

CHAPTER C3 - CASINO (LICENSING AND TAXATION) LAW

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GENERAL NOTE: The expression "Commissioner of Revenue" is substituted with the expression "Chairman Board of Internal Revenue" wherever it appears in this Law, by Law No. 4 of 2006.

CASINO (LICENSING AND TAXATION) LAW

A Law to control and tax casinos.

[KWS 7 of 1975, KWS LN 1 of 1982, No. 4 of 2006.]

[Date of commencement: 1st January, 1975]

PART I

Preliminary

1. Short title and commencement

This Law may be cited as the Casino (Licensing and Taxation) Law, 1975, and shall be deemed to have come into operation on the 1st day of January, 1975.

2. Interpretation

In this Law, unless the context otherwise requires—

"**casino**" means any building or part of a building licensed under this Law to which members of the public authorised by the licensee have access for the purpose, among other things, of playing at prescribed games of chance;

"**Chairman Board of Internal Revenue**" means the public officer charged with the administration of the taxes in the State;

"**Commissioner**" means the Commissioner charged with responsibility for matters relating to finance in the State;

"**company**" means a company to which the provisions of the Companies and Allied Matters Act apply;

"**Executive Council**" means the Executive Council of the State;

"**Government**" means the Government of the State;

"**Governor**" means the Governor of the State;

"**gross revenue**" means the total of all sums received by a licensee as gaining, wagering or betting winnings less only the total of all sums paid out as gaming, wagering or betting losses during any day;

"**licence**" means a licence issued under section 3;

"**prescribed**" means prescribed by this Law or by regulations made under this Law;

"**tax**" means the casino revenue tax imposed by this Law;

"the State" means the Kwara State of Nigeria.

PART II

Licensing and Regulation of Casinos

3. Power of Commissioner to license, etc., casino

- (1) The Commissioner may, with the approval of the Executive Council, upon application made in the prescribed form, issue to any company a licence to establish in the State and operate therein a casino for such period or periods as may be prescribed, anything in any written law to the contrary notwithstanding.
- (2) Licences shall be in such form as may be prescribed and shall be subject to such special conditions as the Commissioner may impose from time to time.
- (3) Licences shall be granted for any period not exceeding five years and the Commissioner may, with the approval of the Executive Council, upon application made in the prescribed form, renew any licence at such interval from the date of the first issue or the last renewal thereof as may be prescribed.
- (4) The issue, renewal, refusal of issue or renewal of any licence, and the addition to, alteration or cancellation of any special condition shall, subject to the approval of the Executive Council, be at the discretion of the Commissioner who shall not be required to assign any reason for such issue, renewal, refusal, addition, alteration or cancellation.
- (5) A licence shall not be transferred by any licensee to another company except with the approval of the Executive Council.

4. Power to revoke licences

A licence may be revoked—

- (a) if, upon complaint made by the Commissioner of Police of the State to the Commissioner, the Executive Council is satisfied that it is a proper case for such action and shall direct accordingly;
- (b) if the Commissioner, with the prior approval of the Executive Council, is satisfied that it is in the public interest so to do; or
- (c) if, in any criminal proceedings however arising, the court recommends to the Commissioner that the licence be revoked.

5. Casino to be operated only as a proprietary club

- (1) A casino shall be operated only as a proprietary club of the licensee and the provisions of the First Schedule shall apply to such proprietary club.

[First Schedule.]

(2) The Commissioner may from time to time, with the approval of the Executive Council by order add to, alter or revoke any of the provisions of the First Schedule.

6. Notice of licensed premises to be displayed

The licensee shall cause to be prominently displayed in the casino a notice that the premises are licensed under this Law, and the notice shall show the games authorised to be played, and, as the case may be, the maximum percentage of commission to be deducted in play and the odds payable.

7. Power of Commissioner to require information

The licensee shall at intervals of not more than six months after the commencement of his licence supply to the Commissioner such information relating to the running of the casino as may be reasonably necessary to ensure due compliance by the licensee with the requirements of the licence.

8. Power to enter and search premises by police

A superior police officer in uniform may, during the course of any play, enter upon the premises occupied by the licensee under this Law; and, if he has reasonable cause to suspect that they are not used or operated in the prescribed manner, he may search any part of the premises.

9. Offences against certain provisions of Part II

(1) No person other than a licensee shall be entitled to use the word "**casino**" in conjunction with his name, and any person who contravenes or fails to comply with the requirements of this subsection shall be guilty of an offence and liable on conviction—

- (a) in the case of a body corporate to a fine not exceeding one hundred thousand naira;
 - (b) in any other case, to a fine not exceeding five thousand naira or to imprisonment for a term not exceeding one year, or to both such fine and imprisonment,
- and the court shall order the offending name to be changed forthwith.

(2) Any person who shall, under any form, pretence or description whatsoever or by any means whatsoever, operate a casino without being duly licensed under this Law shall be guilty of an offence and liable on conviction—

- (a) in the case of a body corporate to a fine not exceeding two hundred thousand naira;
- (b) in any other case to a fine not exceeding one hundred thousand naira or to imprisonment for a term not exceeding two years or to both such fine and imprisonment.

PART III
Imposition and Collection of Tax

10. Casino revenue tax

(1) There shall be imposed a tax, to be known as casino revenue tax, upon the gross revenue of every casino, at the rate specified in the Second Schedule.

[Second Schedule.]

(2) In determining the gross revenue for the purposes of the tax, if the total of all sums paid out exceeds the total of all sums received, the amount of the loss shall not be allowed as a sum paid out in calculating the gross revenue of any subsequent day.

(3) (a) The tax shall be a debt due to the Government and recoverable as such by the Chairman Board of Internal Revenue, and shall be payable to the Chairman Board of Internal Revenue by the licensee;

(b) The licensee shall make weekly payments of the total tax due for every week on the first working day of the week next following the day for which the tax is due.

(4) The Governor may from time to time by order reduce or increase the rate of tax specified in the Second Schedule.

[Second Schedule.]

11. Daily and monthly returns of gaming, etc.

(1) In the forenoon of each day the licensee shall deliver to the Chairman Board of Internal Revenue, in such form as the Chairman Board of Internal Revenue may prescribe, a return of the previous day's gaming, wagering and betting.

(2) On or before the seventh day of each month, the licensee shall deliver to the Chairman Board of Internal Revenue, in such form as the Chairman Board of Internal Revenue may prescribe, a summary of the gross revenue for the previous month.

12. Records to be kept by licensee

(1) Every licensee shall keep and maintain such records, books and accounts in respect of its casino, as the Chairman Board of Internal Revenue may prescribe and shall enter therein true and regular accounts in respect of all gaming, wagering and betting winnings

and losses.

(2) A licensee shall, if required so to do by the Chairman Board of Internal Revenue by notice in writing, produce for examination within such time as may be specified in the notice, the records, books and accounts referred to in subsection (1) and any other documents relating to its casino, and shall at all reasonable times give necessary facilities to any person authorised in that behalf by the Chairman Board of Internal Revenue to inspect, audit, or take copies of such records, books and accounts.

13. Returns, etc., to be deemed to be furnished with due authority

(1) A return, summary, statement or form purporting to be furnished under this Law by or on behalf of any licensee shall be deemed to have been furnished by the authority of that licensee, unless the contrary is proved.

(2) Any person signing any such return, summary, statement or form shall be deemed to have knowledge of all matters therein.

14. Assessment of tax by Chairman Board of Internal Revenue

(1) If the Chairman Board of Internal Revenue discovers or is of the opinion at any time that a licensee has not been charged with tax, or has been charged at an amount less than that which ought to have been charged, the Chairman Board of Internal Revenue may within six years after the date upon which such tax would, if duly or correctly charged, have been due and payable and as often as may be necessary assess such licensee at such amount or additional amount as, according to the judgment of the Chairman Board of Internal Revenue, ought to have been charged.

(2) Upon the making of any assessment under subsection (1), the Chairman Board of Internal Revenue shall cause to be served on, or sent by post to, the licensee a notice in writing, stating the tax or additional tax payable and the day or days in respect of which the same was assessed, and the place at which such payment should be made.

15. Objection to tax assessment by Chairman Board of Internal Revenue

(1) If a licensee disputes an assessment made under subsection (1) of section 14, it may by its legal practitioner or agent, within thirty days after receipt of the notice of assessment, serve notice of objection upon the Chairman Board of Internal Revenue.

(2) The notice of objection shall be in writing and shall be addressed to the Chairman Board of Internal Revenue.

(3) The notice shall set out clearly the reasons for the objection and all facts relative

thereto.

(4) Upon receipt of the notice, the Chairman Board of Internal Revenue shall consider the matter and affirm or amend the assessment and forthwith notify the licensee of his decision.

16. Appeal to High Court against decision of Chairman Board of Internal Revenue

(1) If a licensee who has objected is dissatisfied with the decision of the Chairman Board of Internal Revenue, he may appeal therefrom to the High Court.

(2) The appellant shall, within thirty days from the date of the giving of the notice of the decision complained of, serve upon the Commissioner a written notice of his intention to appeal which notice shall be signed by the appellant or by his legal practitioner or agent, and shall set forth the grounds of the appeal and the appellant shall file a copy of the notice with the court. Within fourteen days after the service upon the Chairman Board of Internal Revenue of the notice of appeal, the appellant shall apply to the Court for the appointment of a day for the hearing of the appeal, and shall serve upon the Chairman Board of Internal Revenue not less than fourteen days before the hearing a written notice of the day appointed for the hearing.

(3) The court shall hear the appeal and the evidence adduced before it by the appellant and the Chairman Board of Internal Revenue and shall decide the matter of the appeal.

(4) The court may confirm, reduce or amend any assessment complained of or make such order thereon as it may think fit and may confirm, annul, or modify any decision complained of or make such order thereon as it thinks fit.

(5) The costs of the appeal shall be in the discretion of the court.

(6) The Chief Judge may make rules providing for the method of tendering evidence before the court, the conduct of appeals under this section and the procedure to be followed.

17. Security for payment by licensee of tax

(1) Where any licensee accountable for tax has failed to pay such tax in accordance with the provisions of this Law, the Chairman Board of Internal Revenue may require the licensee to deposit with him a bond by way of cash in the sum of at least 50% of the tax.

[No. 4 of 2006.]

(2) The amount of the bond shall be determined by the Chairman Board of Internal Revenue but shall not be greater than an amount equal to six times the sum or the estimated sum of tax which would normally be payable by the licensee each month under this Law.

(3) Where a licensee who has deposited a bond has failed to pay tax in accordance with the provisions of this Law, the Chairman Board of Internal Revenue may, by giving notice in

writing to the licensee, apply the bond in whole or in part to the amount which should have been paid by that licensee as the amount of tax due to the Chairman Board of Internal Revenue on the date of the notice.

PART IV

Miscellaneous

18. General offences and penalties

Any licensee who contravenes or fails to comply with any of the provisions or any requirement made under the provisions of this Law, or the secretary, director, manager, other employee or agent of a licensee, who without reasonable excuse, does or omits to do anything as a party to such contravention or failure to comply, shall be guilty of an offence and shall be liable on conviction—

- (a) in the case of a licensee, to a fine not exceeding one hundred thousand naira for a first offence, and a fine not exceeding two hundred thousand naira for any second or subsequent offence;
- (b) in the case of any other person, to a fine not exceeding five thousand naira or imprisonment for a term not exceeding one year for a first offence, and a fine not exceeding one hundred thousand naira or imprisonment for a term not exceeding two years, or to both such fine and imprisonment, for any second or subsequent offence.

[No. 4 of 2006.]

19. Power to make regulations

The Governor may make regulations providing for any matter for which provision appears to him to be necessary for the purpose of giving effect to the provisions of this Law, and in particular, without prejudice to the generality of the foregoing, prescribing—

- (a) the general conditions to be observed in respect of any application for the issue or renewal of licences;
- (b) the form of application for licences, the form of licences, and the fees to be paid for the issue or renewal of licences;
- (c) the conditions subject to which persons may be admitted into a casino;
- (d) the games that may be played in a casino;
- (e) the maximum percentage of commission that may be taken by a licensee on prescribed games, and where applicable, the maximum odds to be paid;
- (f) the minimum sum of money to be held as a reserve fund in a casino by the licensee on any one night;
- (g) the measure to be taken for the prevention of fraud on players in a casino or the licensee thereof;
- (h) offences against any regulations and penalties thereof; and
- (i) any other matter which by this Law is required to be prescribed.

FIRST SCHEDULE

[Section 5.]

Provisions Applicable in Respect of Casino Clubs

1. The rules of the club may provide for permanent and temporary membership and shall be approved by the Commissioner.
2. The licensee shall with the approval of the Commissioner fix an amount to be known as the minimum income and persons resident in Nigeria other than those in the categories set out in the next paragraph, who are desirous of membership of the club may, subject to the rules of the club, be admitted to such membership and to play subject to proof to the satisfaction of the licensee that any such applicant is in receipt of at least the minimum income in respect of any consecutive period of twelve months preceding the date of application for membership.
3. Persons of the following categories shall not while in the State be eligible for membership of the club, namely—
 - (a) persons serving in the Armed Forces of the Federal Republic;
 - (b) persons serving in the Nigeria Police Force;
 - (c) members (including presidents) of any court of law in the Federal Republic;
 - (d) officers of the public service of the Federal Republic or of any State;
 - (e) officers or servants of any local government body, or body corporate directly established by any written law in the Federal Republic.

SECOND SCHEDULE

Rate of Casino Revenue Tax

20 percent.