly societies, welfare organisations and conduit organisations or trusts established in respect of any such organisation or institution;

“**chief executive officer**” ...
[“chief executive officer” rep by s 1(b) of Act 32 of 2013.]

“**Commission**” means the National Lotteries Commission established by section 2;
[“Commission” ins by s 1(c) of Act 32 of 2013.]

“**Constitution**” means the Constitution of the Republic of South Africa, 1996;
[“Constitution” subs by s 1(d) of Act 32 of 2013.]

“**date**” in relation to a lottery, means the date on which the winners of that lottery are determined;

“**Department**” means the Department of the national sphere of government for which the Minister is responsible;

“**distribute**”, in relation to documents or other objects, includes distribution to persons or places within the Republic;
[“distribute” subs by s 1(e) of Act 32 of 2013.]

“**distributing agency**” means an agency appointed by the Minister in terms of section 26A read together with section 26B(3) of this Act, but not any department in the national or a provincial sphere of government;
[“distributing agency” subs by s 1(f) of Act 32 of 2013.]

“**fund**” means the National Lottery Distribution Trust Fund established by section 21;

“**immediate family member**” includes a spouse, parents, children, stepchildren, fostered or adopted children and siblings of either spouse;

[“immediate family member” ins by s 1(g) of Act 32 of 2013.]

“**licensee**” means a person or organ of state issued with a licence for the National Lottery in terms of section 13;

[“licensee” subs by s 1(h) of Act 32 of 2013.]

“**lottery**” includes any game, scheme, arrangement, system, plan, promotional competition or device for distributing prizes by lot or chance and any game, scheme, arrangement, system, plan, competition or device, which the Minister may by notice in the *Gazette* declare to be a lottery;

“**Minister**” means the Minister to whom the administration of this Act has been assigned;

“**National Lottery**” means the lottery contemplated in Part I of this Act and includes all the lotteries conducted under the licence for the National Lottery, taken as a whole;

“**net proceeds of the National Lottery**” means the sums that are payable to the fund or the board in terms of section 14(2)(e), but not the sums which are paid out for prizes of the National Lottery;

“**newspaper**” includes a journal, magazine or other periodical publication;

“**organ of state**” means an organ of state as defined in section 239 of the Constitution;

[“organ of state” ins by s 1(i) of Act 32 of 2013.]

“**participant**” in relation to a lottery other than a promotional competition contemplated in section 54, means a person who is in possession of a valid ticket in that lottery;

“**place**” means any place, whether or not it is a public place, and includes any premises, building, dwelling, flat, room, office, shop, structure, vehicle, vessel or aircraft;

“**political office-bearer**” means a member of Parliament, a member of a provincial legislature, a diplomatic representative of the Republic who is not a member of the public service, a member of a house or council of traditional leaders, a member of the Volkstaat Council, a member of a municipal council and any official of a political party, alliance or movement;

“**prescribe**” means prescribe by regulation, and “**prescribed**” has a corresponding meaning;

“**private lottery**” means a lottery in the Republic which is conducted in accordance with section 37—

- (a) for and by members of a social or sporting club which is not connected with any form of gambling;
- (b) for and by persons all of whom work on the same premises;
- (c) for and by persons all of whom reside on the same premises;
- (d) by persons each of whom—
 - (i) is one of the persons for whom the lottery is conducted; and
 - (ii) in the case of a lottery conducted for the members of a social or sporting club, has been authorised in writing by the governing body of the social or sporting club to conduct the lottery;

“prize” means the prize awarded to the winner of a lottery;

“promotional competition” ...

[“promotional competition” subs by s 121 (Sch 1C) of Act 68 of 2008; rep by s 1(j) of Act 32 of 2013.]

“society” includes any club, institution, organisation or association of persons, and any separate branch or section of such a club, institution, organisation or association;

“society lottery” means a lottery conducted by a society in accordance with Chapter 2 of Part II;

“software” means a set of instructions fixed or stored in any manner and which, when used directly or indirectly in a computer, directs its operation to bring about a result;

“sporting event” means any football, rugby, cricket, golf or tennis match, any boxing, wrestling, shooting or swimming contest, any foot, cycle, motor, boat or horse race, and any other lawful sporting contest, competition, tournament or game usually attended by the public;

“sports pool” means any scheme, excluding any scheme or competition in respect of horse racing which is authorised by the board, or which is conducted in the same format and manner and under the same circumstances as a scheme or competition in respect of horse racing that existed prior to 18 June 1997, under which—

- (a) any person is invited or undertakes to forecast the result of any series or combination of sporting events in competition with other participants; and

- (b) a prize is to be awarded to the competitor who forecasts the said result correctly or whose forecast is more nearly correct than the forecasts of other competitors, or a number of prizes are to be awarded on the basis aforesaid,

and for the purposes of this definition the forecast of a result includes not only the forecast of the person, animal, thing or team that will be victorious or otherwise, but also any forecast relating to the system of scoring employed in the sporting event in question, or to the person who will be responsible for the score;

“**subscription**” means the payment, or delivery of any money, goods, article, matter or thing, including any ticket, coupon or entry form, for the right to compete in a lottery;

“**this Act**” includes regulations made under this Act;

“**ticket**” in relation to a lottery or sports pool, means any symbol, sign, token, coupon, warrant, card, printed paper, document or list or any other means or device which confers or purports to confer the right to take part in a lottery or sports pool and which is issued by or on behalf of the lottery or sports pool in question.

[Commencement of s 1: 17 July 1998.]

PART I THE NATIONAL LOTTERY

CHAPTER 1 National Lotteries Commission

[Chapter heading subs by s 2 of Act 32 of 2013.]

2. Establishment of National Lotteries Commission

- (1) There is hereby established a Commission to be known as the National Lotteries Commission, which shall be a juristic person.
- (2) The Commission is governed by a board appointed in accordance with this Act.

[S 2 subs by s 3 of Act 32 of 2013.]

2A. Functions of Commission

- (1) The Commission shall, applying the principles of openness and transparency, exercise the functions assigned to it in terms of this Act by the Minister, board or any other law.
- (2) The Commission must ensure that—

- (a) the National Lottery and sports pools are conducted with all due propriety and strictly in accordance with the Constitution, this Act, all other applicable law and the licence for the National Lottery, together with any agreement pertaining to that licence; and
 - (b) the interests of every participant in the National Lottery are adequately protected.
- (3) The Commission may, upon request by the Minister, board or on its own initiative in consultation with the board, conduct research on worthy good causes that may be funded without lodging an application prescribed in terms of this Act.
- (4) The Commission may, upon request by the Minister, board or on its own initiative in consultation with the board, invite applications for grants from worthy good causes in the prescribed manner.
- (5) The Commission shall—
- (a) promote public knowledge and awareness by, amongst others—
 - (i) developing and implementing educational and informational measures to educate the public about the lotteries and provisions of this Act; and
 - (ii) educating the public by explaining the process, requirements and qualifications relating to the application for grants in terms of this Act;
 - (b) manage the staff, and its financial, administrative and clerical functions; and
 - (c) exercise any other function as delegated or directed by the Minister or the board.

[S 2A ins by s 4 of Act 32 of 2013)

2B. Appointment of Commissioner

- (1) The board shall, in consultation with the Minister, appoint a person with suitable qualifications and experience as Commissioner of the Commission who—
- (a) is accountable to the board for the performance of all financial, administrative and clerical functions, as well as any duties which may be delegated to him or her by the board under this Act; and
 - (b) holds office for an agreed term of five years which may be renewed only once for a further period of five years.

- (2) The board shall, in consultation with the Minister, appoint any person as an Acting Commissioner to perform the functions of the Commission for such determined term not exceeding 12 months whenever—
- (a) the Commissioner is unable for any reason to perform the functions of the Commissioner; or
 - (b) the office of the Commissioner is vacant.
- (3) The Minister shall, in consultation with the Minister of Finance, determine the Commissioner's and Acting Commissioner's remuneration, allowances, benefits and other special terms and conditions of employment.

[S 2B ins by s 4 of Act 32 of 2013.]

2C. Removal of Commissioner

- (1) The board, in consultation with the Minister, may at any time discharge or suspend the Commissioner from office if—
- (a) he or she becomes disqualified in terms of section 2E;
 - (b) the Commissioner repeatedly fails, to the satisfaction of the Minister and the board, to perform the duties of the Commission;
 - (c) due to any physical or mental illness or disability, the Commissioner becomes incapable of performing the functions of that office or unsatisfactorily performs such functions;
 - (d) he or she contravenes any provision of this Act; or
 - (e) he or she is found guilty—
 - (i) in any disciplinary proceeding whether in the Republic or elsewhere of having acted fraudulently, dishonourably, or in breach of a fiduciary duty; or
 - (ii) in any court of law whether in the Republic or elsewhere of an offence that involves an element of dishonesty.

[S 2C ins by s 4 of Act 32 of 2013.]

2D. Appointment of staff of Commission

- (1) The Commissioner shall—

- (a) in consultation with the board, appoint suitable persons as senior executive officials of the Commission; and
 - (b) appoint such staff members as may be necessary to efficiently and effectively perform the functions and duties of the Commission, on such terms and conditions determined by the board and approved by the Minister in consultation with the Minister of Finance.
- (2) The Commissioner may, in consultation with the board, request the Minister to authorise or approve the transfer or secondment of officials in the department in terms of the applicable legislation, to assist the Commission in the performance of its functions.
- (3) The Commissioner may—
- (a) assign management or other duties to employees with appropriate knowledge and skills to assist the Commission in the management or control over the functioning of the Commission; or
 - (b) delegate, with or without conditions, any of the powers or functions of the Commissioner to any suitably qualified employee of the Commission, but any such delegation does not divest the Commissioner of responsibility for the exercise of any power or performance of any duty.
- (4) A delegation by the Commissioner of any of the powers entrusted or delegated to it in terms of the Public Finance Management Act, 1999 (Act 1 of 1999), shall be in accordance with section 56 of that Act.

[S 2D ins by s 4 of Act 32 of 2013.]

2E. Disqualifications

- (1) The board shall not appoint a person as a Commissioner who—
- (a) is not a South African citizen;
 - (b) or whose spouse, life partner, business partner or associate, holds an office in or is employed by or has any other interest whatsoever, whether direct or indirect, in any company or other entity which supplies goods or renders services to the Commission, unless such an interest is declared to the satisfaction of the Minister;
 - (c) is disqualified to act as a director of a company incorporated in terms of the Companies Act, 2008 (Act 71 of 2008);
 - (d) has been found in any civil or criminal proceedings by a court of law, whether in the Republic or elsewhere, to have acted fraudulently, dishonourably or in breach of a fiduciary duty, or of any

other offence for which such person has been sentenced to direct imprisonment without the option of a fine;

- (e) has been removed from a position of trust;
- (f) has prematurely been removed as member of a board or other accounting authority of a public entity;
- (g) was at any time found to be in contravention of this Act;
- (h) has been declared by a court of law to be of an unsound mind; or
- (i) is an unrehabilitated insolvent.

- (2) Nothing in this Act prevents the board from subjecting a prospective Commissioner or a Commissioner to a probity test to determine suitability or continued suitability of a candidate for appointment as a Commissioner or continued appointment as a Commissioner.

[S 2E ins by s 4 of Act 32 of 2013.]

2F. Conflict and declaration of interest

- (1) The Commissioner, or any person appointed by the Commission, may not—
 - (a) engage in any activity that may undermine the integrity of the Commission;
 - (b) attend, participate in, or influence any investigation, hearing or decision concerning a matter in respect of which that person has a direct financial interest or any similar personal interest;
 - (c) make private use of, or profit from, any confidential information obtained as a result of performing that person's official functions in the Commission; or
 - (d) divulge any information referred to in paragraph (c) to any third party, except as required as part of that person's official functions within the Commission.
- (2) The Commissioner and every employee of the Commission must, before being appointed, submit to the Commission a written statement in which he or she declares whether or not that person has any direct or indirect interest, financially or otherwise, whether or not such interest—
 - (a) may constitute a conflict of interest in respect of his or her functions as a member of staff of the Commission; or

- (b) could reasonably be expected to compromise the Commission in the performance of its functions.
- (3) Should the Commissioner or any person appointed by the Commissioner become aware of any conflict of interest or perceived conflict of interest or circumstances that may compromise his or her impartiality in executing his or her duties as so appointed, he or she must immediately stop executing such duties and must within seven days of becoming aware of such conflict or perceived conflict or circumstances—
- (a) in the case of the Commissioner, inform the board; and
 - (b) in the case of any person appointed by the Commissioner, inform the Commissioner of any such conflict or circumstance.
- (4) The board or the Commissioner may consider whether such conflict or circumstance is likely to compromise the impartiality of such a person in the performance of his or her duties.
- (5) Should the Commissioner or any employee of the Commission become aware of any conflict of interest or perceived conflict of interest or circumstances that may compromise his or her impartiality in executing his or her duties, he or she must immediately stop executing such duties and must within seven days of becoming aware of such conflict or perceived conflict or circumstances, inform the Commissioner or the board, as the case may be, of any such conflict or circumstance.
- (6) The Commissioner or the board may consider whether such conflict or circumstance is likely to compromise the impartiality of such a person in the performance of his or her duties.
- (7) The Commissioner or the board may institute disciplinary proceedings against any person who fails or refuses to comply with or contravenes this section in accordance with applicable legislation.
- (8) The board or the Commissioner, as the case may be, may, after considering whether such conflict or circumstance is likely to compromise the impartiality of such a person, inform such a person of his or her decision which may include and is not limited to—
- (a) suspending such a person pending any further investigations;
 - (b) instituting a disciplinary inquiry to probe such conflict or circumstance; or
 - (c) dismissing such a person from his or her employment in accordance with applicable legislation.

[S 2F ins by s 4 of Act 32 of 2013.]

2G. Confidentiality and restraint of trade

- (1) The Commissioner or any employee of the Commission may not use his or her position or privileges, or confidential information obtained as an employee of the Commission, for personal gain or to improperly benefit another person.
- (2) The Commissioner or any employee or his or her spouse, life partner, immediate family member or business partner or associate, may not during the time of his or her employment at the Commission or for a period of 24 months after the termination or expiry of his or her employment, take up employment or in any way receive any benefit from any person who received a grant or intends to apply or has applied in terms of section 13, for a licence to conduct the National Lottery.
- (3) The board shall—
 - (a) institute disciplinary proceedings against the Commissioner who fails or refuses to comply with or contravenes this section; or
 - (b) institute disciplinary proceedings against any employee who fails or refuses to comply with or contravenes this section.

[S 2G ins by s 4 of Act 32 of 2013.]

3. Composition of board

- (1) Subject to subsection (3), the Minister shall appoint the members of the board, which shall consist of—
 - (a) a chairperson, who shall be a person with applicable knowledge or experience with regard to matters connected with the functions of the board;
 - (b) one member designated by the Minister;
[S 3(1)(b) am by s 5(a) of Act 32 of 2013.]
 - (c) not more than five members who have proven business acumen or applicable knowledge or experience with regard to matters connected with the functions of the board, and of whom at least one should be a legal practitioner admitted to practise in the Republic and at least one a chartered accountant in the Republic; and
[S 3(1)(c) am by s 5(a) of Act 32 of 2013.]
 - (d) the chairperson of the distributing agency as an *ex-officio* member with no voting rights who may only attend meetings of the board per invitation or if matters relating to the adjudication of applications for grants or distribution of grants are to be discussed.
[S 3(1)(d) ins by s 5(a) of Act 32 of 2013.]
- (2) At least four members of the board referred to in subsection (1) shall be persons who are not in the service of any sphere of government.

[S 3(2) subs by s 5(b) of Act 32 of 2013.]

(3) The member contemplated in paragraph (a) of subsection (1) shall be appointed only after the Minister has by notice in the *Gazette* and in not less than two newspapers circulating in every province invited interested parties to nominate persons suitable for appointment as chairperson and the relevant committee of the National Assembly has made recommendations to the Minister in relation thereto after a transparent and open process of considering persons so nominated, having due regard to the functions of the board.

(4) A member of the board shall hold office for such period, not exceeding five years, as the Minister may determine at the time of his or her appointment, and shall be eligible for reappointment at the end of his or her first term of office for a further period not exceeding five years.

[S 3(4) subs by s 5(c) of Act 32 of 2013.]

(5) Subject to section 33 of the Constitution, the Minister—

(a) may, as soon as he or she gains knowledge of any possible disqualification, terminate the membership of any member of the board on the grounds of serious misconduct or prolonged inability to perform the functions as a member of the board;

[S 3(5)(a) subs by s 5(d) of Act 32 of 2013.]

(b) shall suspend the membership of any member of the board in the event of the State instituting criminal proceedings in a court of law on a charge of theft, fraud, forgery or uttering a forged document, perjury, an offence in terms of the Corruption Act, 1992 (Act 94 of 1992), Part 1 to 4, or section 17, 20 or 21 (in so far as it relates to the aforementioned offences) of Chapter 2 of the Prevention and Combating of Corrupt Activities Act, 2004, or any offence involving dishonesty;

[S 3(5)(b) subs by s 36 of Act 12 of 2004.]

(c) shall terminate the membership of any member of the board in the event of that member—

(i) being found guilty in a court of law of contravening this Act or of theft, fraud, forgery or uttering a forged document, perjury, an offence in terms of the Prevention of Corruption Act, 1958 (Act 6 of 1958), the Corruption Act, 1992, Part 1 to 4, or section 17, 20 or 21 (in so far as it relates to the aforementioned offences) of Chapter 2 of the Prevention and Combating of Corrupt Activities Act, 2004, or any offence involving dishonesty; or

[S 3(5)(c)(i) subs by s 36 of Act 12 of 2004.]

(ii) materially failing to comply with subsection (7).

(6) The Minister shall, subject to subsection (3), fill a casual vacancy on the board by the appointment of another person for the remainder of the period for which the person in respect of whom the vacancy arose, had been appointed.

(7) ...

[S 3(7) am by s 36 of Act 12 of 2004; rep by s 5(e) of Act 32 of 2013.]

(8) A member of the board or his or her spouse, life partner, immediate family member, business partner or associate may not for a period of 12 months after the termination of membership of the board take up employment or in any way receive any benefit from any person who is applying or has applied—

(a) in terms of section 13, for the licence to conduct the National Lottery;

(b) in terms of section 55, for a licence to conduct a national sports pool;

(c) in terms of this Act, for any other authorisation, registration, certification or other benefit or advantage; or

(d) in terms of any legislation pertaining to gambling, for a gambling licence,

unless the terms of such employment or the nature and extent of such benefits have been disclosed to the Minister and he or she has authorised that employment or those benefits or advantages.

(9) The provisions of subsection (8) do not prevent any criminal or civil proceedings in a court of law.

(10) Any agreement in contravention of subsection (8) is null and void *ab initio*.

[Commencement of s 3: 17 July 1998.]

3A. Disqualification of members of board

(1) The Minister may not appoint a person to the board who—

(a) is not a South African citizen;

(b) is a political office bearer;

(c) is disqualified to act as a director of a company incorporated in terms of the Companies Act, 2008 (Act 71 of 2008);

(d) has been found in any civil or criminal proceedings by a court of law, whether in the Republic or elsewhere, to have acted fraudulently, dishonestly, unprofessionally, dishonourably or in breach of a fiduciary duty, or of any other offence for which such person has been sentenced to direct imprisonment without the option of a fine;

- (e) has been removed from a position of trust;
 - (f) has been subjected to a disciplinary hearing resulting in his or her membership of a board or any other accounting authority of a public entity being prematurely terminated in the past five years;
 - (g) was at any time found to be in contravention of this Act or any other Act applicable to the public service in the past five years;
 - (h) has been declared by a court of law to be of an unsound mind; or
 - (i) is an unrehabilitated insolvent.
- (2) Nothing in this Act prevents the Minister from subjecting a prospective member or a member of the board to a probity test to determine suitability or continued suitability of a candidate for appointment as a member of the board or continued membership of the board.

[S 3A ins by s 6 of Act 32 of 2013.]

3B. Conflict of interests

- (1) A member of the board must, before appointment, submit a declaration made under oath or by affirmation to the Minister, to the effect that he or she is not disqualified from appointment as contemplated in section 3A.
- (2) A member of the board, including the Commissioner and chairperson of the distributing agency, who at any time during his or her term of office becomes disqualified to be a board member on any one of the grounds contemplated in section 3A—
- (a) must immediately in writing inform the Minister and the board of such disqualification, and the Minister must then forthwith remove that member from the board; and
 - (b) does not have a right to attend a board meeting from the time he or she has so become disqualified until he or she is removed by the Minister.
- (3) A member of the board shall, before appointment, submit to the Minister a written statement in which he or she declares whether or not he or she has any direct or indirect interest, financially or otherwise, whether or not such interest—
- (a) may constitute a conflict of interest in respect of his or her functions as a member of the board; or
 - (b) could reasonably be expected to compromise the board in the performance of its functions.

- (4) If a member of the board acquires an interest contemplated in subsection (3), he or she shall immediately in writing declare that fact to the Minister and the board.
- (5) If a member of the board becomes aware of any conflict of interest or perceived conflict of interest or circumstances that may compromise his or her impartiality in executing his or her duties, he or she shall immediately stop executing such duties and must within seven days of becoming aware of such conflict or perceived conflict or circumstances, inform the Minister and the board of any such conflict or circumstances.
- (6) The Minister, after consultation with the board, shall consider whether such conflict or circumstances is likely to compromise the impartiality of such a person in discharging his or her duties.
- (7) The Minister, after consultation with the board, may institute disciplinary proceedings against any member who fails or refuses to comply with or contravenes this section in accordance with applicable legislation.
- (8) The Minister shall, after consultation with the board and after considering whether such conflict or circumstances is likely to compromise the impartiality of such a person, inform such a person of his or her decision which may include and is not limited to—
 - (a) suspending such a person pending any further investigations;
 - (b) instituting a disciplinary enquiry to probe such conflict or circumstances; or
 - (c) dismissing such a person from being a member of the board.
- (9) The Minister and the board must keep a register of the interests of members of the board disclosed in terms of this section and must update that register from time to time.

[S 3B ins by s 6 of Act 32 of 2013.]

3C. Confidentiality and restraint of trade

- (1) A board member may not use his or her position or privileges, or confidential information obtained as a member of the board, for personal gain or to improperly benefit another person.
- (2) A member of the board or his or her spouse, life partner, immediate family member or business partner or associate, may not during the time of his or her membership of the board or for a period of 24 months after the termination or expiry of such membership, take up employment or in any way receive any benefit from any person who received a grant or intends to apply or has applied in terms of section 13, for a licence to conduct the National Lottery.

- (3) The Minister may, after consultation with the board, institute disciplinary proceedings against any board member who fails or refuses to comply with or contravenes this section.
- (4) Despite any provision of this Act the Minister may, after consultation with the board, consider whether such contravention is likely to compromise the impartiality of such a person and inform such a person of his or her decision which may include but is not limited to—
 - (a) suspending such a person pending any further investigations;
 - (b) instituting a disciplinary inquiry to probe such conflict or circumstance; or
 - (c) terminating the membership of such a person.

[S 3C ins by s 6 of Act 32 of 2013.]

4. Meetings of board

- (1) The first meeting of the board shall be held on such a date and at such a time and place as the Minister may determine, and all subsequent meetings shall be held on such dates and at such times as the chairperson may determine after consultation with the board.
- (2) The proceedings at a meeting of the board shall, subject to this section, be determined by the chairperson in consultation with the board, and any decision in this regard shall be taken after due consideration of the principles of openness and transparency.
- (3) The *quorum* for a meeting of the board shall be the majority of the members of the board.
- (4) A decision of the board shall be taken by a majority of the votes of the members present, and in the event of an equality of votes on any matter, the chairperson shall have a casting vote in addition to his or her deliberative vote.
- (5) The Minister and the chief executive officer of the board may attend any meeting of the board or its executive committee, and they shall each have the right to speak at any such meeting, but they do not have a right to vote.
- (6) The Chairperson shall timeously notify the Minister of any meeting of the board or its executive committee.
- (7) The board must meet regularly to perform its functions in terms of the Act.

[S 4(7) ins by s 7 of Act 32 of 2013.]

- (8) The Minister may, on the advice of the chairperson or the board, terminate the membership of a member who fails to attend two meetings consecutively without prior notification and approval of the chairperson or the board.

[S 4(8) ins by s 7 of Act 32 of 2013.]

5. Committees

- (1) The board may appoint committees to assist it in efficiently and effectively performing its functions and exercising its powers.
- (2) Committees shall consist of such members of the board as the board may designate.
- (3) The board shall designate the chairperson of every committee.
- (4)
- (a) Every committee shall perform its functions in accordance with the provisions of this Act and such directives of the board as are not in conflict with such provisions.
- (b) Any delegated function so performed shall be deemed to have been performed by the board.

[S 5 subs by s 8 of Act 32 of 2013.]

6. Remuneration and allowances of members of board

- (1) Members of the board who are not in the service of the State may, in respect of their services, be paid such remuneration and allowances as may be determined by the Minister in consultation with the Minister of Finance.
- (2) The remuneration and allowances of the persons referred to in subsection (1) may differ according to the different offices held by them or the different functions performed by them.

[Commencement of s 6: 17 July 1998.]

7. ...

[S 7 am by s 42 of Act 30 of 2007; rep by s 9 of Act 32 of 2013.]

8. Funds of board

- (1) The funds of the board shall consist of—
- (a) the payments to the board in terms of section 34;
- (b) application and licensing fees paid to the board in terms of section 14(3);

- (c) other money lawfully paid to the board, excluding any prize money paid by the licensee to the board; and
 - (d) money appropriated by Parliament.
- (2) The board may, up to an amount approved from time to time by the Minister in consultation with the Minister of Finance, raise short-term loans at any time, by way of overdrawing its account with a bank or otherwise, to meet any casual deficits that may arise.

[Commencement of s 8: 17 July 1998.]

9. Finances

There shall be paid out of payments made to the board in terms of section 34 such sums as are necessary to defray any expenses incurred by the board, including the remuneration, allowances and other employment benefits of the chief executive officer and members of the staff of the board.

[Commencement of s 9: 17 July 1998.]

10. Functions of board

- (1) The board shall in applying the principles of openness and transparency and in addition to its other functions in terms of this Act—

[Words preceding s 10(a) renumbered as (1) and subs by s 10(a) of Act 32 of 2013.]

- (a) advise the Minister on the issuing of the licence to conduct the National Lottery as contemplated in section 13(1) and on any matter contemplated in section 14(2)(g);
- (b) ensure that—
 - (i) the National Lottery and sports pools are conducted with all due propriety and strictly in accordance with the Constitution, this Act, all other applicable law and the licence for the National Lottery together with any agreement pertaining to that licence;
 - (ii) the interests of every participant in the National Lottery are adequately protected; and
 - (iii) subject to subparagraphs (i) and (ii), the net proceeds of the National Lottery are as large as possible;
- (c) manage and administer the fund and hold it in trust;
[S 10(1)(c) subs by s 10(b) of Act 32 of 2013.]
- (d) monitor, regulate and police lotteries incidental to exempt entertainment, private lotteries, society lotteries and any competition contemplated in section 54;

- (e) advise the Minister on percentages of money to be allocated in terms of section 26(3);
- (f) advise the Minister on the efficacy of legislation pertaining to lotteries and ancillary matters;
- (g) advise the Minister on establishing and implementing a social responsibility programme in respect of lotteries;
- (h) administer and invest the money paid to the board in accordance with this Act and the licence for the National Lottery;
- (i) perform such additional duties in respect of lotteries as the Minister may assign to the board;
- (j) make such arrangements as may be specified in the licence for the protection of prize monies and sums for distribution;
[S 10(1)(j) am by s 10(c) of Act 32 of 2013.]
- (k) advise the Minister on any matter relating to the National Lottery and other lotteries or any other matter on which the Minister requires the advice of the board;
[S 10(1)(k) am by s 10(c) of Act 32 of 2013.]
- (l) ensure that the Commission performs its functions efficiently and effectively in compliance with this Act and any other applicable law;
[S 10(1)(l) ins by s 10(d) of Act 32 of 2013.]
- (m) approve, determine, oversee or revise the Commission's operational strategic framework or policies, corporate governance framework policies, human resources policies and approve the appointment of senior executive employees of the Commission;
[S 10(1)(m) ins by s 10(d) of Act 32 of 2013.]
- (n) approve, determine, oversee, or revise the broad policy framework within which the Commission must perform its functions;
[S 10(1)(n) ins by s 10(d) of Act 32 of 2013.]
- (o) ensure that the Commission exercises its powers in accordance with the principles of transparency and accountability;
[S 10(1)(o) ins by s 10(d) of Act 32 of 2013.]
- (p) serve as review authority against decisions of the distributing agency regarding applications for grants;
[S 10(1)(p) ins by s 10(d) of Act 32 of 2013.]

- (q) in consultation with the Minister, determine category of applications for grants that are excluded from funding; and

[S 10(1)(q) ins by s 10(d) of Act 32 of 2013.]

- (r) take all reasonable steps to recover any amount in relation to a grant which has been withdrawn, prohibited or reduced in terms of section 33.

[S 10(1)(r) ins by s 10(d) of Act 32 of 2013.]

- (2) The board shall have the power to institute legal proceedings in order to properly discharge its functions and responsibilities in terms of this Act.

[S 10(2) ins by s 10(e) of Act 32 of 2013.]

- (3) The board may approach any court for any order the board deems appropriate for effective regulation and enforcement of the Act.

[S 10(3) ins by s 10(e) of Act 32 of 2013.]

- (4) The board may request the Commission to conduct research on appropriately deserving worthy causes that may be funded or recipients that may be funded without lodging an application.

[S 10(4) ins by s 10(e) of Act 32 of 2013.]

- (5) The board may recommend to the Minister to prohibit, withdraw or reduce any grant made by the distributing agency if the board receives information that such grant is utilised or is likely to be utilised in an unauthorised manner that does not comply with the purpose or conditions stipulated in the grant or is utilised or is likely to be utilised for an unlawful purpose.

[S 10(5) ins by s 10(e) of Act 32 of 2013.]

10A. Delegation by board

The board may assign management or other functions or delegate, with or without conditions, any of its powers or functions to the Commissioner or Commission, but any such delegation does not divest the board of any responsibility for the proper exercise of any power or performance of any function.

[S 10A ins by s 11 of Act 32 of 2013.]

11. Consultation by board

The board may consult any person, organisation or institution with regard to any matter deemed necessary by the board to enable the board to perform its functions effectively.

[Commencement of s 11: 17 July 1998.]

12. Audit and annual report

- (1) The board shall—

- (a) keep proper books and records in relation to receipts and payments;
 - (b) prepare a report of all the activities of the board, including financial statements, in respect of each financial year and the board's regulatory functions in respect of all lotteries and all matters in respect of which the board rendered advice or made recommendations to the Minister in accordance with paragraphs (e), (f) and (g) of section 10; and
 - (c) annually within three months after the end of each financial year, submit the report and financial statements referred to in paragraph (b) to Parliament, and if Parliament is not then in session, on the first day of the next session.
- (2) In subsection (1) "**financial year**" means—
- (a) the period from the date on which the board is appointed for the first time to the last day of March in the following year; and
 - (b) each period of 12 months thereafter ending on the last day of March.
- (3) The financial statements shall comply with generally accepted accounting principles and any other directions that may be given by the Minister or the Minister of Finance, or may be provided for in statutory measures applicable to the board, as to the information to be contained in such statements, the manner in which such information is to be presented or the methods and principles according to which such statements are to be prepared.
- (4) The financial statements of the board shall be audited by the Auditor-General.
- (5) The report referred to in subsection (1) shall be laid upon the Table in Parliament forthwith after it is submitted to the Minister, if Parliament is then in session, or, if Parliament is not then in session, on the first day of the commencement of the next ensuing session of Parliament.
- (6) The report referred to in subsection (1) shall include the recommendations of the board with regard to—
- (a) the percentages prescribed in terms of section 26(3); and
 - (b) any amendments to this Act or regulations issued under this Act in order to improve the execution of the functions of the board.

[Commencement of s 12: 17 July 1998.]

CHAPTER 2

Licensing of National Lottery

13. Licence to conduct National Lottery

- (1) The Minister may, after consultation with the board, issue one licence at one time authorising a person to conduct the National Lottery, which for purposes of section 57 will constitute a lottery, in accordance with the provisions of this Act.
- (2) Before a licence is granted under this section—
 - (a) the Minister shall by notice in the *Gazette* and in not less than two newspapers circulating in every province invite interested parties to apply in writing for a copy of a request for proposal or any other document which may be made public, and the board shall require payment for any such documents;
 - (b) the Minister shall be satisfied that—
 - (i) the applicant for the licence contemplated in subsection (1) has sufficient appropriate knowledge or experience to conduct the National Lottery, or has unconstrained and continuous access thereto, and will be able to conduct the National Lottery strictly in accordance with this Act, the licence of the National Lottery and any agreement pertaining to the licence;
 - (ii) the applicant has the necessary financial and other resources to conduct the National Lottery;
 - (iii) the applicant will for the duration of the licence show a clear and continuous commitment to the social responsibility programme contemplated in section 10(g) and to the advancement, upliftment and economic empowerment of persons or groups or categories of persons disadvantaged by unfair discrimination; and
 - (iv) no political party in the Republic or political office-bearer has any direct financial interest in the applicant or a shareholder of the applicant.
- (3) In considering whether to grant the licence, the Minister shall take into account—
 - (a) whether any person who appears to the Minister to be likely to manage the business or any part of the business of the National Lottery under the licence, is a fit and proper person to do so;
 - (b) whether any person for whose benefit that business is likely to be conducted, is a fit and proper person to benefit from it; and

- (c) whether any person who is likely to manage the business or any part of the business of the National Lottery under the licence or a sports pool, will do so—
 - (i) with all due propriety and strictly in accordance with the Constitution, this Act, all other applicable law and the licence for the National Lottery together with any agreement pertaining to the licence;
 - (ii) so that the interests of every participant in the National Lottery and sports pools are adequately protected; and
 - (iii) subject to subparagraphs (i) and (ii), so that the net proceeds of the National Lottery and sports pools are as large as possible.

(4) A licence granted under this section shall include the conditions contemplated in section 14.

(5) The licence contemplated in subsection (1) may allow the licensee to appoint another person to conduct certain lotteries of the National Lottery on behalf of the licensee only with the written approval of the Minister: Provided that the board has made a recommendation to the Minister to allow such appointment if the person to be appointed has satisfied the provisions of section 13(2)(b) and any other requirements or conditions as directed by the Minister.

[S 13(5) subs by s 12 of Act 32 of 2013.]

(6) In considering whether to grant the licence contemplated in subsection (1), the Minister and the board shall not favour an applicant solely because the applicant or a shareholder or partner of that applicant is an organ of the State.

[Commencement of s 13: 17 July 1998.]

13A. Appointment of organ of state to conduct National Lottery

(1) In the event that the Minister decides on justifiable grounds not to issue a licence as contemplated in section 13, the Minister may, after consultation with the board, licence or authorise an organ of state to conduct the National Lottery for a period not exceeding eight years, on such terms and conditions as the Minister deems appropriate, including such conditions as stipulated in section 14(1) and (2).

(2) In deciding whether justifiable grounds contemplated in subsection (1) exist, the Minister shall consider any relevant factor including but not limited to—

- (a) national government policies or priorities;
- (b) the need to grow local industries and to procure goods from local manufacturers;
- (c) the need to transfer skills and technology to the citizens of the Republic; and

- (d) the need to comply with the legislative framework for the promotion of broad-based black economic empowerment and transformation.
- (3) In appointing an organ of state to conduct the National Lottery, the requirements contemplated in section 13(2)(a) do not apply.
- (4) The licence issued to an organ of state may allow such organ of state to appoint any other person to conduct certain lotteries of the National Lottery on behalf of such organ of state, subject to the written approval of the Minister: Provided that the board has made a recommendation to the Minister to allow such appointment if the person to be appointed has satisfied the provisions of section 13(2)(b) and any other requirements or conditions as directed by the Minister.
- (5) The Minister shall publish in the *Gazette* the appointment of an organ of state to conduct the National Lottery in terms of this section.

[S 13A ins by s 13 of Act 32 of 2013.]

13B. Temporary licence

The Minister may at any time owing to the fact that—

- (a) the licensee is for any reason whatsoever unable to conduct the National Lottery in terms of the conditions of the licence or is unable to meet the conditions of the licence to the satisfaction of the Minister;
- (b) the licence to conduct the National Lottery is suspended for any reason whatsoever;
- (c) the licence to conduct the National Lottery is revoked in terms of this Act; or
- (d) the licence to conduct the National Lottery has expired,

after consultation with the board, appoint or authorise any person or organ of state as the case may be, for a non-renewable period not exceeding 24 months to conduct the National Lottery on such terms and conditions the Minister deems appropriate.

[S 13B ins by s 13 of Act 32 of 2013.]

14. Requirements and conditions of licence

- (1) A licence granted in terms of section 13 or 13A shall be in writing, shall specify the conditions attached to it and shall be granted for a period not exceeding eight years: Provided that the Minister may, after consultation with the board and at least one year before the expiry of that licence, extend that licence for a non-renewable period not exceeding 24 months: Provided further that the licensee shall have no

rights or legitimate expectations in respect of an extension of the period of validity of the licence other than the rights afforded by this subsection.

[S 14(1) subs by s 14(a) of Act 32 of 2013.]

(2) The conditions contemplated in subsection (1) shall include such conditions as the Minister shall determine, after consultation with the board, and shall in particular include conditions requiring the licensee—

(a) to obtain the consent of the Minister after consultation with the board before doing anything specified in the licence;

[S 14(2)(a) subs by s 14(b) of Act 32 of 2013.]

(b) to refer specified matters to the board and the board must refer such matters to the Minister for approval;

[S 14(2)(b) subs by s 14(b) of Act 32 of 2013.]

(c) to ensure that such requirements as the Minister after consultation with the board may from time to time determine or approve in terms of the licence are complied with, including the imposition of penalties as contemplated in section 62 in the event of the licensee not complying with any provision of this Act or the licence;

[S 14(2)(c) subs by s 14(b) of Act 32 of 2013.]

(d) to provide the Minister and the board at times specified by the Minister or the board with such information as the Minister or the board may require;

(e) to make such arrangements as may be specified in the licence for the payment of such sums out of the proceeds of the National Lottery as may be so specified to the fund or to the board, as the case may be, at such times as may be so specified;

(f) to do such things in terms of the licence, including the transfer of property or any rights, excluding intellectual property rights or proprietary software, as the board may require, upon the expiration of the licence;

(g) to obtain the approval of the Minister for any lottery and the rules thereof before that lottery is conducted under the licence for the National Lottery;

(h) to allow the board or anyone designated by it to enter any premises or facility belonging to or under the control of the licensee or a member of the management of the licensee, or premises to which the licensee has a right of access, at any reasonable time, if such entry is necessary for the protection of the integrity of the National Lottery, and to—

- (i) examine or inspect any thing, machine, document or data captured in any form, excluding proprietary software, found on or in the premises or facility, and make copies of or make extracts from that thing, machine, document or data;
 - (ii) seize, for the purpose of further examination or securing information, any thing, machine, document or data, excluding proprietary software, on or in such premises or facility which has a bearing on the conduct of the National Lottery;
 - (iii) seal or otherwise secure any such premises, facility, thing or machine on or in which any document or data which has a bearing on the conduct of the National Lottery is stored or captured; and
 - (iv) take such steps as may be reasonably necessary to protect the integrity and conduct of the National Lottery; and
- (i) to secure a valid and enforceable undertaking in writing from—
- (i) the person controlling the licensee in any way whatsoever not to change that control of the licensee for the duration of the licence without the consent of the Minister;
 - (ii) the person controlling the licensee in any way whatsoever not to transfer, cede or in any other way encumber the licence to another person; and
 - (iii) the licensee not to permit, require or compel any of its employees or agents knowingly to sell a ticket, or to award or to pay any prize to a director of the licensee or a member of the board.

[S 14(2)(i) subs by s 1 of Act 10 of 2000.]

- (3) On—
- (a) requesting a copy of any document in terms of section 13(2)(a);
 - (b) applying for the licence to be issued in terms of section 13(1); or
 - (c) the granting of a licence under section 13,

the person requesting a copy of a document, the applicant or the licensee, as the case may be, shall pay to the board the prescribed fee.

[Commencement of s 14: 17 July 1998.]

15. Variation of conditions of licence

- (1) The Minister may after consultation with the board vary any condition in the licence granted under section 13 or 13A—

[Words preceding s 15(1)(a) subs by s 15(a) of Act 32 of 2013.]

- (a) to the extent provided for in the provisos to section 14(1); or
- (b) other than a condition contemplated in paragraph (a),

only if the licensee consents to that variation, or if the licensee does not consent to that variation, only if—

- (i) that variation is provided for in this Act or to the extent provided for in the licence; and
- (ii) the licensee has been given a reasonable opportunity to make representations to the Minister in respect of the intended variation.

[S 15(1)(b)(ii) subs by s 15(b) of Act 32 of 2013.]

- (2) If the Minister after consultation with the board, and after consideration of the licensee's representations, decides to vary a condition in the licence in accordance with that licence but without the consent of the licensee, the Minister shall cause a notice to be served on the licensee in which the licensee is informed of the variation and the date on which that variation shall take effect, which date shall not be less than 21 days after the date of service of such notice, unless the licensee agrees to a shorter period in writing.

[S 15(2) subs by s 15(c) of Act 32 of 2013.]

- (3) The provisions of the licence to vary a condition in the licence under subsection (1) may allow the Minister after consultation with the board to add a condition to the licence or to omit a condition from the licence.

[S 15(3) subs by s 15(d) of Act 32 of 2013.]

16. Enforcement of conditions of licence

- (1) If the Minister has reason to believe—

- (a) that a licensee is likely to contravene a condition in the licence granted under section 13 or 13A;
- (b) that a licensee has contravened such a condition and there is a reasonable likelihood that the contravention will continue or be repeated; or
- (c) that a licensee has contravened such a condition and that the contravention can be remedied,

the Minister may, after consultation with the board—

- (i) notify such licensee of such contravention;
- (ii) instruct such licensee to remedy the contravention within a period stipulated in such a notice; or
- (iii) apply to a High Court for an order prohibiting the contravention or, as the case may be, requiring the licensee and any other person who appears to the court to have been party to the contravention, to take such steps as the court may direct.

[S 16(1) subs by s 16 of Act 32 of 2013.]

- (2) The liability of the licensee to pay any sum in terms of this Act or the licence or agreement pertaining thereto shall not be affected by the licence ceasing to be valid for any reason and such sum may not be set off by the licensee against any amount due and payable.

[Commencement of s 16: 17 July 1998.]

17. Grounds for revocation of licence

The licence granted under section 13 or 13A may be revoked by the Minister, after consultation with the board, on the following grounds—

[Words preceding s 17(a) subs by s 17 of Act 32 of 2013.]

- (a) If the licensee is no longer a fit and proper person to conduct the National Lottery, whether because of the commission of an act of insolvency, liquidation or for any other valid reason;
- (b) if a condition contained in the licence has been materially contravened;
- (c) if any information given by the licensee, any person who in any way controls the licensee or an agent or representative of the licensee to the board—
 - (i) in or in connection with the application for the licence;
 - (ii) in accordance with a condition in the licence; or
 - (iii) in making representations in terms of section 18(1), in respect of financial matters regarding the National Lottery or in respect of any aspect of the management of the National Lottery,is materially false;
- (d) if any person who is managing the business or any part of the business of the licensee or who is a supplier of goods or services to the licensee is not a fit and proper person to do so, whether because of the commission of an act of insolvency, insolvency, liquidation, incarceration in a

prison or other institution or for any other relevant reason, unless the licensee immediately takes steps to effectively dissociate himself, herself or itself from that person;

- (e) if any person for whose benefit the licence has been acquired or who is a holding company of the licensee or who in any other way controls the licensee, is not a fit and proper person to benefit from it, whether because of insolvency, liquidation, incarceration in a prison or other institution or for any other relevant reason;
- (f) if the licensee has failed to take adequate steps to prevent the commission of fraud by his, her or its employees, agents, representatives, suppliers or by participants in the National Lottery after having been alerted to or becoming aware of conditions conducive to the commission of fraud, or to instances of fraud or dishonesty;
- (g) if the licensee, any of its employees, agents, representatives or suppliers prevent the board or any person designated by it from exercising its rights contemplated in section 14(2)(h);
- (h) if the licensee, any of its employees or agents repeatedly and knowingly sell tickets or award or pay prizes to any person in contravention of section 14(2)(i)(iii); or
- (i) if application has been made to a High Court for the sequestration or liquidation, as the case may be, of the licensee or a person who in any way controls the licensee.

[Commencement of s 17: 17 July 1998.]

18. Notice of proposed revocation

- (1) If the Minister, after consultation with the board, is satisfied that grounds exist for the revocation of the licence granted in terms of section 13 or 13A, the Minister shall in writing notify the licensee of the existence of such grounds and call upon the licensee to furnish reasons, within 14 days of service of that notice at the registered physical address of the licensee, as to why the licence should not be revoked, failing which the licence will cease to be valid upon the expiration of the said period of 14 days.

[S 18(1) subs by s 18(a) of Act 32 of 2013.]

- (2) If the licence for the National Lottery ceases to be valid in terms of subsection (1), the Minister after consultation with the board shall forthwith inform the licensee and Parliament in writing of that fact and of the date upon which the licence ceased to be valid, and if Parliament is not then in session, the Minister shall forthwith inform the Speaker of the National Assembly and the Chairperson of the National Council of Provinces of that fact.

[S 18(2) subs by s 18(b) of Act 32 of 2013.]

19. Suspension of licence

- (1) The Minister, after consultation with the board, may order a suspension of the licence in the notice contemplated in section 18(1) as from the date of service of that notice for a period of not longer than 30 days after the licensee has furnished those reasons.

[S 19(1) subs by s 19(a) of Act 32 of 2013.]

- (2) If the Minister, after consultation with the board, decides to suspend the licence in terms of subsection (1), the Minister shall forthwith inform the board and Parliament of that fact and of the grounds for the suspension, and if Parliament is not then in session, the Minister shall forthwith inform the Speaker of the National Assembly and the Chairperson of the National Council of Provinces of that fact.

[S 19(2) subs by s 19(b) of Act 32 of 2013.]

- (3) The licence shall immediately cease to be valid if it is suspended for a second time.

- (4) The Minister shall forthwith inform Parliament if the licence has ceased to be valid in terms of subsection (3), and if Parliament is not then in session, the Minister shall forthwith inform the Speaker of the National Assembly and the Chairperson of the National Council of Provinces of that fact.

[S 19(4) subs by s 19(c) of Act 32 of 2013.]

20. Revocation of licence

- (1) If reasons are furnished by the licensee as contemplated in section 18(1), the Minister, after consultation with the board, shall after considering such reasons—

[Words preceding s 20(1)(a) subs by s 20(a) of Act 32 of 2013.]

- (a) decide whether or not to revoke the licence; or
- (b) call upon the licensee to appear before the board on a specified date to make oral representations in support of any written representations made by the licensee or to answer any questions which the Minister may have with regard to such written representations, whereafter the Minister, after consultation with the board, shall consider the matter and decide whether or not to revoke the licence.

[S 20(1)(b) subs by s 20(b) of Act 32 of 2013.]

- (2) If the Minister, after consultation with the board, decides to revoke the licence, the Minister shall by written notice served at the registered head office of the licensee notify the licensee of that fact, of the grounds for that revocation and of the date on which that revocation shall take effect.

[S 20(2) subs by s 20(c) of Act 32 of 2013.]

- (3) If the Minister, after consultation with the board, decides to revoke the licence in terms of subsection (1), the Minister shall inform the Minister of Finance and Parliament of that fact and of the grounds for that revocation forthwith, and if Parliament is not then in session, the Minister shall forthwith inform the

Speaker of the National Assembly and the Chairperson of the National Council of Provinces of that fact.

[S 20(3) subs by s 20(d) of Act 32 of 2013.]

CHAPTER 3

Distribution of net proceeds of National Lottery

21. Establishment of National Lottery Distribution Trust Fund

- (1) There is hereby established a fund to be known as the National Lottery Distribution Trust Fund, to be managed by the board.
- (2) The board shall annually table financial reports in accordance with the provisions of the Public Finance Management Act, 1999 (Act 1 of 1999), in Parliament in respect of the distributed funds, which financial report must form part of the report contemplated in section 12(1)(b).

[Commencement of s 21: 1 March 2000; s 21(2) subs by s 21 of Act 32 of 2013.]

22. Administration of the fund

[Section heading subs by s 22(a) of Act 32 of 2013.]

- (1) The fund shall be administered by the board.
[S 22(1) subs by s 22(b) of Act 32 of 2013.]
- (2) The fund shall be held in trust by the board for the purposes mentioned in this Chapter.
- (3) The fund shall be held in trust by the board for distribution of any sum paid into the fund as is allocated for expenditure referred to in section 26(3)(b), (c), (d) and (e), after the distributing agency has considered, evaluated and adjudicated an application for a grant or following a recommendation of funding of worthy good causes from the Commission after research conducted in terms of this Act.

[S 22(3) ins by s 22(c) of Act 32 of 2013.]

23. Revenue of fund

The fund shall consist of—

- (a) the sums paid to the fund in terms of section 14(2)(e);
- (b) interest and dividends derived from the investment of money standing to the credit of the fund;
and
- (c) other money lawfully paid into the fund.

[Commencement of s 23: 1 March 2000.]

24. Banking account

- (1) Money in the fund shall, pending the application thereof in terms of this Chapter, be paid into an account to be known as “The National Lottery Distribution Trust Fund” at a financial institution.
- (2) The financial institution where the account contemplated in subsection (1) is kept, shall not in respect of any liability of the board, not being a liability arising out of or in connection with any such account, have or obtain recourse or any right, whether by set-off, counter-claim, charge or otherwise, against money standing to the credit of such account.

[Commencement of s 24: 1 March 2000.]

25. Investment of money not immediately required

- (1) Any money of the fund or the board which is not required for immediate allocation, may be invested with the Public Investment Commissioners or with a financial institution approved by the Minister of Finance and may be withdrawn when required.
- (2) Any unexpended balance of the money of the fund at the end of any financial year shall be carried forward as a credit to the next succeeding financial year.

[Commencement of s 25: 1 March 2000.]

26. Allocation of money in fund

- (1) Every sum that is paid to the fund shall be appropriated for expenditure by the board in accordance with subsections (2) and (3).
- (2) So much of the sum referred to in subsection (1) as the Minister after consultation with the board deems appropriate, shall be allocated for making payments under section 34 and held in the fund for that purpose.
- (3) Of the balance in the fund after the deduction of the allocated sum referred to in subsection (2)—

(a) ...

[S 26(3)(a) rep by s 23 of Act 32 of 2013.]

(b) not less than the prescribed percentage shall be allocated for charitable expenditure;

(c) not less than the prescribed percentage shall be allocated for expenditure on or connected with the development of sport and recreation;

- (d) not less than the prescribed percentage shall be allocated for expenditure on or connected with the arts, culture and the national historical, natural, cultural and architectural heritage; and
- (e) not more than the prescribed percentage shall, subject to section 31(1), be allocated for expenditure in respect of any other matter and approved by the Minister for that purpose.

[Commencement of s 26: 1 March 2000.]

26A. Distributing agency

The distributing agency contemplated in section 22(3) shall be—

- (a) appointed by the Minister in terms of this Act; and
- (b) accountable to the board.

[S 26A ins by s 24 of Act 32 of 2013.]

26B. Function, composition, appointments and conditions of service of distributing agency

- (1) The distributing agency shall be responsible for—
 - (a) considering, evaluating and adjudicating applications for grants or recommendations of funding of worthy good causes received from the Commission; and
 - (b) preparing reports on grants already awarded and on the performance of its functions to the board on a quarterly basis or as and when requested by the board.
- (2) The number of the distributing agency members in each category shall be determined by the Minister after consultation with the board in line with the size of the funds in such category: Provided that such number shall not exceed nine in each category.
- (3) Members of the distributing agency shall be appointed for a period of five years, which may be renewed only once, to serve on a full-time basis as members of the distributing agency and staff members of the Commission responsible for adjudication of applications for grants or recommendations of funding of worthy good causes received from the Commission.
- (4) The Minister may, after consultation with the board—
 - (a) appoint persons with suitable combination of qualifications, skills and expertise to consider, evaluate and adjudicate applications for grants or recommendations of funding of worthy good causes received from the Commission on such terms and conditions determined by the Minister in consultation with the Minister of Finance; and

- (b) designate one person from amongst the members of the distributing agency as a full-time chairperson, for a non-renewable period of five years on such terms and conditions determined by the Minister in consultation with the Minister of Finance.
- (5) A member designated as a full-time chairperson shall upon the expiry of such period become an ordinary member entitled only to ordinary full-time member's conditions of appointment and remuneration unless his or her appointment as a member of the distributing agency has expired.
- [S 26B ins by s 24 of Act 32 of 2013.]

26C. Disqualifications for distributing agency membership

- (1) The Minister may not appoint a person as a member of the distribution agency if such a person—
- (a) is a political office-bearer;
 - (b) is or becomes an unrehabilitated insolvent or commits an act of insolvency;
 - (c) is disqualified to act as a director of a company incorporated in terms of the Companies Act, 2008 (Act 71 of 2008);
 - (d) has been found in any civil or criminal proceedings by a court of law, whether in the Republic or elsewhere, to have acted fraudulently, dishonestly, unprofessionally, dishonourably or in breach of a fiduciary duty, or of any other offence for which such person has been sentenced to direct imprisonment without the option of a fine in the past five years;
 - (e) has been removed from a position of trust in the past five years on account of misconduct;
 - (f) has been subjected to a disciplinary hearing resulting in his or her membership of a board or any other accounting authority of a public entity, been prematurely terminated in the past five years;
 - (g) has been at any time found to be in contravention of this Act or any other Act applicable to the public service in the past five years; or
 - (h) has been declared to be of unsound mind by a court of law.
- (2) Nothing in this Act prevents the Minister from subjecting a prospective member or a member of the distributing agency to a probity test to determine suitability or continued suitability of a candidate for appointment as a member of the board or continued membership of the board, as the case may be.
- [S 26C ins by s 24 of Act 32 of 2013.]

26D. Conflict and declaration of interest

- (1) A member of the distributing agency must, before appointment, submit to the Minister, board and the Commission a written statement in which he or she declares whether or not he or she has any direct or indirect interest, financially or otherwise, whether or not such interests—
 - (a) may constitute a conflict of interest in respect of his or her functions as a member of the distributing agency; or
 - (b) could reasonably be expected to compromise the distributing agency in the performance of its functions.
- (2) If such a member acquires any interest as contemplated in subsection (1), he or she must, within 30 days in writing, declare that fact to the Minister, board and the Commission.
- (3) A member must not be present at, or take part in, the discussion of or the taking of a decision on any matter before the distributing agency in which that member has an interest contemplated in subsection (1).
- (4) A member must not use his or her position or privileges, or confidential information obtained as a member of the distributing agency, for personal gain or to improperly benefit another person.
- (5) Should the Minister or the board become aware of any conflict of interest or perceived conflict of interest or circumstances that may compromise the impartiality of a person in executing his or her duties as a member of the distributing agency, the Minister may, after consultation with the board immediately order such person to stop executing any duties related to distributing grants pending any investigation or inquiry.
- (6) Should any member of the distributing agency become aware of any conflict of interest or perceived conflict of interest or circumstances that are likely to compromise his or her impartiality in executing his or her duties, such person must immediately stop executing such duties and must within seven days of becoming aware of such conflict or perceived conflict or circumstances inform the Minister, board and the Commission of any such conflict or circumstances and the Minister must, after consultation with the board consider whether such conflict or circumstances is likely to compromise the impartiality of such person in the performance of his or her duties.
- (7) The Minister may, after consultation with the board, institute disciplinary proceedings against any member of the distributing agency who fails or refuses to comply with or contravenes this section.
- (8) The Minister, board and the Commission must keep a register of the interests of members of the distributing agency disclosed in terms of this section and must update that register from time to time.

- (9) The Minister may, after considering whether such conflict or circumstances is likely to compromise the impartiality of such a person, inform such a person of his or her decision which may include—
- (a) suspending such a person pending any further investigations;
 - (b) instituting a disciplinary inquiry to probe such conflict or circumstances; or
 - (c) dismissal of such a person from executing his or her duties as a distributor of grants on the ground of serious misconduct,

where such person has failed to inform the Minister, board and the Commission of the existence of such conflict.

[S 26D ins by s 24 of Act 32 of 2013.]

26E. Restraint of trade

A member of the distributing agency or his or her spouse, life partner, immediate family member or business partner or associate, may not during the time of his or her membership or for a period of 24 months after the termination or expiry of such membership, take up employment or in any way receive any benefit from any person who received a grant or intends to apply or has applied for a grant in terms of this Act.

[S 26E ins by s 24 of Act 32 of 2013.]

26F. Control and management of affairs of distributing agency

The distributing agency is accountable to the board and the board may—

- (a) determine the operational policy for the performance of all financial, administrative and clerical functions of the distributing agency;
- (b) determine or direct or order the performance of any other matter or research intended to enhance the optimum functioning of the board and the distribution of grants;
- (c) ensure that the distributing agency performs its function independently and without fear, favour or prejudice; and
- (d) ensure that the distributing agency adheres to any policy, directive or code of ethics approved by the board and applicable within the public sector.

[S 26F ins by s 24 of Act 32 of 2013.]

26G. Applications for grants

- (1) The distributing agency shall consider, evaluate and adjudicate applications for grants or recommendations of funding of worthy good causes received from the Commission after research conducted in terms of this Act.
- (2) The distributing agency shall consider, evaluate and adjudicate recommendations of funding of worthy good causes from the Commission following research conducted in terms of this Act.
- (3) No applications for grants by a juristic person acting as an agent, representative or conduit of any potential beneficiary shall be considered, unless good cause is shown as to why such potential beneficiary is unable to make an application on its own.

[S 26G ins by s 24 of Act 32 of 2013.]

26H. Review

- (1) A decision of the distributing agency concerning an application for a grant is subject to review by the board only on application by an aggrieved applicant in the manner prescribed: Provided that such review shall be adjudicated by a board committee set up for such purpose without delay.
- (2) If the board overrules the decision of the distributing agency, the board may either—
 - (a) order the distributing agency to re-evaluate the application taking into consideration matters raised by the board; or
 - (b) set aside the decision of the distributing agency and substitute it with an order the board deems appropriate.

[S 26H ins by s 24 of Act 32 of 2013.]

27. ...

[S 27 rep by s 25 of Act 32 of 2013.]

28. Allocation to charities

- (1) So much of any sum paid into the fund as is allocated for expenditure referred to in section 26(3)(b), shall be held in the fund for distribution by the Commission to distribute the allocated sum fairly and equitably amongst all persons who meet the prescribed requirements.

[S 28(1) subs by s 26(a) of Act 32 of 2013.]

- (2) The distributing agency shall consider, evaluate and adjudicate applications for grants and the Commission shall pay such grants to appropriate recipients in accordance with this Act and subject to the conditions imposed and to any directions issued by the board, from the sum allocated for charitable purposes.

[S 28(2) subs by s 26(b) of Act 32 of 2013.]

(3) ...

[S 28(3) subs by s 26(c) of Act 32 of 2013.]

(4) The Auditor-General or a person designated by him or her shall audit all financial statements reflecting expenditure from the sum allocated for charitable purposes.

(5) Any juristic person meeting the prescribed requirements may in the prescribed form apply to the distributing agency for a grant.

[Commencement of s 28: 1 March 2000.]

29. Allocation to sport and recreation

(1) So much of any sum paid into the fund as is allocated for expenditure referred to in section 26(3)(c), shall be held in the fund for distribution by the Commission to distribute the allocated sum fairly and equitably amongst all persons who meet the prescribed requirements.

[S 29(1) subs by s 27(a) of Act 32 of 2013.]

(2) The distributing agency shall consider, evaluate and adjudicate applications for grants and the Commission shall pay such grants to appropriate recipients in accordance with this Act and subject to the conditions imposed and to any directions issued by the board, from the sum allocated for the development of sport and recreation.

[S 29(2) subs by s 27(b) of Act 32 of 2013.]

(3) ...

[S 29(3) rep by s 27(c) of Act 32 of 2013.]

(4) The Auditor-General or any person designated by him or her shall audit all financial statements reflecting expenditure from the sum allocated for the development of sport and recreation.

(5) Any juristic person meeting the prescribed requirements may in the prescribed form apply to the distributing agency for a grant.

[Commencement of s 29: 1 March 2000.]

30. Allocation to arts, culture and national heritage

(1) So much of any sum paid into the fund as is allocated for expenditure referred to in section 26(3)(d), shall be held in the fund for distribution by the Commission to distribute the allocated sum fairly and equitably amongst all persons who meet the prescribed requirements.

[S 30(1) subs by s 28(a) of Act 32 of 2013.]

- (2) The distributing agency shall consider, evaluate and adjudicate applications for grants and the Commission shall, pay such grants to appropriate recipients in accordance with this Act and subject to the conditions imposed and to any directions issued by the board, from the sum allocated for arts, culture and the national historical, natural, cultural and architectural heritage.

[S 30(2) subs by s 28(b) of Act 32 of 2013.]

- (3) ...

[S 30(3) rep by s 28(c) of Act 32 of 2013.]

- (4) The Auditor-General or any person designated by him or her shall audit all financial statements reflecting expenditure from the sum allocated for arts, culture and the national historical, natural, cultural and architectural heritage.

- (5) Any juristic person meeting the prescribed requirements may in the prescribed form apply to the distributing agency for a grant.

[Commencement of s 30: 1 March 2000.]

31. Allocation for miscellaneous purposes

- (1) So much of any sum paid into the fund as has been allocated for expenditure referred to in section 26(3)(e), shall be held in the fund for appropriation for expenditure by the board.

- (2) ...

[S 31(2) rep by s 29(a) of Act 32 of 2013.]

- (3) The distributing agency shall consider, evaluate and adjudicate applications for grants and the Commission shall pay such grants to appropriate recipients in accordance with this Act and subject to the conditions imposed and to any directions issued by the board, from the sum allocated for specific purposes identified by the Minister after consultation with the board.

[S 31(3) subs by s 29(b) of Act 32 of 2013.]

- (4) ...

[S 31(4) rep by s 29(c) of Act 32 of 2013.]

- (5) The Auditor-General or any person designated by him or her shall audit all financial statements reflecting expenditure from the sum allocated for the specific purpose identified by the Minister after consultation with the board.

- (6) Any juristic person meeting the prescribed requirements may in the prescribed form apply to the distributing agency for a grant.

[Commencement of s 31: 1 March 2000.]

32. Payment of allocations

- (1) The Commission in consultation with the board may, in respect of any allocation awarded for a specific good cause which the board pays over to the Commission or in respect of a grant which the Commission may pay to a recipient, impose such conditions it deems fit, in addition to conditions requiring—

[Words preceding s 32(1)(a) subs by s 30(a) of Act 32 of 2013.]

- (a) the amount of a grant or an allocation to be repaid forthwith on breach of any condition, in addition to any penalties which the Commission in consultation with the board may impose;

[S 32(1)(a) subs by s 30(b) of Act 32 of 2013.]

- (b) ...

[S 32(1)(b) rep by s 30(c) of Act 32 of 2013.]

- (c) that a category of juristic person as prescribed by the Minister after consultation with the board shall in respect of amounts prescribed by the Minister after consultation with the board, granted to it from time to time, provide the distributing agency with financial statements which are audited or independently reviewed, whatever the case may be, of all amounts distributed;

[S 32(1)(c) subs by s 30(d) of Act 32 of 2013.]

- (d) any recipient of a grant to provide the distributing agency with any relevant information it may require; and

[S 32(1)(d) subs by s 30(d) of Act 32 of 2013.]

- (e) a directive on the splitting of the grant distributed between administrative costs and the actual cause funded.

[S 32(1)(e) ins by s 30(e) of Act 32 of 2013.]

- (2) In deciding on the juristic persons to whom grants are to be made, the Commission shall be satisfied that any such juristic person is competent to allocate the amounts equitably among all the members it represents.

[S 32(2) subs by s 30(f) of Act 32 of 2013.]

- (3)

- (a) In considering any application for a grant in terms of this Chapter, the distributing agency shall comply with any criteria prescribed or issued by the Minister after consultation with the board as to the matters to be taken into account in determining the persons to whom, the purposes for which and the conditions subject to which that distributing agency is to allocate any amount.

- (b) In determining matters to be taken into account in determining the persons to whom, purpose to whom, the purpose for which, and the conditions subject to which the distributing agency is to

allocate any amounts, the board in consultation with the Minister, must take into account general development in the Republic and government priorities at the relevant time.

[S 32(3) subs by s 30(g) of Act 32 of 2013.]

(4) ...

[S 32(4) rep by s 30(h) of Act 32 of 2013.]

33. Power of Minister to prohibit, withdraw or reduce certain grants

The Minister shall at any time after receiving a recommendation from the board or information from any other person that the grant awarded by the distributing agency—

- (a) is utilised or is likely to be utilised in an unauthorised manner that does not comply with the purpose or conditions stipulated in the grant;
- (b) is utilised or is likely to be utilised for an unlawful purpose; or
- (c) was applied for in a misleading or fraudulent manner,

prohibit, withdraw or reduce any such grant and may impose any such conditions as the Minister considers appropriate.

[S 33 subs by s 31 of Act 32 of 2013.]

34. Payments from fund in respect of expenses

- (1) At such times as the Minister deems appropriate, payments shall be allocated to the board out of the money in the fund held under section 26(2) in respect of the board's expenses.
- (2) The payments shall be of such amounts as the Minister deems sufficient for meeting the payments made or to be made under sections 6(1) and 7(2), or any other expenses incurred by the board.
- (3) In determining what amounts are sufficient for meeting the payments referred to in subsection (2), the Minister shall take into account sums paid or to be paid to the board in terms of section 14(3).

[Commencement of s 34: 1 March 2000.]

35. Public administration

Every institution which in any way acts under or in terms of this Act, must comply strictly with section 195 of the Constitution.

[Commencement of s 35: 1 March 2000.]

PART II

OTHER LOTTERIES

CHAPTER 1

Lotteries incidental to exempt entertainment, private lotteries, society lotteries and promotional competitions

36. Lotteries incidental to exempt entertainment

- (1) A lottery conducted as an incident of an exempt entertainment shall not be unlawful if—
- (a) all the proceeds of the entertainment, including the proceeds of the lottery, after deducting—
 - (i) the expenses of the entertainment, excluding expenses incurred in connection with the lottery;
 - (ii) the expenses incurred in printing tickets in the lottery and advertising of that lottery; and
 - (iii) such sum, if any, not exceeding the prescribed amount for any expenses incurred in purchasing prizes for the lottery,are utilised for the benefit of any deserving section of the public;
 - (b) none of the prizes in the lottery are money prizes;
 - (c) the total value of tickets sold or to be sold, is not more than the prescribed amount;
 - (d) the opportunity of participating in lotteries contemplated in this section, or such opportunity together with any other opportunity of participating in lotteries or gambling, is not the only substantial inducement to persons to attend the entertainment; and
 - (e) it is conducted for members of a society established and conducted for purposes not connected with lotteries, gambling or betting.
- (2) For the purposes of subsection (1) “exempt entertainment” means a bazaar, sale, fête, dinner, dance, sporting event or other entertainment of a similar character.

[Commencement of s 36: 1 March 2000.]

37. Private lotteries

- (1) A private lottery shall not be unlawful if—

- (a) all the proceeds, after deducting only expenses incurred for printing and stationery pertaining to tickets of that lottery and notices advertising that lottery, are devoted to the provision of prizes for purchasers of tickets or chances, or, in the case of a lottery conducted for the members of a society, such proceeds are devoted—
 - (i) to the provision of prizes;
 - (ii) to the purposes for which the society was established; or
 - (iii) to the provision of prizes as well as to the purposes for which the society was established;
- (b) no written notice or advertisement of the lottery is exhibited, published or distributed other than—
 - (i) a notice thereof exhibited on the premises of the society for whose members the lottery is conducted or, as the case may be, on the premises on which the persons for whom the lottery is conducted, ordinarily work or reside; and
 - (ii) such announcement or advertisement of the lottery as is contained in the text printed on the tickets, if any;
- (c) no person is employed for reward in any form whatsoever in connection with the conduct of the lottery;
- (d) no ticket in the lottery is sent through the post;
- (e) the total value of the tickets or chances sold or to be sold or the total value of the prizes in that lottery is not more than the prescribed amount determined by the Minister in consultation with the board;
- (f) the sale of tickets in the lottery is confined—
 - (i) to the persons for whom the lottery is conducted; and
 - (ii) in the case of a lottery conducted for the members of a social or sporting club, also to any other person who is on the premises of such club at the time of sale;
- (g) it is conducted for members of a society established and conducted for purposes not connected with lotteries, gambling or betting; and

- (h) a person purchasing a ticket for a private lottery does not solely by purchasing that ticket become a member of the club or society which conducts that lottery or on whose behalf that lottery is conducted.
- (2) For the purposes of this section each local or affiliated branch or section or branch of a society shall be regarded as a distinct society.
- (3) The board may determine the maximum number and frequency of private lotteries that may be promoted in any period of 12 months on behalf of the same social or sporting club, or on the same premises where persons work or reside.

[Commencement of s 37: 1 March 2000.]

CHAPTER 2

Society lotteries

38. Society lottery

A society lottery shall not be unlawful if—

- (a) it is conducted only in the Republic;
- (b) the society for whose benefit the lottery is run or to be run, is authorised to collect contributions from the public in terms of the provisions of the Fund-raising Act, 1978 (Act 107 of 1978);
- (c) the society lottery is conducted in accordance with a scheme approved by that society and the board;
- (d) that society is registered with the board in terms of section 41;
- (e) the total value of the tickets or chances sold or to be sold and the total or individual value of the prizes in the lottery does not exceed the prescribed amounts;
- (f) the total proceeds of the society lottery, after deducting sums lawfully appropriated on account of expenses, including the expenses in respect of an audit contemplated in section 46, or for the provision of prizes, not exceeding the prescribed amount or percentage, are applied solely to—
 - (i) recognised charitable purposes in respect of which that society is authorised to collect contributions in terms of the Fund-raising Act, 1978;
 - (ii) participation in or support of sport or cultural activities in respect of which that society is authorised to collect contributions in terms of the Fund-raising Act, 1978; or

- (iii) other purposes which the board approves and which are not purposes of private gain nor purposes of any commercial undertaking;
- (g) the society lottery is conducted strictly in accordance with the rules referred to in section 53;
- (h) the society lottery is conducted for members of a society established and conducted for purposes not connected with lotteries, gambling or betting;
- (i) tickets for the society lottery are not advertised, marketed, promoted or sold other than in the prescribed area; and
- (j) the lottery is not advertised, marketed or promoted jointly with another society lottery and the funds for prizes are not combined with those of another society lottery.

[Commencement of s 38: 1 March 2000.]

39. Management of society lotteries

No person shall manage a society lottery unless that person is—

- (a) a member of the society on whose behalf the lottery is conducted, acting in such capacity;
- (b) an employee of that society acting in the course of his or her employment;
- (c) a corporate body that is wholly owned by the society;
- (d) certified as a lottery manager under section 47; or
- (e) an employee of a person referred to in paragraph (d) acting in the course of his or her employment.

[Commencement of s 39: 1 March 2000.]

40. Frequency of society lotteries

- (1) The Minister may prescribe—
 - (a) the maximum number of lotteries that shall, in consultation with the board and after consultation with the person to whom the licence to conduct the National Lottery has been issued, be conducted under section 38 in any period of 12 months by or on behalf of any one society;
 - (b) the minimum number of days that must elapse between the dates of any two lotteries conducted under section 38 on behalf of the same society; and

- (c) any other matter to be prescribed in terms of section 38.
- (2) Anything prescribed under subsection (1) may make different provision for different cases or circumstances.

[Commencement of s 40: 1 March 2000.]

CHAPTER 3

Functions of board in respect of society lotteries

41. Registration of societies

- (1) An application to the board for the registration of a society shall—
- (a) specify the address of the office or head office of the society;
 - (b) specify the purposes for which the society was established;
 - (c) include a copy of the registration of the society in terms of the Fund-raising Act, 1978; and
 - (d) include a copy of any scheme approved by the society in terms of section 38(c).
- (2) Subject to the provisions of this Chapter, the board shall register the society in a register to be kept for that purpose.
- (3) A society shall not be registered under this section and no scheme shall be approved by the board unless—
- (a) application on behalf of the society has been made to the board in writing as contemplated in subsection (1) and the applicant has furnished such further information as may be prescribed by the Minister;
 - (b) the board is satisfied that—
 - (i) any person who will be conducting a lottery on behalf of the society is a fit and proper person;
 - (ii) the society has adequate resources available to provide facilities that are necessary for conducting the lottery;
 - (iii) the society complies with the requirements of section 38;

- (iv) no information given by the society to the board in or in connection with the society's application for registration was materially false;
- (v) the address of the office or head office of the society is not the same as the address of the office or head office of another society that is established for the same or a connected purpose and is registered under this section;
- (vi) every lottery conducted on behalf of the society within the last five years has been properly conducted to the satisfaction of the board;
- (vii) the society has not failed to comply with a requirement imposed under section 38, 44, 45 or 46;
- (viii) if the society lottery is to be conducted by a lottery manager, that that lottery manager has provided security as prescribed by the Minister;
- (ix) no act or omission by a person who is or will be connected with a society lottery conducted or proposed to be conducted on behalf of the society caused—
 - (aa) the registration of another society to be refused or revoked as a result of information contemplated in subparagraph (iv) or section 44, 45 or 46; or
 - (bb) a lottery, in the conduct of which such person was involved, to be improperly conducted; and
- (x) the scheme attached to the application for registration, or any other scheme subsequently approved by the society under section 38(c), is lawful and will be run in accordance with sound financial principles and methods.

[Commencement of s 41: 1 March 2000.]

42. Revocation of registration

The board—

- (a) shall revoke the registration of a society if the society requests the board to do so; and
- (b) may revoke the registration of a society if the society has failed to comply with any requirement contained in section 41(3), 44, 45 or 46: Provided that—
 - (i) the registration shall not be revoked without giving the society an opportunity of being heard; and

- (ii) the society shall be notified in writing of the revocation and the grounds therefor.

[Commencement of s 42: 1 March 2000.]

43. Fees and levies

A society registered under this Chapter shall pay to the board—

- (a) such fee or levy as the board may determine from time to time; and
- (b) the fee or levy determined by the board for each society lottery conducted on behalf of the society.

[Commencement of s 43: 1 March 2000.]

44. Requirements after registration of society

- (1) Any society registered under section 41 shall—
 - (a) notify the board in writing of any change in the address of the society's office or head office not later than 21 days prior to the day on which such change takes effect;
 - (b) subject to subsection (2), notify the board in writing of any amendment or substitution of the scheme contemplated in section 38(c);
 - (c) within three months after the completion of a society lottery, submit to the board a return in respect of that lottery in such form and manner and with such information as the Minister may require; and
 - (d) preserve all documents including all information kept by the society otherwise than in writing, relating to a lottery conducted on behalf of the society for not less than five years after the date of the lottery.
- (2) Any notification in terms of subsection (1)(b) shall be given to the board not less than four weeks before any tickets or chances are sold, distributed or offered for sale, in respect of a lottery conducted in accordance with the scheme as modified, amended or substituted.
- (3) Any return submitted to the board in terms of subsection (1)(c) shall be preserved by the board for not less than 18 months and be open to the public for inspection.

[Commencement of s 44: 1 March 2000.]

45. Control of registered societies

The board may require a society registered under section 41 or a society that has applied for such registration—

- (a) to furnish the board with such information relating to any lottery conducted or to be conducted on behalf of the society as the board may require;
- (b) to allow any person authorised by the board thereto, to inspect and take copies of any documents of the society, including any information kept by the society otherwise than in writing, relating to such a lottery;
- (c) where such information is kept by means of a computer, to give the board such assistance as it may require to enable it to inspect and take copies of the information in a visible and legible form and to inspect the operation of any computer and any associated apparatus or material that is or has been in use in connection with the keeping of such information; and
- (d) to allow the board to inspect any aspect of the management of such a lottery.

[Commencement of s 45: 1 March 2000.]

46. Audit of society lottery

- (1) A society shall submit to the board financial statements in respect of all lotteries conducted on its behalf prepared by an independent auditor registered in terms of the Public Accountants' and Auditors' Act, 1991 (Act 80 of 1991), together with a report by that auditor on such statements.
- (2) The financial statements referred to in subsection (1) shall—
 - (a) be submitted to the board within three months of the end of the year in which the lotteries to which such statements relate, were held; and
 - (b) comply with generally accepted accounting principles and any other directions that may be given by the board as to the information to be contained in such statements, the manner in which such information is to be presented or the methods and principles according to which such statements are to be prepared.
- (3) The report of the auditor referred to in subsection (1), shall state whether in the said auditor's opinion—
 - (a) the financial statements have been properly prepared in accordance with the principles and any directions contemplated in subsection (2)(b);
 - (b) proper accounting records have been kept by the society; and

- (c) the society's accounts are in agreement with the financial statements:

Provided that if the said auditor is unable to obtain all the information and explanations that, to the best of his or her knowledge and belief, are necessary for the purposes of the audit, his or her report shall state accordingly.

- (4) For the purposes of this section—
 - (a) a lottery shall be deemed to have been conducted in the year in which the winners of prizes are announced to the public; and
 - (b) “**year**” means a period of 12 months starting on 1 January.
[Commencement of s 46: 1 March 2000.]

47. Certification of lottery managers

- (1) An application by a person to be certified as a lottery manager shall be made to the board in such form and manner and shall contain such information as the board may require, which shall include—
 - (a) sufficient information to fully identify the applicant;
 - (b) information in respect of its shareholders or the persons in any other way controlling it, if the applicant is a juristic person, or a curriculum vitae if the applicant is a natural person; and
 - (c) the applicant's physical address.
- (2) A fee determined by the board shall be payable when the application is made.
- (3) The board shall subject to the provisions of this section grant a certificate to an applicant certifying him or her or it as a lottery manager.
- (4) A person shall not be granted a certificate under this section, if in the opinion of the board—
 - (a) any person who would be likely to manage or in any other way control the business or any part of the business of managing lotteries under the certificate is not a fit and proper person to do so;
 - (b) any person for whose benefit that business would be likely to be carried on, is not a fit and proper person to benefit from it;
 - (c) any information given by the applicant to the board in or in connection with the application is false in a material respect;

- (d) the applicant does not have the appropriate knowledge, experience or resources available to manage the society lottery;
 - (e) in the past the applicant acted in any way which caused harm or could have caused harm to—
 - (i) any lottery which he or she was conducting;
 - (ii) the society on whose behalf he or she was conducting a lottery; or
 - (iii) the integrity of society lotteries in general; or
 - (f) the applicant fails to meet any requirement prescribed by the Minister.
- (5) If the board refuses to grant a certificate, the board shall notify the applicant in writing of the refusal and the grounds for such refusal.
- (6) If the board grants a certificate, the holder of the certificate shall in writing inform the board of any change to the information supplied to the board in terms of subsection (1) at least seven days before that change comes into effect.

[Commencement of s 47: 1 March 2000.]

48. Conditions of certificate

A certificate contemplated in section 47 shall, subject to this Chapter, contain conditions aimed at—

- (a) protecting the interests of any society on behalf of which the holder of the certificate might conduct a lottery, including the provision of security;
- (b) protecting the interests of participants in any lottery to be conducted by the holder of the certificate; and
- (c) ensuring proper management of a lottery by the holder of the certificate.

[Commencement of s 48: 1 March 2000.]

49. Variation of conditions of certificate

- (1) The board may, after giving the certificate holder an opportunity of being heard, vary any condition in a certificate.
- (2) If the board varies a condition under this section, the board shall give notice in writing of the variation to the certificate holder at the physical address furnished by the certificate holder in terms of section 47(1)(c).

- (3) The variation of a condition shall take effect on a date stipulated in the notice contemplated in subsection (2).

[Commencement of s 49 1 March 2000.]

50. Period of validity of certificate

A certificate shall be valid for a maximum period of three years or until it is revoked by the board during such period.

[Commencement of s 50: 1 March 2000.]

51. Revocation of certificate

- (1) The following shall constitute grounds for the revocation of a certificate contemplated in section 47—
- (a) If the certificate holder is no longer a fit and proper person to manage or in any other way conduct a society lottery, whether because of the commission of an act of insolvency, insolvency, liquidation, judicial management, incarceration in a prison or other institution, or for any other valid reason;
 - (b) if the certificate holder allows any person or body to derive a benefit from a lottery contrary to the provisions of this Act;
 - (c) if any information given by the certificate holder to the board in connection with the application for the certificate was false in a material respect;
 - (d) if the certificate holder contravenes or fails to comply with a condition in the certificate or a provision of this Act; or
 - (e) if the certificate holder is convicted on a charge of theft, fraud, forgery or uttering a forged document, perjury, an offence in terms of the Prevention of Corruption Act, 1958 (Act 6 of 1958), the Corruption Act, 1992, Part 1 to 4, or section 17, 20 or 21 (in so far as it relates to the aforementioned offences) of Chapter 2 of the Prevention and Combating of Corrupt Activities Act, 2004, or any offence involving dishonesty.

[S 51(1)(e) subs by s 36 of Act 12 of 2004.]

- (2) If the board is satisfied that grounds exist for the revocation of a certificate contemplated in section 47, it shall in writing notify the certificate holder of the existence of those grounds and call upon him or her to furnish reasons, within seven days, as to why the certificate should not be revoked, failing which the certificate will cease to be valid.

- (3) If the reasons contemplated in subsection (2) are not received by the board within the period of seven days, the board shall inform all societies on whose behalf the certificate holder has conducted lotteries of the fact that the certificate granted to that certificate holder has ceased to be valid, of the date on which it so ceased to be valid and of the grounds for revocation enumerated in the notice to the certificate holder as contemplated in subsection (2).
- (4) If reasons are furnished by the certificate holder as contemplated in subsection (2), the board shall not revoke the certificate without having given due consideration to such reasons.
- (5) If the board revokes a certificate under this section, the board shall give written notice of the revocation and of the grounds for the revocation to the certificate holder and all societies on whose behalf the certificate holder is known to have conducted lotteries.
- (6) The revocation of the certificate shall take effect 21 days after the date of the notice in terms of subsection (5).

[Commencement of s 51: 1 March 2000.]

52. Control of lottery managers and audit

The provisions of sections 44(1)(c) and (d), 45 and 46 shall apply *mutatis mutandis* to lottery managers, and in such application a reference in those sections to a society shall be construed as a reference to a lottery manager.

[Commencement of s 52: 1 March 2000.]

53. Rules of society lotteries

- (1) A society lottery shall be conducted in accordance with the rules prescribed by the Minister and set out in subsection (2).
- (2)
 - (a) The person conducting the society lottery shall be a member of the society on whose behalf that society lottery is conducted or a lottery manager certified in terms of section 47 and shall be authorised in writing by the governing body of the society to act as the person conducting that society lottery.
 - (b) Every ticket distributed or sold, shall specify the name and address of the person conducting the society lottery and the date of the lottery.
 - (c) No ticket in a society lottery shall be sold at a price exceeding the prescribed amount.
 - (d) The price of every ticket shall be the same, and the price of any ticket distributed or sold, shall be stated on the ticket.

- (e) No person shall be admitted to participate in a society lottery in respect of a ticket except after payment to the society or lottery manager of the whole price of the ticket, and no money received for or on account of a ticket or chance shall in any circumstances be returned.
- (f) No payment other than the price of a ticket shall be required of a person as a condition of his or her admission to participate in a society lottery.
- (g) The total value of the prizes in a society lottery shall not exceed the prescribed amount in value, which shall not exceed R1 000 000 per year per society.
- (h) The total value of the tickets sold in any one society lottery shall not exceed the prescribed amount.
- (i) The total value of the tickets sold in all society lotteries conducted in any year on behalf of the same society shall not exceed the prescribed amount.
- (j) The amount appropriated for the provision of prizes shall not exceed 50 per cent of the proceeds of the lottery.
- (k) No chance or opportunity to take part in a society lottery shall be sold other than by way of a ticket.
- (l) Every ticket shall on its reverse side contain the information prescribed by the Minister.
- (m)
 - (i) The amount appropriated on account of expenses, excluding prizes, shall not exceed whichever is the lesser of—
 - (aa) the expenses actually and necessarily incurred; or
 - (bb) whichever of the amounts specified in subparagraph (ii) applies.
 - (ii) The amounts referred to in subparagraph (i)(bb) are—
 - (aa) where the proceeds of the lottery do not exceed the prescribed amount, such percentage as may be prescribed by the Minister; or
 - (bb) where the proceeds of the lottery exceed the prescribed amount, such percentage as may be prescribed by the Minister.
 - (iii) For the purposes of subparagraph (i), the amount of any expenses that are met—

(aa) by the society on whose behalf the lottery is conducted; or

(bb) by any beneficiary of the lottery,

shall be deemed to have been appropriated on account of expenses from the proceeds of the lottery.

(iv) The amount of the proceeds of a society lottery appropriated for the provision of prizes and the amount of those proceeds appropriated on account of expenses, excluding prizes, shall not in aggregate exceed the prescribed percentage of the proceeds of the lottery.

(3)

(a) For the purposes of subsection (2)(m)(iii)(bb), “beneficiary of the lottery” means a person or body, other than the society on whose behalf the lottery is conducted, to whom or for whose benefit any of the proceeds of the lottery, other than amounts appropriated in respect of expenses or prizes, are lawfully paid or applied.

(b) For the purposes of this section, unless the context indicates otherwise, “year” means a period of 12 months commencing on 1 January: Provided that if this Act comes into effect on a date other than 1 January—

(i) the period commencing on such other date and ending on the last day of the next December, shall be deemed to be the first year for the purposes of subsection (2)(i); and

(ii) in relation to the period mentioned in subparagraph (i) the reference to the prescribed amount in subsection (2)(i) shall be construed as a reference to a proportionately smaller amount.

[Commencement of s 53: 1 March 2000.]

54. ...

[S 54 am by s 1 of Act 46 of 2001; rep by s 121 (Sch 1C) of Act 68 of 2008.]

CHAPTER 4

Sports pools

55. **Licence to conduct sports pools**

(1) The Minister may, after consultation with the board, by licence authorise the licensee to conduct a national sports pool: Provided that the licence shall specify the sports pools, or descriptions of sports pools, the conduct of which it authorises.

- (2) The power of the Minister to prescribe the percentages in terms of section 26(3) may be exercised so as to make different provision in relation to sports pools.

[Commencement of section 55: 28 August 1998.]

PART III

General provisions

56. Unlawful lotteries and competitions

Unless authorised by or under this Act or any other law, no person shall conduct through any newspaper, broadcasting service or any other electronic device, or in connection with any trade or business or the sale of any article to the public—

- (a) any competition or lottery other than one authorised by or under this Act in which prizes are offered for forecasts of the result of either—
- (i) a future event; or
 - (ii) a past event, the result of which has not yet been ascertained or is not yet generally known;
- (b) any competition other than a promotional competition contemplated in section 54 in which success does not depend to a substantial degree on skill; or
- (c) any promotional competition which is the subject of a declaration contemplated in section 54(4).

[Commencement of s 56: 28 August 1998.]

57. General offences

- (1) Any person who—
- (a) participates in; or
 - (b) conducts, facilitates, promotes or derives any benefit from a lottery, promotional competition or sports pool,

shall, unless such lottery, promotional competition or sports pool is or has been authorised by or under this Act or any other law, be guilty of an offence.

- (2) Any person who—

- (a) contravenes or fails to comply with any provision of this Act;
- (b) forges or in any other fraudulent way changes any ticket or any other document or thing pertaining to any lottery or promotional competition;
- (c) knowingly sells or in any other way disposes of any forged ticket or any other document or thing pertaining to any lottery or promotional competition;
- (d) with intent to defraud, alters any number or figure on any ticket or any other document or thing pertaining to any lottery or promotional competition;
- (e) obtains any direct or indirect financial gain, which is not solely a share in the prize payout, by forming, conducting or in any other way promoting a syndicate for the purchase of a ticket; or
- (f) sells a ticket—
 - (i) at a price higher than that which is printed on the ticket;
 - (ii) on condition that the seller of the ticket shares in the prize in the event of a ticket sold by him or her being the ticket in respect of which a prize is paid;
 - (iii) on any condition not provided for in the rules of the lottery concerned;
 - (iv) on credit or with the financial assistance in any form of the seller; or
- (g) conducts, organises, promotes, devises or manages any scheme, plan, competition, arrangement, system, game or device which directly or indirectly provides for betting, wagering, gambling or any other game of risk on any outcome of any lottery unless authorised by or under this Act or any other law,

shall be guilty of an offence.

[Commencement of s 57: 28 August 1998.]

58. Offences relating to National Lottery and sports pools

- (1) Any person who—
 - (a) advertises or offers the opportunity to participate in a lottery, promotional competition, competition or game of another description and who gives, by whatever means, a false indication that it is a lottery, competition or game forming part of, or is otherwise connected with, the National Lottery or is a sports pool licensed in terms of section 55;

- (b) with the intent to defraud, falsely makes, alters, forges, utters, passes or counterfeits a National Lottery ticket or sports pool ticket;
- (c) influences or attempts to influence the winning of a prize through the use of coercion, fraud or deception, or through tampering with lottery or sports pool equipment, systems, software, data, tickets or materials; or
- (d) fails to comply with any regulation made under section 60,

shall be guilty of an offence.

[Commencement of s 58: 28 August 1998.]

59. Prohibition of activities in Republic in relation to lottery or sports pool conducted outside Republic

In a prosecution arising from any thing done or not done in the Republic in connection with a lottery or sports pool, it shall not be a defence merely to prove that the management, conduct or business of or concerning the lottery or sports pool in question is or was wholly or in part carried on at a place outside the Republic.

[Commencement of s 59: 28 August 1998.]

60. Regulations in respect of National Lottery and sports pools

The Minister may, after consultation with the board, make regulations regarding—

[Words preceding s 60(a) subs by s 32(a) of Act 32 of 2013.]

- (a) the conduct of the National Lottery or sports pools, including—
 - (i) the minimum age of persons to whom or by whom tickets or chances may be sold;
 - (ii) the persons or categories of persons who shall be disqualified from participation;
 - (iii) the places where or circumstances or manner in which tickets or chances may be sold or persons may be invited to buy such tickets or chances;
 - (iv) the circumstances under which lotteries and sports pools may be advertised and the information that is to appear in an advertisement for a lottery or sports pool;
 - (v) the places where or circumstances or manner in which signs relating to a lottery or sports pool may be displayed;
 - (vi) the rules referred to in section 14(2)(g);

(vii) application and licensing fees referred to in section 14(3);

(viiA) the procedures for review against the decisions of the distributing agency as contemplated in section 10(1)(p);

[S 60(a)(viiA) ins by s 32(b) of Act 32 of 2013.]

(viiB) the limits on the amounts of the grant to be awarded to an applicant in a 12 month period;

[S 60(a)(viiB) ins by s 32(b) of Act 32 of 2013.]

(viii) the percentages of the sums to be allocated in terms of section 26; and

(ix) in general any other matter which may be necessary or expedient to prescribe in order to achieve or promote the objects of Part I of this Act; and

(b) the making of oral representations as contemplated in section 20(1)(b);

[S 60(b) am by s 32(c) of Act 32 of 2013.]

(c) the period within which an application for a grant or recommendation of funding shall be finalised; and

[S 60(c) ins by s 32(d) of Act 32 of 2013.]

(d) any other process that facilitates the efficient and effective application for grants and the distribution thereof.

[Commencement of s 60: 28 August 1998; S 60(d) ins by s 32(d) of Act 32 of 2013.]

61. Regulations in respect of lotteries incidental to exempt entertainments, private and society lotteries

(1) The Minister may, with the concurrence of the board, make regulations regarding the conduct of lotteries incidental to exempt entertainments, private lotteries and society lotteries, including—

(a) the nature and requirements of any scheme contemplated in section 38(c);

(b) the persons or categories of persons to whom and by whom tickets or chances in a lottery may or may not be sold;

(c) the circumstances in which tickets or chances may be sold and persons may be invited to purchase tickets or chances;

(d) the minimum age at which any person may buy a ticket or chance;

- (e) any information which shall, or shall not, appear on a ticket;
 - (f) the manner in which a lottery may be advertised;
 - (g) the use of postal services in connection with lotteries;
 - (h) the matters in respect of which expenses in a lottery may be incurred; and
 - (i) in general, any other matter which may be necessary or expedient to prescribe in order to achieve or promote the objects of Part II of this Act.
- (2) Any power to make regulations under this section may be exercised so as to make different provision in relation to different cases or different circumstances.

[Commencement of s 61: 28 August 1998.]

62. Penalties

Any person convicted of an offence in terms of this Act shall be liable to a fine or to imprisonment or to both a fine and imprisonment.

[Commencement of s 62: 28 August 1998.]

63. Savings

Nothing in this Act shall apply in relation to any lottery, sports pool or competition in respect of which there is no subscription.

[Commencement of s 63: 28 August 1998.]

64. Transitional provisions

- (1) Every valid licence for—
- (a) a state lottery, issued in terms of the State Lotteries Act, 1984 (Act 14 of 1984) (Ciskei), or the Lotteries Decree, 1989 (Decree 14 of 1989) (Transkei); and
 - (b) a lottery or sports pool issued in terms of a law or provision repealed by section 65, or issued in terms of the Gaming and Betting Act, 1989 (Act 39 of 1989) (Bophuthatswana),
- shall at a date determined by the Minister by notice in the *Gazette* cease to be valid.
- (2) All unexpended money in—

- (a) the Distribution Account referred to in the State Lotteries Act, 1984 (Act 14 of 1984) (Ciskei);
and
- (b) the State Lottery Trustee Account referred to in the Lotteries Decree, 1989 (Decree 14 of 1989) (Transkei),

immediately before the commencement of this Act, shall be paid into the fund.

[Commencement of s 64: 28 August 1998.]

65. Lottery debts enforceable

Any lottery debt lawfully incurred by a person in the course of any lottery or sports pool shall, notwithstanding provisions of any law or the common law, be enforceable in a court of law.

[Commencement of s 65: 28 August 1998.]

66. Registration of illegal lotteries

(1) Any juristic person—

- (a) authorised before 1 January 1997 to collect contributions from the public in terms of the Fund-raising Act, 1978;
- (b) who collects or has collected such contributions by means of any activity relating to a lottery which is prohibited in terms of the Gambling Act, 1965, or any other legislation pertaining to gambling or lotteries; and
- (c) who on a regular basis has paid or pays a percentage of its total income to a registered charity organisation,

may within a period of three months after the commencement of this Act in the prescribed manner apply to the Minister or the board for registration of such activity.

- (2) The Minister or the board may permit the registration of the juristic person contemplated in subsection (1) if it is in the Minister's or the board's opinion desirable to do so, subject to any conditions he or she or it may impose, including any conditions in respect of the auditing of the financial statements of that person.
- (3) Activities contemplated in subsection (1) shall be deemed to be lawful as from the date of registration until a date determined by the Minister by notice in the *Gazette*, which date shall be not later than seven days prior to the date on which tickets for the National Lottery are sold for the first time.

- (4) The Minister or the board may at any time and without any prior notice withdraw the registration in terms of subsection (2) of any juristic person if in the Minister's or the board's opinion it is desirable to do so.
- (5) No right other than is provided for in subsection (3) and no legitimate expectations shall accrue as a result of registration in terms of this section.
- (6) A juristic person who in terms of subsection (1) has applied for registration or who in terms of subsection (2) has been registered, shall provide the Minister or the board with any information he or she or it may require at any time.
- (7) Any person designated by the Minister or the board shall at any reasonable time have the right to—
 - (a) examine any thing, machine, document or data captured in any form, found on or in the premises or facility of the person who has been registered, and make copies of or make extracts from that thing, machine, document or data;
 - (b) seize, for the purpose of further examination or securing information, any thing, machine, document or data, excluding proprietary software, on or in those premises or facility; or
 - (c) seal or otherwise secure any such premises, facility, thing or machine on or in which any document or data which has a bearing on the activities contemplated in subsection (3) is stored or captured.
- (8) The Minister shall every four months until the date on which tickets for the National Lottery are sold for the first time table a report in Parliament on all matters provided for in this section, and if Parliament is not then in session, on the first day of its next session.
- (9) This section shall two years after the commencement of this Act cease to be of any force.

[Commencement of s 66: 28 August 1998.]

67. Access to information

- (1) Subject to the Constitution, any legislation which may be enacted in pursuance of sections 32(2) or 33(3) of the Constitution or any other relevant law, no person, including the Minister, a member or employee of the board or the Department, or a former member or employee of the board or the Department, may—
 - (a) in any way disclose any information submitted by any person in connection with any application for any licence, certificate or appointment under this Act; or

(b) publish any information obtained in contravention of paragraph (a), unless ordered to do so by a court of law or unless the person who made such application consents thereto in writing.

(2) Any person who contravenes subsection (1) shall be guilty of an offence.

[Commencement of s 67: 28 August 1998.]

68. Repeal and amendment of laws

The laws mentioned in the Schedule are hereby repealed or amended to the extent indicated in the third column thereof.

[Commencement of s 68: 28 August 1998.]

69. Short title

This Act shall be called the Lotteries Act, 1997.

Schedule

LAWS REPEALED OR AMENDED

No. and year of Act	Title	Extent of repeal or amendment
Act 44 of 1958	Post Office Act, 1958	<p>The substitution for section 35 of following section:</p> <p>“Articles addressed to persons conducting a lottery or sports pool or dealing in indecent or obscene matters</p> <p>35. When the postal company is satisfied on enquiry or by any advertisement, letter, circular or other documentary evidence that any person is conducting or assisting as agent or otherwise in conducting a lottery or sports pool <u>in contravention of the Lotteries Act, 1997,</u> or is dealing in indecent or obscene matter, and is using the services of the postal company for the purpose, the postal company may detain or delay all postal articles addressed to such person (whether under his own or under a fictitious or assumed name) or his agent or representative, or to any address of any</p>

No. and year of Act	Title	Extent of repeal or amendment
		such Person, agent or representative without the name of any Person appearing thereon, and all such postal articles may be opened and returned to the senders thereof or otherwise disposed of as the postal company may deem fit.”
Act 51 of 1965	Gambling Act, 1965	<p>(a) Amendment of section 1 by the deletion of the definitions of “lottery”, “prize”, “sporting events”, “sports pool”, “subscription” and “ticket”.</p> <p>(b) Repeal of sections 2, 3, 4, 5 and 10.</p> <p>(c) Amendment of section 8 by the deletion of paragraphs (a), (b), (c), (i) and (ii).</p>
Act 23 of 1982	Gambling Act, 1982 (Ciskei)	<p>(a) Amendment of section 1 by the deletion of the definitions of “lottery”, “sporting event” and “sports pool”.</p> <p>(b) Amendment of section 7 by the deletion of subparagraph (iii) of paragraph (c) of subsection (1) and subsection (4).</p> <p>(c) Amendment of section 9 by the substitution for paragraph (a) of subsection (1) of the following paragraph:</p> <p>“(a) grant such application subject to such conditions and restrictions as the President [-in-Council] may deem necessary [, including a condition requiring the holder of a lottery licence or a sports pool licence to furnish security in the amount fixed by the President-in-Council for the due payment of prizes; or].</p> <p>(d) Amendment of section 10 by the deletion of paragraph (b) of subsection (1).</p>

No. and year of Act	Title	Extent of repeal or amendment
		<p>(e) Amendment of section 12 by the deletion of paragraph (c) of subsection (2).</p> <p>(f) Amendment of section 17 by the deletion of paragraph (b) of subsection (1).</p> <p>(g) Amendment of section 18 by the substitution for subsection (1) of the following subsection:</p> <p>“(1) No person shall participate, and no licence-holder or any person employed by him <u>or her</u> in connection with the management, supervision, control or administration or any activity authorised by such licence shall permit any person to participate, in any game in a casino or gaming room [or in any lottery or sports pool] unless payment therefor is in current money or by cheque: Provided that the licence-holder may, at his <u>or her</u> discretion, grant credit facilities to any person who furnishes a satisfactory guarantee of payment.”.</p> <p>(h) Amendment of section 19—</p> <p>(i) by the deletion of subparagraph (iii) of paragraph (a) of subsection (1);</p> <p>(ii) by the deletion of paragraph (c) of subsection (1);</p> <p>(iii) by the substitution in subsection (1) for paragraph (d) of the following paragraph:</p> <p>“(d) perform any act with the object of acquiring or assisting, any</p>

No. and year of Act	Title	Extent of repeal or amendment
		<p>other person to acquire from any source in Ciskei or elsewhere any ticket in an unlicensed game of chance [, sports pool or lottery];”;</p> <p>(iv) by the substitution in subsection (1) for paragraph (e) of the following paragraph:</p> <p>“(e) print or publish, either in a newspaper, periodical publication or any printed document, any notice or advertisement of any unlicensed gaming house, gaming, activity [sports pool or lottery]; and</p> <p>(v) by the substitution in subsection (1) for paragraph (g) of the following paragraph: distribute or cause to be distributed or deliver or cause to be delivered to any person any handbill or entrance form or other document conveying in print, writing or other way, notice of or information with regard to any unlicensed gaming-house, [sports pool, lottery] or place where games of chance are played or any activity prohibited by this Act is performed; or”.</p> <p>(i) Amendment of section 24 by the deletion of paragraph (b) of subsection (2).</p> <p>(j) Amendment of Part A of the Schedule by the deletion of items 2 and 3.</p> <p>(k) Amendment of Part B of the Schedule by the deletion of the last two items.</p>

No. and year of Act	Title	Extent of repeal or amendment
Act 14 of 1984	State Lotteries Act, 1984 (Ciskei)	The whole.
Decree 14 of 1989	Lotteries Decree, 1989 (Transkei)	The whole.