

SUBSIDIARY LEGISLATION 400.01**GAMING ACT REGULATIONS**

7th August, 1998

LEGAL NOTICE 193 of 1998, as amended by Legal Notices 79 of 2003, 43 of 2006 and 425 of 2007.

ARRANGEMENT OF REGULATIONS

	Regulations
Preliminary	1 - 2
Gaming Board	3 - 6
Appointment of Government Casino Operator	7
Casino employee's licence	8 - 19
Gaming in the casino	20 - 27
Use of machines for gaming	28 - 36
Financial	37 - 43
Prevention of money laundering	44
Schedule - Authorised machines	

Preliminary

Citation. **1.** The title of these regulations is the Gaming Act Regulations.

Interpretation.
Cap. 400. **2.** Any reference in these regulations to the Act is a reference to the Gaming Act, and the provisions of article 2 of the Act shall also apply to these regulations.

Gaming Board

Term of office. **3.** The members of the Board shall be appointed for a period of three years and shall be eligible for re-appointment.

Resignation. **4.** A member may resign his office by notice in writing signed by the member and delivered to the Minister.

Dismissal. **5.** The Minister shall have the power to dismiss any member of the Board upon proof that such member -

- (a) no longer qualifies to sit on the Board in accordance with the provisions of article 5(2) of the Act; or
- (b) fails to fulfil the conditions of his appointment under the Act.

Disclosure of interests. **6.** (1) A member who has a direct or indirect pecuniary interest in a matter being considered, or about to be considered, by the Board, whether at a meeting or otherwise, shall, as soon as possible after the relevant facts have come to the member's knowledge, disclose the nature of the interest at a meeting of the Board.

(2) A disclosure under subregulation (1) shall be recorded in the minutes of the Board and, unless the Board otherwise determines, the member shall not -

- (a) be present during any deliberation of the Board in relation to the matter;
- (b) take part in any decision of the Board in relation to the matter.

(3) A member referred to in subregulation (2) shall not -

- (a) be present during any deliberation of the Board for the purpose of considering whether to make a determination under that subregulation in relation to that member; or
- (b) take part in the making by the Board of such a determination.

Appointment of Government Casino Operator

Appointment of
Government casino
operator.

7. (1) Without prejudice to the provisions of article 3(4) of the Act, where a casino licence is cancelled under the Act, the Minister may, if he is satisfied that it is in the public interest to do so, appoint a Government casino operator for the purposes of this regulation.

(2) A Government casino operator shall be appointed for such period of time and on such terms and conditions as the Minister thinks fit.

(3) A Government casino operator shall, on behalf and in favour of the Government -

- (a) assume full control of, and responsibility for, the business of the casino licensee in respect of the casino; and
- (b) conduct, or cause to be conducted, casino operations in accordance with the provisions of the Act.

Casino employee's licence

8. It shall not be lawful for the casino licensee to employ or permit to work in relation to gaming in the casino any person unless such person holds a casino employee's licence issued by the Board.

Casino employee's licence.

9. (1) Without prejudice to the provisions of regulation 15(1), the casino licensee shall, prior to the commencement of employment of a person working in relation to gaming in the casino, apply to the Board for the issue in the regard of such person, of a casino employee's licence.

Application for casino employee's licence.

(2) An application for a casino employee's licence under subregulation (1) shall -

- (a) set out the functions that the proposed casino employee is to perform in relation to the casino;
- (b) be lodged with the Secretary of the Board;
- (c) be accompanied by any documents that the casino employee's licence application form may specify; and
- (d) be signed by the casino licensee and the proposed casino employee.

10. A person is not eligible for the issue of a casino employee's licence if the person -

Eligibility for issue of casino employee's licence.

- (a) is not a fit and proper person to hold such a licence;
- (b) is under the age of eighteen years; or
- (c) has been convicted of a criminal offence:

Provided that the Board may dispense with the condition under paragraph (c), depending on the nature of the offence.

11. Where, before an application for a casino employee's licence is determined, or while a casino employee's licence is in force, a change occurs in a matter set out in, or in any documents lodged in connection with, the application for the licence, the casino licensee or the holder of the licence shall, within a reasonable time but not later than thirty days after the change has occurred, give the Board written particulars of that change.

Change of particulars set out in application.

12. The Board may, by notice in writing, require the casino licensee or the holder of the licence -

Requirement for further information.

- (a) to provide, in accordance with directions in the notice, such information relating to the application as is specified in the notice;
- (b) to produce, in accordance with directions in the notice,

such records relating to the application as are specified in the notice;

- (c) to permit examination of records, the taking of extracts from records and the making of copies of records; or
- (d) to authorise a person specified in the notice to comply with a requirement of a kind referred to in paragraphs (a), (b) or (c).

Approval of application.

13. (1) The Board shall consider each application for a casino employee's licence and shall -

- (a) approve the application; or
- (b) after varying, with the consent in writing of the casino licensee and the proposed casino employee, the functions set out in the application, approve the application as so varied; or
- (c) refuse to approve the application.

(2) Where the Board approves an application for a casino employee's licence, it may determine conditions to which the licence shall be subject.

(3) The Board may refuse to approve an application for a casino employee's licence where -

- (a) the application does not comply with any one of the requirements of regulation 9; or
- (b) a requirement made under regulation 12 in relation to the application is not complied with.

(4) The Board shall refuse to approve an application for a casino employee's licence if the casino licensee fails to establish that the proposed casino employee is eligible for the issue of the licence in accordance with regulation 10.

(5) Where the Board refuses to approve an application, the Secretary of the Board shall, within a reasonable time, notify such refusal in writing to the casino licensee specifying the reasons therefor.

(6) In considering an application for a casino employee's licence, the Board may inquire into such matters relating to the application as it may deem necessary.

Issue of casino employee's licence.

14. (1) Where the Board approves an application for a casino employee's licence, the Secretary of the Board shall issue to the proposed casino employee an appropriate casino employee's licence in a form approved by the Board.

(2) A casino employee's licence shall set out:

- (a) the functions that the holder of the licence may perform in relation to gaming;
- (b) the name of the casino with which the casino employee is licensed to work in relation to gaming; and
- (c) any conditions determined by the Board under regulation 13(2).

(3) The issue of a casino employee's licence under this regulation shall remain subject to the power of the Board to add, vary and revoke any conditions relating to such licence during the currency of the same, provided that notice in writing thereof within a reasonable time is made to the holder of the licence and to the casino licensee.

15. (1) Upon the request made by the casino licensee for the issue of a casino employee's licence and pending the issue of a casino employee's licence, the Board may approve the issue of a provisional licence to the proposed casino employee, in a form approved by the Board and under such terms and conditions as the Board may deem necessary.

Provisional casino employee's licence.

(2) A provisional casino employee's licence ceases to have effect -

- (a) upon cancellation by the Board by notice in writing given to the holder of the provisional licence and to the casino licensee;
- (b) upon issue of a casino employee's licence to the holder of the provisional licence;
- (c) upon surrender of the provisional licence to the Board;
- (d) upon the expiration of three months from the issue of the provisional licence;
- (e) upon termination of employment with the casino licensee indicated in the provisional licence; or
- (f) upon the death of the holder of the provisional licence.

16. A casino employee's licence, other than a provisional licence as mentioned in article 15 of the Act, shall cease to have effect:

Duration of casino employee's licence.

- (a) upon cancellation of the licence;
- (b) upon surrender of the licence to the Board;
- (c) upon the expiration of five years from the issue of the licence, whereupon it may be renewed by the Board in a form approved by the Board for a further period of five years;
- (d) upon termination of employment with the casino licensee indicated in the licence; or
- (e) upon the death of the holder of the licence.

17. (1) The casino licensee or the holder of the licence shall apply to the Board in a form approved by the Board for a variation of the functions that the holder of the licence may perform in relation to the casino:

Variation of casino employee's licence.

Provided that there shall not be deemed to be a variation of the functions of a holder of a casino employee's licence for the purposes of this regulation where the casino licensee, after giving notice to a Board inspector, permits an employee to work in relation to gaming in a grade of employment which is inferior to

that in respect of which that employee holds a licence, wherever such employment is for a period not exceeding three calendar months in every twelve calendar months:

Provided further that, notwithstanding the provisions of subregulation (1), it shall be lawful for the casino licensee or any person acting on his behalf or under any arrangement with him to vary the functions of the holder of a casino employee's licence, after giving notice thereof to a Board inspector, where the function so varied represents one grade superior to the grade of employment in respect of which that employee holds a licence and where such variation is for a period not exceeding five days every calendar month.

(2) Where the Board proposes to approve an application under subregulation (1), the Secretary of the Board -

- (a) shall notify the casino licensee and the holder of the licence by notice in writing of the variation that the Board proposes to make in relation to the licence;
- (b) shall request the holder to forward the licence to the Secretary for alteration; and
- (c) on receipt of the licence, shall alter it in accordance with that proposal.

Cancellation or suspension of casino employee's licence.

18. (1) A ground for cancellation or suspension of a casino employee's licence arises where:

- (a) the licence was issued at a time when there were valid reasons for refusing its issue which were then unknown to the Board;
- (b) the holder of the licence is convicted of:
 - (i) an offence against the Act;
 - (ii) an offence that is to be taken to be related to an offence against the Act; or
 - (iii) an offence against any other law relating to gaming or betting;
- (c) the holder of the licence is convicted of a criminal offence;
- (d) the holder of the licence contravenes a provision of the Act or of any regulations relating thereto;
- (e) the holder of the licence contravenes a condition of the licence;
- (f) the holder of the licence provides in relation to the licence false or misleading information;
- (g) the holder of the licence is declared bankrupt, or applies to take the benefit of any law for the relief of bankrupt or insolvent debtors; or
- (h) the holder of the licence is not, for any other reason, a suitable person to hold the licence:

Provided that the Board may dispense with the condition under paragraphs (c) and (g).

(2) The casino licensee shall give notice in writing to the Board of the occurrence of any of the grounds for the cancellation of the licence in terms of subregulation (1) immediately the casino licensee becomes aware of such occurrence; in default thereof there shall be deemed to be a ground of cancellation of the casino licence in terms of article 18(b) of the Act.

(3) Where the Board is satisfied that a ground for cancellation or suspension of a casino employee's licence has arisen under subregulation (1), the Board shall, by notice in writing, request the holder of the licence to show cause, within such period, being not less than twenty-one days after the issue of the notice, as is specified in the notice, why the casino employee's licence should not be cancelled or suspended on such ground as stated in the notice.

(4) The Board shall have regard to any response made under subregulation (3) and -

- (a) where the matter is resolved to its satisfaction, shall take no further action;
- (b) where although the matter is not resolved to its satisfaction, it considers that further action is not warranted, it shall in writing caution the holder of the licence; or
- (c) where the matter is not resolved to its satisfaction and it is satisfied that further action is warranted, it may by notice in writing served on the casino licensee and the holder of the licence -
 - (i) vary the functions that the holder may perform in relation to the casino;
 - (ii) impose further conditions in the licence;
 - (iii) suspend the licence for such period as the Board thinks fit; or
 - (iv) cancel the licence.

(5) Where a variation of functions or a condition imposed by the Board under subregulation (4)(c) is not complied with within the time specified in the notice, the Board shall cancel or suspend the casino employee's licence.

(6) The Board may at any time by notice in writing given to the casino licensee and to a person who was the holder of a casino employee's licence at the time of the suspension of the licence, terminate, or reduce the period of, the suspension of the licence.

(7) A casino employee's licence shall cease to be in force during a period of suspension, or upon cancellation, of the licence.

19. The casino licensee shall on receipt of notice of the suspension or cancellation of a casino employee's licence, cease to permit the person who was the holder of that licence to perform, in relation to the casino, functions of the kind specified in that licence.

Effect of
cancellation or
suspension.

Gaming in the casino

Gaming area.	<p>20. (1) The casino licensee shall indicate in the plans and diagrams of the layout of the casino to be approved by the Board in terms of article 22(2) of the Act, the gaming area in which table games and gaming machines are to be allocated and shall ensure that at all times no person specified in article 26 of the Act is admitted or is present in the gaming area.</p> <p>(2) For the purposes of subregulation (1), the gaming area shall, unless otherwise declared by the Board, be deemed to exclude areas confined to bars or restaurants and their amenities.</p>
Stakes.	<p>21. (1) The Board may by notice in writing to the casino licensee determine the minimum stakes applicable to authorised games which are conducted in the casino.</p> <p>(2) The Board may by notice in writing to the casino licensee alter the stakes established in terms of subregulation (1).</p> <p>(3) The casino licensee shall obtain the authorisation of the Board to establish the maximum stakes applicable to authorised games or to vary the minimum stakes determined under subregulations (1) and (2).</p>
Notice to be exhibited in the casino.	<p>22. The casino licensee shall at all times when the casino is open for business exhibit and maintain in a conspicuous place at or near the entrance to the casino a notice indicating:</p> <ul style="list-style-type: none"> (a) the list of authorised games and maximum and minimum stakes as may be specified in the casino licence or as may be otherwise determined or approved by order of the Board; (b) such conditions of the licence as the Board may require him in writing to include in any such notice; and (c) any entrance fee as may be approved by the Board.
Gaming equipment, gaming machines and chips.	<p>23. (1) The Board shall approve the gaming equipment, gaming machines and chips for use in the casino.</p> <p>(2) A person, other than a person authorised by the Board, shall not, except while in the casino, have in his possession any gaming equipment, gaming machines or chips approved by the Board for use in the casino.</p> <p>(3) A person shall not exhibit or possess gaming equipment, gaming machines or chips in the casino other than gaming equipment, gaming machines or chips approved by the Board for use in the casino:</p> <p>Provided that it shall be the duty of the casino licensee or any holder of a casino employee's licence to report to a Board inspector the possession by a person while in the casino of any gaming equipment, gaming machines or chips otherwise than in accordance with the provisions of this regulation upon becoming aware of the fact.</p> <p>(4) Money or money's worth, including chips and tokens found</p>

lying unclaimed in the casino by any person shall be immediately presented to the casino licensee or to any person acting on his behalf and who is present in the casino premises and, unless claimed by its owner, shall be deposited with the chief cashier of the casino and registered in the presence of a Board inspector in a register kept for that purpose in the casino. Any amount which remains outstanding in the said register at the end of each calendar month shall be deemed to be, and shall be written as, gaming profits for that particular month.

(5) It shall not be lawful for any person present in the casino to use, either alone or in concert with others, or to have in his possession or control at or near a gaming table, authorised machine or in any location forming part of the gaming area, any electronic, electrical, mechanical or manual apparatus or device including, but not limited to, a calculator, computer, optic strobe, radio frequency pulse generator, stringer and, or slug that is capable, with respect to a game or part thereof, of recording or analysing the outcome or the changing probabilities of a game or the playing strategies to be used or that may alter the normal or randomly predetermined outcome or course of any game in a casino.

(6) Where the casino licensee or any person acting on his behalf is satisfied that a person present in the casino has contravened the provisions of subregulation (5), he shall:

- (a) declare any wager made by such person to be null and void;
- (b) order that such person be prohibited from playing any game in the casino;
- (c) evict such person from the casino for such period of time as he deems fit; and, or
- (d) lodge a formal complaint with the Executive Police in respect of such person for the institution of criminal proceedings under the provisions of the Act and these regulations.

24. (1) A casino licensee, a director of a casino licensee, a casino employee and a Board inspector shall not participate in gaming in any casino in Malta except to the extent that it may be necessary to do so -

Gaming by certain persons prohibited.

- (a) in the performance of his functions under the Act; or
- (b) in the course of his employment.

(2) The casino licensee shall not knowingly or recklessly permit admission to, or allow to remain within, the casino premises any person specified in article 26 of the Act.

(3) Where a person has requested a casino licensee by notice in writing for a ban or restriction on his own admission to a casino, the casino licensee shall immediately notify the Board of this fact in writing and shall simultaneously cause a copy of such notice to be sent to any other casino licensee in Malta; whereupon the person concerned shall not be allowed to enter any casino in Malta in accordance with the provisions of article 26(1) of the Act.

(4) It shall not be lawful for a casino employee to visit any casino in Malta, other than the casino in respect of which he holds a casino employee's licence, without the prior authorisation of the casino licensee or any person acting on his behalf or under any arrangement made with him.

(5) It shall not be lawful for a casino employee to socialise or in any other way collaborate with persons playing in the casino within or outside the casino premises in a manner which is bound to, or could likely, prejudice the performance of the duties of the casino employee.

Junkets.
Amended by:
L.N. 425 of 2007.

25. (1) It shall be lawful for the casino licensee to enter into a service agreement with a junket leader, whose function shall be the promotion and organisation of visits by a person or group of persons to the casino for the purpose of junket gaming; provided that such person or persons shall be domiciled and resident outside Malta.

(2) The casino licensee shall apply to the Board in a form approved by the Board for the issue in the regard of such junket leader of a licence to operate as a junket leader. For this purpose, the casino licensee shall, not later than fourteen days prior to the date of commencement of any services by a junket leader, give to the Secretary of the Board the following information:

- (a) the name, address and identification number of the junket leader, if not a body corporate;
- (b) the name, registered address and registration number of the company, if a body corporate;
- (c) a copy of the service agreement entered into, or to be entered into, with the junket leader;
- (d) the proposed date for the commencement of services by the junket leader; and
- (e) any other information as may be required by the Board.

(3) The application for the issue of a licence specified in subregulation (2) shall be lodged by the casino licensee with the Secretary of the Board and shall be accompanied by any documents that the application form may specify.

(4) The provisions of regulations 10, 11, 12, 13, 14, 15 and 18 shall as far as practicable apply in the case of a licence to operate as a junket leader:

Provided that where a junket leader is a body corporate and is represented by a person or persons, such person or persons shall be deemed to be vested with the legal representation of the same junket leader and shall accordingly be liable severally and *in solidum* with the junket leader under the provisions of the Act or these regulations or any other regulations made under the Act:

Provided further that for the purposes of junket gaming in Malta a junket leader may be represented by a maximum of two persons.

(5) Unless previously cancelled or suspended by the Board, a licence under this regulation shall cease to have effect upon the expiration of five years from the issue of the licence, whereupon it may be renewed by the Board for a further period of five years, or upon termination of the services of the junket leader as specified in the licence, whichever is the earlier.

(6) The casino licensee shall notify the Secretary of the Board in writing of the proposed arrival of a person or group of persons to the casino for the purpose of junket gaming at least forty-eight hours prior to the arrival of such person or group of persons in Malta, and shall indicate in such notice:

- (a) the name of the junket leader and the licence number given to the junket leader by the Board;
- (b) the name, address and identification number of the person or persons representing the junket leader in Malta, if applicable;
- (c) the name, place of residence and identification number of the person or persons participating in the junket;
- (d) the date of arrival and duration of the proposed visit by such person or persons; and
- (e) the particular registration number given by the casino licensee to each relevant junket.

Such notice shall be accompanied with a copy of the agreement entered into between the casino licensee and the junket leader in respect of each junket:

Provided that the Board may dispense with the requirement of notification of said particulars within forty-eight hours upon justifiable reason being provided by the casino licensee, whereupon such particulars shall be notified prior to the start of junket gaming.

(7) It shall be lawful for the casino licensee, on his own initiative and without the intermediation of a junket leader, and after due compliance with the provisions of subregulation (6), to promote and organise visits by a person or group of persons, who are domiciled and resident outside Malta, to the casino for the purpose of junket gaming; whereupon the casino licensee shall, at least forty-eight hours prior to the arrival of such person or group of persons in Malta, furnish to the Secretary of the Board a copy of the junket agreement or schedule in respect of each junket.

(8) Where a junket under this regulation consists of one person only, that person shall be required to lodge with the casino licensee a minimum deposit of four thousand and six hundred and fifty-eight euro and seventy-five cents (4,658.75) which shall be made available for the purpose of gaming in the casino. Where a junket consists of more than one person, each person shall be required to lodge with the casino licensee a minimum deposit of two thousand and three hundred and twenty-nine euro and thirty-seven cents (2,329.37) which shall be made available for the purpose of gaming in the casino.

(9) The casino licensee shall ensure that persons participating in a junket shall only use non-negotiable chips specifically

dedicated to junket gaming when playing a table game or when purchasing chips or tokens at a cash-desk for the purpose of playing a game on an authorised machine, and that such non-negotiable chips are not used by any person playing at the casino other than a person participating in a junket.

Card room gaming.

26. It shall be lawful for the casino licensee, when the casino licence so provides, or as thereafter approved by the Board, to allocate such areas of the casino premises for the playing of card games of equal chance and may charge such hourly rate of payment therefor as may be specified in the casino licence or upon approval by the Board, as the case may be. Such charges shall be conspicuously displayed in that area or areas.

Retention of recording tapes.

27. The casino licensee shall cause to be kept in the casino for a period of seven days any tapes installed by the casino licensee in the camera and audio system of the casino for the purpose of recording and monitoring the gaming activities taking place in the casino:

Provided that for the purposes of this regulation where any tape or tapes record any activity constituting a breach of the Act or of these regulations or of any other law, such tape or tapes shall be kept for such period as may be necessary to conduct investigations or to institute proceedings under the Act or these regulations or any other law.

Use of machines for gaming

Authorised machines.

28. (1) The provisions of articles 31 and 32 of the Act shall apply to any machine, whether mechanical, electric or electronic, which is designed or adapted for the playing of a game of chance or skill or chance and skill combined by means of the machine, and has a slot or other aperture for the insertion of money or money's worth and in respect of which one or more players pay to play the machine.

(2) An authorised machine shall always include a machine in respect of which a prize can be won by playing a game or games, and such prize shall be in the form of money or money's worth.

(3) It shall be lawful to operate a machine in a casino if:

- (a) the machine has been authorised and registered as such by the Board in accordance with the provisions of these regulations;
- (b) the registration number allocated to each authorised machine by the Board is affixed in a visible place on the particular machine;
- (c) the unique serial number of each authorised machine is permanently stamped or engraved in a visible place on the particular machine;
- (d) the maximum stake for playing a game once by means of the machine is of an amount not exceeding, or, if more than one, not exceeding in the aggregate, such amount as may be prescribed in the casino licence or otherwise by order of the Board for the purpose of this

paragraph;

- (e) the prize won by playing a game once by means of the machine does not exceed, or in the aggregate, does not exceed such amount as may be prescribed in the casino licence or by order of the Board for the purpose of this paragraph; and
- (f) it is provided with a manufacturer's certificate, which certificate shall be available for inspection:

Provided that the Board may, upon justifiable reasons being provided, dispense with the requirement under paragraph (f):

Provided further that, without prejudice to the generality of this regulation, any authorised machine intended for use or kept for use in a casino shall be so kept in compliance with the provisions of the Schedule.

(4) For the purposes of subregulation (3)(f), a manufacturer's certificate shall include the following information:

- (a) name of manufacturer;
- (b) brand name of gaming machine;
- (c) manufacturer's machine serial number;
- (d) machine model number;
- (e) date of manufacture;
- (f) minimum percentage payout of any winnings and the manner in which this is calculated;
- (g) a full description of the machine, including the game type; the game theme; if the game is progressive, the increment percentage; if the game is programmed, the programme serial number; the maximum bet and highest jackpot.

29. There shall be displayed on an authorised machine -

- (a) a statement specifying the value of the prize, or, if there are different prizes, the value of each prize, which can be won by playing a game once by means of the machine; and
- (b) if there are any special circumstances in which that prize, or, as the case may be, those prizes, cannot be won, a statement of those circumstances,

Statements specifying prizes to be exhibited.

and, if the manner in which those statements are to be so displayed is prescribed in the casino licence or otherwise by order of the Board for the purpose of this regulation, they shall be displayed in that manner.

30. (1) The casino licensee shall -

- (a) on the grant or renewal of a casino licence under the Act, furnish to the Board the specifications of every authorised machine kept for use in the casino;
- (b) on the acquisition of any authorised machine for use in the casino or on the replacement of any authorised

Notification of specification of machines.

machine in terms of the provisos to regulation 31(1), furnish to the Board the specifications of the machine;

- (c) on any alterations in any of the specifications of an authorised machine registered under regulation 31, notify the Board in writing of the specifications so altered; and
- (d) on the destruction or disposal of any such machine, notify the Board in writing of such destruction or disposal.

(2) If at any time the specifications of an authorised machine furnished under subregulation (1) do not correspond with the actual specifications of the machine, it shall be treated for the purposes of regulation 31 as not being registered.

Registration.

31. (1) If the Board is satisfied -

- (a) that an authorised machine, specifications of which are furnished under regulation 30, is an authorised machine in terms of regulation 28 and complies with the conditions specified in the casino licence and in regulation 29; and
- (b) that if the machine is registered, the total number of authorised machines registered in respect of the casino shall not exceed the total number of authorised machines as prescribed in the casino licence or otherwise by order of the Board,

it shall register the machine in respect of the casino, but shall otherwise refuse to register it:

Provided that the casino licensee may keep in closed and locked premises not forming part of the gaming area such additional number of authorised machines, in any case not exceeding in amount twenty per cent of the total number of machines authorised by the Board for use in the casino, which machines are intended to replace one or more authorised machines installed in the gaming area with the approval of the Board:

Provided further that no replacement shall occur in terms of the first proviso to this subregulation without the prior written approval of the Board and that the number of authorised machines present in the gaming area shall not exceed the total number of authorised machines prescribed in the casino licence or otherwise by order of the Board.

(2) The Secretary of the Board shall, for the purpose of subregulation (1), maintain a register of authorised machines.

Amendments to register.

32. (1) The Board shall delete from the register any machine -

- (a) in respect of which a notification is given under regulation 30(1)(d); or
- (b) which it is satisfied is not or has ceased to be an authorised machine in terms of regulation 28, or fails or has ceased to comply with prescribed conditions.

(2) If the Board is satisfied -

- (a) that a machine, amended specifications of which are furnished under regulation 30(1)(c), is an authorised machine in terms of regulation 28 and complies with the prescribed conditions; and
- (b) that, if the register is amended to include those specifications, the number of authorised machines of the same description registered in respect of the casino shall not exceed the number of authorised machines of that description authorised in the casino licence or otherwise by order of the Board,

it shall amend the register accordingly, but shall otherwise delete the machine from the register.

33. The Board shall issue to the casino licensee a certificate listing the authorised machines registered under regulation 31(1) in respect of the casino and the casino licensee shall ensure that the certificate is at all times, except when it is produced to the Board under regulation 35, made available upon request for inspection by persons playing in the casino.

Certificates of registration.

34. If the Board -

- (a) refuses to register an authorised machine under regulation 31(1); or
- (b) deletes an authorised machine from the register under regulation 32(1)(b) or (2),

Notification of refusal to register.

the Secretary of the Board shall immediately notify the casino licensee in writing.

35. (1) The casino licensee shall, when furnishing to the Board specifications of an authorised machine under regulation 30(1)(b) or giving to the Board a notification under regulation 30(1)(c) or (d), produce to the Board the relevant certificate issued under regulation 33, and the Board shall make such amendment to the certificate as may be necessary.

Production of certificates.

(2) If the Board notifies the casino licensee under regulation 32 that it has deleted an authorised machine from the register, and the certificate issued under regulation 31 is not produced to the Board, the Secretary of the Board shall require the casino licensee to produce the certificate to the Board, and the Board shall make such amendment to the certificate as may be necessary.

36. Without prejudice to the provisions of article 11(3) of the Act, it shall not be lawful for any person other than the casino licensee or any person acting on his behalf or under any arrangement with him, to remove from the machine any money or money's worth other than any money or money's worth delivered by the machine as, or as part of, a prize in respect of a game. played by means of the machine.

Removal of money from machines.

Financial

37. (1) The casino licensee shall keep the records required by the provisions of regulations 38, 39 and 40.

Cheques, credit and debit payments.

- (2) For the purpose of these regulations:
- (a) "gaming cheque" means a cheque which is accepted by the licensee, or by any person acting on his behalf, and which is given in exchange for cash or tokens to be used by persons playing a game in the casino;
 - (b) "gaming credit card payment" means a credit card payment which is accepted by the licensee, or by a person acting on his behalf, and for which cash or tokens are given to be used by persons playing a game in the casino;
 - (c) "gaming debit card payment" means a debit card payment which is accepted by the licensee, or by a person acting on his behalf, and for which cash or tokens are given to be used by persons playing a game in the casino; and
 - (d) "relevant account" means the account in respect of which a cheque is drawn or to which a credit card payment or debit card payment is debited.
- (3) The casino licensee shall retain in the casino any record made under regulations 38, 39 and 40 with respect to a gaming cheque or substitute cheque, gaming credit card payment or substitute credit card payment, gaming debit card payment or substitute debit card payment until the expiry of the period of five years beginning with the date of acceptance by the casino licensee, or any person acting on his behalf, of that gaming cheque or substitute cheque, gaming credit card payment or substitute credit card payment, gaming debit card payment or substitute debit card payment, as the case may be.
- (4) Where a record such as is referred to in subregulation (3) is kept by electronic means, the casino licensee shall ensure that, during the period of five years referred to in that subregulation, a hard copy of such record can be readily produced.

Record of gaming
cheques, etc.

38. (1) The record under this regulation shall set out the particulars required by subregulation (2) with respect to each gaming cheque, substitute cheque, gaming credit card payment, substitute credit card payment, gaming debit card payment and substitute debit card payment, which particulars shall be set out under the name of the person who has issued the cheque or cheques or, as the case may be, of the holder of the credit or debit card.

- (2) The required particulars are the following:
- (a) the date and time of the acceptance of the cheque or, as the case may be, credit or debit card payment by the licensee or by any person acting on his behalf;
 - (b) such of the following information as appears on the cheque or, as the case may be, credit or debit card, namely:
 - (i) in the case of a cheque, the name of the person who has the relevant account;
 - (ii) in the case of a cheque, the name of the credit

- institution on whom the cheque is drawn and the address where the relevant account is held;
- (iii) in the case of a credit or debit card payment, the name of the credit institution with whom the account debited is held;
 - (iv) the number of the relevant account; and
 - (v) the number of the cheque, the credit card or debit card;
- (c) the amount for which the cheque is made out or, as the case may be, the amount of the credit card payment or debit card payment;
- (d) in the case of a cheque, whether any guarantee card issued by the person on whom the cheque is drawn was produced;
- (e) where a cheque is a substitute cheque or a credit card payment is a substitute credit card payment or a debit card payment is a substitute debit card payment, that fact, together with sufficient information to identify the redeemed cheque or cheques for which the substitute cheque or substitute credit card payment or substitute debit card payment was given, and whether or not it was so given with cash or tokens or a combination of both;
- (f) in the case of a cheque which subsequently becomes a redeemed cheque, that fact;
- (g) subject to the provisions of subregulation (3), the date on which the cheque, except any redeemed cheque, is delivered to a credit institution for payment or collection or, as the case may be, the date on which the details of the credit card payment or of the debit card payment are delivered to the issuer of the card for processing to enable the casino licensee to be credited with the amount of the payment; and
- (h) whether the credit institution on whom the cheque is drawn at first refused payment or, as the case may be, the credit institution who issued the credit card or the debit card at first refused to authorise the credit card payment or the debit card payment, in each case whether or not payment was subsequently made.
- (3) Where all of the cheques, except any redeemed cheque, set out in the record kept under this regulation are debited to a credit institution for payment or collection on the same date, that date need only be given once.
- (4) Where details of all the credit card payments and, or of the debit card payments set out in the record kept under this regulation are delivered for processing on the same date, that date need only be given once.

39. (1) The record under this regulation shall set out the particulars required by subregulation (2) with respect to each gaming cheque and each substitute cheque in respect of which the

Record of dishonoured cheques.

credit institution on whom the cheque is drawn at first refused payment, whether or not payment was subsequently made.

(2) The required particulars are the following:

- (a) the date of the acceptance of the cheque by the casino licensee or by any person acting on his behalf;
- (b) the particulars required by regulation 38(2)(b) and (c);
- (c) the reason for refusal of payment; and
- (d) where payment is subsequently made in respect of that cheque, that fact and the date of such payment.

Verification of
delivery of
cheques.

40. (1) The casino licensee shall provide verification of the particulars which by virtue of regulation 38(2)(g) are included in the record required by that regulation in respect of each gaming cheque, other than a redeemed cheque, each substitute cheque, each gaming credit card payment, each substitute credit card payment, each gaming debit card payment and each substitute debit card payment by means of a document which satisfies the requirements of subregulation (2).

(2) In respect of each cheque, credit card payment or debit card payment to which the document relates, the document specified in subregulation (1) shall:

- (a) show the amount for which the cheque is made or, as the case may be, the amount of the credit card payment or of the debit card payment;
- (b) in the case of a cheque, be endorsed, whether by means of a stamp or otherwise, by or on behalf of the person to whom the cheque was delivered for payment or collection, with the name of that person together with the date of delivery; and
- (c) in the case of a credit card payment or a debit card payment, be endorsed, whether by means of a stamp or otherwise, by or on behalf of the issuer of the card, with the name of the issuer together with the date of receipt of the details.

Accounts and
records.

41. The casino licensee shall -

- (a) cause to be kept, in respect of the transactions and affairs relating to the operation of the casino, proper accounts and records which show a true and fair view of the financial operations and affairs conducted by the casino licensee in relation to the operation of the casino; and
- (b) do all things necessary to ensure that, in relation to the operation of the casino -
 - (i) payments out of the funds of the casino licensee are correctly made and properly authorised;
 - (ii) adequate control is maintained over the incurring of liabilities by the casino licensee; and

- (iii) adequate control is maintained over the assets of the casino licensee:

Provided that for the purposes of paragraph (a) proper accounts and records shall be deemed to have been kept if such accounts and records are sufficient to show and explain the casino licensee's transactions and are such as to disclose, with reasonable accuracy, at any time, the financial position of the casino licensee.

42. The casino licensee shall, as soon as practicable but not later than ninety days after the end of each financial year, lodge with the Secretary of the Board a full set of financial statements made in accordance with International Accounting Standards and audited in accordance with International Standards on Auditing and which comply with the provisions of the Companies Act.

Financial statements and audit.

Cap. 386.

43. (1) The accounts and records of the casino licensee in respect of all gaming operations shall be kept by the casino licensee for a period of ten years:

Retention of accounts and records.

Provided that where the accounts and records are kept in a bound or unified form, the ten years shall commence to run from the date of the last entry made therein.

(2) Such accounts and records shall be produced upon request for inspection by a Board inspector.

(3) Any internal audit reports relating to the business operations of the casino licensee shall be kept available by the casino licensee for a period of one year for inspection by the Secretary of the Board or any person authorised by him.

Prevention of money laundering

44. Any regulations for the prevention of money laundering and the funding of terrorism as may issued from time to time in terms of article 12(1) of the Prevention of Money Laundering Act, shall be applicable to casino licensees to the extent as shall be determined by such regulations.

Application of regulations for the prevention of money laundering Act.
Substituted by:
L.N. 43 of 2006.
Cap. 373.

SCHEDULE

(Regulation 28)

AUTHORISED MACHINES

Minimum standards for machines

- (1) A machine kept for use in a casino shall:
- (a) in accordance with the way in which the machine is constructed, adapted or regulated, be designed to pay out on average a prize amounting to 85% or more of the coin or coins or money's worth inserted in the machine; provided that in the case of a machine designed or adapted for the playing of a game of skill or skill and chance combined, the machine shall provide the greatest return to the person playing the machine over a period of continuous play;
 - (b) use a random selection process to determine the outcome of each play of a game on the machine, which process shall fulfil 95% confidence limits. For the purposes of this paragraph:
 - (i) each possible permutation or combination of game elements, which produce winning or losing game outcomes, shall be available for random selection at the initiation of each game;
 - (ii) in the case of a machine which is representative of live gambling games, the mathematical probability of a symbol or element appearing in a game outcome shall be equal to the mathematical probability of that symbol or element occurring in the live gambling game. In the case of other machines, the mathematical probability of a symbol or other element appearing in a position in any game outcome shall be constant;
 - (iii) the selection process shall not produce detectable patterns of game elements or detectable dependency upon any previous game outcome, the amount wagered or upon the style of method of play;
 - (c) display an accurate representation of the game outcome and, subsequent to a selection of the game outcome, shall not make a variable secondary decision which affects the result displayed to the person playing the machine;
 - (d) display the rules of play and payoff schedule; and
 - (e) not automatically alter pay-tables or any function of the machine based on internal computation of the hold percentage.

For the purposes of this item, "random selection" means the observed unpredictability and absence of pattern in a set of elements or events that have definite probabilities of occurrence; and "game outcome" means the final result of a wager.

Progressive machines

- (2) (a) It shall be lawful for the casino licensee, after obtaining the approval of the Board, to operate interconnected authorised machines which are designed to pay out an aggregate top prize subsequent to a number of games played and which credit a common progressive prize counter with an initial amount not necessarily representing a percentage of the stakes. The progression of each bet shall correspond to the increment percentage, which raises the basic theoretical percentage.

- (b) The casino licensee may, after obtaining the approval of the Board, offer a wider variety of winning options, and alter the amount of the progressive jackpot and its increment percentage.

Changes to machine payout percentage

- (3) (a) The theoretical payback percentage of a game played by means of a machine must not be capable of being changed without making a hardware or software change in the machine.
- (b) For the purposes of this item, the addition of an attendant-paid bonus, a progressive jackpot or a change in the rate of progression of an existing progressive jackpot shall not be considered to be a change in the theoretical payback of the machine:

Provided that the casino licensee shall obtain the Board's approval prior to the introduction and implementation of any scheme under paragraph (b) of this item.

Meters

- (4) (a) All machines, with the exception of penny-pusher machines, shall be equipped with non-resettable counters having at least six digits to accumulate the "in", "out", "drop" and "jackpot" values in units equal to the denomination of the machine. In the case of machines with note acceptors a meter giving the total value of notes shall be allowed. The machine shall accumulate the same values in electronic digital storage and provide the means for on-demand display of the stored information.
- (b) Machines having "in" meters shall accumulate all coin and credit transactions that result in wagers. The "out" meters shall accumulate all coin and credit transactions paid by the machine for winning combinations. The "drop" meters shall accumulate the number of coins that have been diverted into a drop bucket. The jackpot meter shall accumulate the number of coins paid by means of a hand pay.
- (c) All machines shall have an electronically stored digital meter of at least six digits for the number of plays since power on and the number of plays since door closure. The machine shall provide the means for on-demand display of the stored information.
- (d) All machines shall be adequately equipped to remedy tilt conditions and other malfunctions.

Cash accounts and cash desks

- (5) (a) The casino licensee may have one or more of any available apparatus for counting and reporting money, namely, scales, counting machines, wrapping machines and coin conveyors.
- (b) The casino licensee may use one or more cash desks within the gaming area.

Other devices

- (6) (a) The casino licensee may use other devices such as moneychangers, mobile change stations and/or automatic token machines as are deemed necessary to an efficient operation.
- (b) All authorised machines shall be equipped with various electronic and mechanical devices generally proposed by manufacturers.
- (c) Machines may also be equipped with monitoring and alarm devices in order to ensure fair play.

Hopper fills

- (7) (a) A hopper fill to a machine shall be required if the hopper becomes empty during a payout or if the machine is new.
- (b) The casino licensee may effect hopper fills even if the machine is not totally empty:

Provided that a Board inspector shall always be present whenever a hopper fill is effected and shall certify that the hopper fill has been effected by the correct number of coins being declared.

Jackpots, hopper fills, short pays and credit payouts

- (8) All jackpot payouts and machine fills shall be:
- (i) recorded as per the casino licensee's internal control procedures manual; and
 - (ii) confirmed by a Board inspector.

Machine hopper contents

- (9) (a) Whenever machines are temporarily removed from the gaming area, machine drop and hopper contents shall be protected to preclude the misappropriation of stored funds.
- (b) A Board inspector shall be present when machine contents are secured to ensure that such contents are adequately safeguarded.
- (c) These procedures shall be carried out in accordance with the casino licensee's internal control procedures manual and shall require the approval of the Board.

Jackpots and credit payments

- (10) (a) Jackpot and credit payments shall be effected in the presence of a Board inspector who shall certify that the payment is due.
- (b) For the purposes of paragraph (a) of this item a jackpot payment is the payment of the balance of tokens due to a person playing a game by means of the machine after a jackpot combination on the machine and a credit payment is the payment of accumulated credits over and above the maximum hopper payout.

Conversions

- (11) (a) Conversions on authorised machines shall be effected by persons licensed by the Board to perform maintenance on authorised machines and after the Board's written approval has been obtained. For the purposes of this item, "conversion" means a change in a machine from one pre-approved configuration to another pre-approved configuration or from one approved mode of play to another approved mode of play.
- (b) A person licensed to perform maintenance on authorised machines, including a licensed manufacturer who converts a machine from one approved game configuration to another approved game configuration, shall maintain complete and accurate records of all such conversions.
- (c) A copy of the relevant conversion records shall be immediately lodged with the Secretary of the Board.

Duplication of programme storage media

- (12) Only a licensed manufacturer or a casino licensee may duplicate the contents

of machine programme storage media.

Movement or replacement of machines

(13) The casino licensee may, after obtaining the written approval of the Board, move any machine from its initial location and replace it with a machine that is either already being used in the casino or is otherwise a reserve machine already approved by the Board for use in the casino.

Maintenance of machines

- (14) (a) A casino licensee shall not alter the operation of authorised machines and may only allow maintenance on the machines to be effected by persons licensed for such purpose by the Board.
- (b) A casino licensee shall maintain all authorised machines in good condition.
- (c) It shall not be lawful to make changes or repairs to parts of any authorised machine that may effect the game outcome unless specifically authorised to do so by the Board.
- (d) A casino licensee shall keep a written list of all repairs, including the name of the person making such repairs, made to authorised machines which entail a replacement of parts that may affect the game outcome and shall make the list available for inspection by the Board or a Board inspector upon request.

Promotional or tournament machines

(15) It shall be lawful for the casino licensee to keep for use at the casino, after obtaining the approval of the Board, a promotional or tournament machine which:

- (i) may be played without a wager being made;
- (ii) always pays out an amount either in cash or in prizes that is equal to or greater than the wager made;
- (iii) makes use of electronic competition boards in tournaments;
- (iv) may have promotional games on "special status" time limited licence;
- (v) may have capability of CD ROM and/or cable feed screens;
- (vi) may have capability for VIP card readers/trackers; and
- (vii) may have capability to key in credit for special tournaments.

Promotional payouts

- (16) Promotional payout documentation shall include the following information:
- (i) date and time of payout;
 - (ii) machine number and denomination;
 - (iii) description of award;
 - (iv) type of promotion, that is whether double jackpots, four-of a-kind bonus, etc.; and
 - (v) confirmation by a Board inspector that the payout is due.

For the purposes of this item, a promotional payout is a supplemental payout that is not reflected in the machine pay table.

Suspension of approval of machines

(17) The Board may by notice to the casino licensee order the suspension of approval of a machine kept for use in the casino if the Board determines that the

machine does not operate:

- (i) in the manner certified by the manufacturer; or
- (ii) as approved by the Board.

Internal control

(18) Controls relating to the day to day operations of authorised machines kept for use in a casino (for example, cash variances, complimentary accounts, customer complaints, documentation, asset registers, jackpot base values and progressive rates, reel tape control, security seals, machine statistics, reports and machine moves) shall be specified in the casino licensee's internal controls procedures manual and shall be submitted to the Secretary of the Board or his authorised representative upon request.

EPROM control

- (19) (a) Upon receipt of EPROMS from the manufacturer, the master programme number, par percentage and pay table shall be verified by the casino licensee to the manufacturer's specification sheet and the Board licence number.
- (b) Registered copies of all percentage, game or personality EPROMS shall be kept under dual control as per casino licensee internal procedures manual.
- (c) A register for all master EPROMS shall be kept and shall contain the following information:
- (i) EPROM number;
 - (ii) Board licence number;
 - (iii) name of manufacturer;
 - (iv) reason for removal from secured area and signatures; and
 - (v) date of destruction, including reasons and signatures of those involved.
- (d) The procedures required for copying EPROMS and the sealing of EPROMS into the machines shall be documented in the casino licensee's internal controls procedure manual as approved by the Board.
- (e) The procedures required for the control of competition and promotional EPROMS shall be documented in the casino licensee's internal controls procedures manual as approved by the Board.

Actual and theoretical hold

- (20) (a) Accurate and current theoretical hold worksheets shall be maintained for each authorised machine either in the gaming area or in inventory.
- (b) The theoretical hold percentages used in the machine analysis reports shall be within the performance standards set by the manufacturer. Any discrepancies shall be reported to the manufacturer and resolved immediately and the appropriate documentation shall be lodged with the Secretary of the Board.
- (c) Records shall be maintained for each machine that indicate the date the machine was removed from operation, the date the machine was placed back into operation and any changes in machine numbers and designations. Machines shall retain the same assigned asset number during the entire time that the casino licensee owns the machine.

-
- (d) All machines except penny-pusher machines shall contain the following functioning meters:
 - (i) coin-in;
 - (ii) coin-out;
 - (iii) drop (cash box);
 - (iv) jackpot-credit win (hand pay meter); and
 - (v) games played meter (hand pull meter).
 - (e) All machines with currency acceptors shall contain functioning bill-in meters that record the currency amounts or number of bills accepted by denomination.
 - (f) Large variances between theoretical hold and actual hold shall be investigated by the casino management and shall be resolved with the findings documented in a timely manner.
-