



# GAMBLING ESTABLISHMENT LICENCES

GAMBLING MACHINES WITH LIMITED BETS AND PAYOUTS (LIMITED PAYOUT MACHINES) REQUEST FOR APPLICATION

---

RESPONSES BY THE GAMBLING AUTHORITY TO PUBLIC COMMENTS



Clause	Public Comment / Clarification	Response by the Gambling Authority	Proposed Amendments to the RFA
<b>General</b>	<p>We will also be applying for Bingo licences in Botswana. Will the Bingo Licence process run concurrently with the LPM Licence process?</p>	<p>The Authority intends to call for applications for Bingo licences at a later stage. The Bingo and LPM licensing processes will therefore not run concurrently.</p> <p>The Authority would like to caution that Bingo and LPM operations cannot coexist in terms of this RFA.</p>	NONE
<b>General</b>	<p>These Bingos will be located in busy malls. If a previous licence for a betting shop has been awarded for one of the busy malls in Botswana will this preclude us from making an application for a Bingo Licence in the same mall at a later date?</p>	<p>Unfortunately, the Authority is not in a position to anticipate the licensing criteria of Bingo as the relevant RFA has not yet been publicised.</p> <p>It is essential to note that licence applications are considered on a case-by-case basis, hence if the proposed site is not suitable for a particular licence type, the application will not be granted.</p>	NONE

Clause	Public Comment / Clarification	Response by the Gambling Authority	Proposed Amendments to the RFA
4.3.2	<p><b>Clause in Draft RFA</b></p> <p>Any Gambling Establishment Site intended to operate gambling machines over five (5), but not exceeding fifteen (15), shall show good cause upon application why such operation should be permitted.</p> <p><b>Public Comment</b></p> <p>Concerning point 4.3.2. from the Draft Request for Applications Gambling Establishment Licences – Gambling Machines with Limited Bets and Payouts – What criteria will be considered as good cause to apply for between 5 and 15 machines. Will the criteria be published?</p>	<p>In terms of this clause, the applicant for additional machines will be expected to motivate why additional machines should be allowed at the proposed premises.</p> <p>The Authority will then consider the merits and demerits of allowing additional machines at the site.</p> <p>This should include a justification for why the applicant believes that the allocation of more than five (5) machines will make business sense and will not undermine the responsibility of the Authority in controlling excessive gambling.</p>	NONE

Clause	Public Comment / Clarification	Response by the Gambling Authority	Proposed Amendments to the RFA
5.2.2	<p><b>Clause in Draft RFA</b></p> <p>Gambling Establishment Licences shall be issued for ten (10) years and licence fees shall be paid annually. These Licences shall not be issued to or be held by any person who is or becomes, subject to disqualifications outlined in section 37 of the Act.</p> <p><b>Public Comment</b></p> <p>Clause 5.2.2. of the Draft, RFA states that Gambling Establishment Licenses shall be issued for a period of ten (10) years.....</p> <p>Our major concern is the Ten (10) year term of a Gambling Establishment Route Operator license. The operations for this category of license are Capital intensive due to the high cost of gambling equipment and operational costs. It normally takes at least 5 years to break even before you start making a profit. The Ten (10) year term will likely be a deterrent for applicants.</p> <p>An ideal situation would be removing the 10 year term and imposing license conditions for the Gambling Establishment Route Operator to maintain suitability and be subject to compliance audits by the Gambling authority.</p>	<p>Section 38(1) of the Gambling Act provides that – <i>“A licence issued under this Act shall unless previously renewed or revoked, expire at the end of a period of 10 years from the date of issue.”</i></p> <p>Taking into account the aforesaid provision, the issuance of any gambling licence for a period exceeding ten (10) years will be contrary to the provisions of the Gambling Act.</p> <p>It is, however, essential to note that in terms of Section 40 of the Gambling Act, existing licensees are eligible to apply for the renewal of their licences. Should for any reason the Authority revoke or refuse to renew the licence, it will expire at the end of the period of 10 years. The Authority, therefore, believes that for as long as the licensee is found suitable and compliant with the Gambling Act, it will be considered for renewal before the lapse of the 10 years in terms of the provisions of Section 40 of the Act, read with Regulation 5 of the Gambling Regulations 2016.</p> <p>Therefore, it is clear, that the continued suitability of a licensee will determine the renewal of the licence, as such, your proposal has adequately been catered for in the legislation.</p>	NONE

Clause	Public Comment / Clarification	Response by the Gambling Authority	Proposed Amendments to the RFA
8.1.4	<p><b>Clause in Draft RFA</b></p> <p>All gambling machines operated under a Gambling Establishment Route Operator must be connected to the Central Electronic Monitoring System (CEMS) of the Authority.</p> <p><b>Public Comment</b></p> <p>Clause 8.1.4. of the Draft <b>RFA</b> states that “All gambling machines operated under a Gambling Establishment Route Operator must be connected to the Central Electronic Monitoring System (CEMS) of the Authority”.</p> <p>Clarity is required in terms of whether one or two monitoring systems (Authority only or Authority and Gambling Machine Route Operator) will be used. Furthermore, are there any prescribed costs incurred when using Authority’s monitoring system?</p>	<p>Section 96 of the Gambling Act states that - <i>“The Authority shall establish and maintain a central electronic, computer or communications system to send or receive data relating to the functioning of any gambling machine or device to monitor the operation of such machine or device.</i></p> <p><i>(2) The holder of a gambling machine licence, shall link any gambling machine or device which is installed on his or her premises to the monitoring system established in terms of subsection (1), but the holder of a casino or bingo licence shall install his or her own monitoring system.”</i></p> <p>In terms of the above provision of the Act, Gambling Establishment licensees will be required to connect their gambling machines to the Authority’s Central Electronic Monitoring System and will therefore, not be required to operate their own individual central monitoring systems. All Limited Pay-out Machines will be linked to one system provided by the Authority. The confusion caused by clause 12.2 in this respect, is addressed below.</p> <p>There will be costs incurred by licensees for connecting to the Authority’s Central Electronic Monitoring System.</p>	NONE

Clause	Public Comment / Clarification	Response by the Gambling Authority	Proposed Amendments to the RFA
<b>9.1.3</b>	<p data-bbox="259 363 882 405"><b>Clause in Draft RFA</b></p> <p data-bbox="259 443 882 638">Sixty (60) Gambling Establishment Independent Site Operators. Each operating independent of the Gambling Establishment Route Operator, with a maximum of fifteen (15) gambling machines, but on special motivation and consideration by the Authority, may be linked to a Route Operator.</p> <p data-bbox="259 676 882 718"><b>Public Comment</b></p> <p data-bbox="259 756 882 884">Clause 9.1.3 of the Draft RFA indicates that the office of the Gambling Authority intends to license sixty (60) Gambling Establishment Independent Site Operators (ISO).</p> <p data-bbox="259 916 882 1267">These many ISO's will likely stunt the success of the Route Operator (RO) business and in turn, affect the Gambling Establishment Site Operators. In most other jurisdictions, ISO's are either not considered or have only been considered after the RO rolling out their Gambling Establishment Sites. Where ISO's are considered, there are normally fewer licenses granted. We request the office of the Authority to consider reducing the number of ISO's or consider a phased rollout of ISO's subject to impact on existing licensees.</p>	<p data-bbox="882 363 1503 596">We believe the provision of Independent Sites proposed would allow fair distribution of opportunities in this sector of the gambling industry. We, therefore, submit that Independent Site Operators will not affect the performance of a Gambling Establishment Route Operator, but promote the objectives of this RFA.</p> <p data-bbox="882 628 1503 948">This is also against the background that each Gambling Establishment Route Operator will be allocated one hundred (100) Gambling Establishment sites, while Gambling Establishment Independent Sites will be limited to fifteen (15) machines. Therefore, the Authority is of the view that the allocation of sixty (60) Gambling Establishment Independent sites is appropriate and will serve as a catalyst for the economic empowerment of our citizens.</p>	<p data-bbox="1503 363 2123 405">NONE</p>

Clause	Public Comment / Clarification	Response by the Gambling Authority	Proposed Amendments to the RFA
12.2	<p><b>Clause in Draft RFA</b></p> <p><b>12.2.</b> The electronic monitoring system intended to be used by a Gambling Establishment must satisfy the following additional requirements:</p> <p><b>12.2.1.</b> No gaming or gambling machine, device, or contrivance may be distributed and installed at a site and exposed for play unless such equipment has been certified according to the approved technical standards and specifications approved and registered by the Authority.</p> <p><b>12.2.2.</b> All gambling equipment shall be supplied and maintained by licensed manufacturers, suppliers, and distributors.</p> <p><b>12.2.3.</b> All configuration and upgrades to the approved gaming and gambling machines, devices, and contrivance must be approved by the Authority.</p> <p><b>Public Comment</b></p> <p>Clause 12.2 of the Draft RFA states “The electronic monitoring system intended to be used by a Gambling Establishment must satisfy the following additional requirements....”</p> <p>Clarity is required in terms of whether one or two monitoring systems (Authority only or Authority and Gambling Machine Route Operator) will be used. Furthermore, are there any prescribed costs incurred when using Authority’s monitoring system?</p>	<p>Section 96 of the Gambling Act states that - <i>“The Authority shall establish and maintain a central electronic, computer or communications system to send or receive data relating to the functioning of any gambling machine or device to monitor the operation of such machine or device.</i></p> <p><i>(2) The holder of a gambling machine licence, shall link any gambling machine or device which is installed on his or her premises to the monitoring system established in terms of subsection (1), but the holder of a casino or bingo licence shall install his or her own monitoring system.”</i></p> <p>In terms of the above provision of the Act, Gambling Establishment licensees will be required to connect their gambling machines to the Authority’s Central Electronic Monitoring System and will therefore, not be required to operate their central monitoring systems. All Limited Pay-out Machines will be linked to one system provided by the Authority.</p> <p>The Authority is aware that clause 12.2 of the draft RFA may create some confusion with clause 8.4.1 and we therefore propose that it be amended accordingly.</p> <p>There will be costs incurred by licensees for connecting to the Authority’s Central Electronic Monitoring System.</p>	<p>We propose clause 12.2 be amended as follows:</p> <p>“Gambling machines intended to be used by Gambling Establishments must satisfy the following requirements”:</p> <p><b>12.2.1.</b> No gaming or gambling machine, device, or contrivance may be distributed and installed at a site and exposed for play unless such equipment has been certified according to the approved technical standards and specifications approved and registered by the Authority.</p> <p><b>12.2.2.</b> All gambling equipment shall be supplied and maintained by licensed manufacturers, suppliers, and distributors.</p> <p><b>12.2.3.</b> All configuration and upgrades to the approved gaming and gambling machines, devices, and contrivance must be approved by the Authority.”</p>



Clause	Public Comment / Clarification	Response by the Gambling Authority	Proposed Amendments to the RFA
24.	<p><b>Clause in Draft RFA</b></p> <p><b>24.1.</b> The Applicant must submit a clear and legible diagram, together with photographs or impressions of the exterior and interior of the business and related amenities. The aforementioned diagram must be representative and proportional and must include specific references to the size of the premises through the use of detailed measurements.</p> <p><b>24.2.</b> Furthermore, the diagram contemplated above must depict the number of gaming and gambling machines and their location within the establishment in a manner which must provide reasonable evidence to prove adequate supervision of each Gambling Establishment and which must depict:</p> <p><b>24.2.1.</b> An unobstructed view of each gambling machine or device from the point of supervision.</p> <p><b>24.2.2.</b> Any mirrors necessary to maintain adequate supervision.</p> <p><b>24.2.3.</b> Any video surveillance equipment that will be used for supervision.</p>	<p>There is no provision in the Gambling Act and its Regulations that prescribes the radius between the sites, therefore this matter will be decided upon by the Authority on a case-by-case basis.</p> <p>However, the Authority notes that the title of Chapter 24 of the RFA may create confusion as it refers to the radius and while the content refers to the description of a site.</p> <p>We, therefore, propose the amendment of the title of Chapter 24 to remedy the above-mentioned confusion.</p>	<p>We propose that the title of chapter 24 of the RFA (Radius from other Sites) be amended to read, as follows:</p> <p>“Gambling Establishment Site Requirements”.</p>



Clause	Public Comment / Clarification	Response by the Gambling Authority	Proposed Amendments to the RFA
<p><b>24.</b></p>	<p><b>Clause in Draft RFA</b></p> <p><b>24.2.4.</b> Where the premises to which an application for a Gambling Establishment Licence relates are accessible to Minors, no such Licence will be issued, unless there is a separate cordoned-off area by way of a solid barrier, not less than two (2) meters high, wherein all gaming and gambling machines are to be located in the premises are accessible to Minors.</p> <p><b>24.2.5.</b> Where a temporary operation is proposed, full details of same.</p> <p><b>24.2.6.</b> Details on the sourcing of products and services within Botswana, as well as the promotion of SMMEs.</p> <p><b>24.2.7.</b> A motivation to show good cause why the operation of Gambling Establishment and the related sites where applicable, should be approved.</p> <p><b>Public Comment</b></p> <p>Concerning point 24 from the Draft Request for Applications Gambling Establishment Licences – Gambling Machines with Limited Bets and Payouts – Radius from other Sites – The premises itself gets discussed in this point but no clear indication is given as to the radius from other Sites. Following on this will existing Casinos be taken into account when the licenses are granted in terms of radius?</p>	<p>There is no provision in the Gambling Act and its Regulations that prescribes the radius between the sites, therefore this matter will be decided upon by the Authority on a case-by-case basis.</p> <p>However, the Authority notes that the title of Chapter 24 of the RFA may create confusion and it will be amended accordingly.</p>	<p>We propose that the title of chapter 24 of the RFA (Radius from other Sites) be amended to read, as follows:</p> <p>“Gambling Establishment Site Requirements”.</p>

**Email**

Lpm@gamblingauthority.co.bw

---

**Tip-offs:**

**Toll Free**

Orange: 1144

Mascom: 71119603

Btc: 0800600644

**gamblingauthority@tip-offs.com**

**www.tip-offs.com**

---

**GAMBLING AUTHORITY HAS A ZERO  
TOLERANCE STANCE TO CORRUPTION**