



HALF YEAR
INTEGRATED
REPORT 2022/23



OPERATIONS DEPARTMENT

HALF YEAR INTEGRATED REPORT

(April 2022 - September 2022)

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Responsible
Gambling
Report

The Half-Year Integrated Report contains financial and non-financial performance measures, which are used by management to assess the financial and operational performance of GA.



SUBMISSION OF THE GAMBLING AUTHORITY HALF YEAR INTEGRATED REPORT (APRIL 2022 - SEPTEMBER 2022)



Hon. Mmusi Kgafela MP
Minister of Investment, Trade and Industry
Private Bag 004
Gaborone

Dear Hon. Minister

RE: Submission of the Gambling Authority's Integrated Half Year Report 2022/23

We are pleased to submit the Gambling Authority's (the Authority) Half Year Integrated Report for the period April to September 2022.

The report highlights both our financial and non-financial reporting matters for the reporting period.

Yours Sincerely,

Marvin T. Torto
Board Chairperson (Acting)

Emolemo P. Kesitlwe
Chief Executive Officer (Acting)



ABBREVIATIONS/ ACRONYMS

AML	Anti-Money Laundering	IoDSA	Institute of Directors South Africa
ACAMS	Association of Certified Anti- Money Laundering Specialists	IR	Integrated Reporting
ARCO	Audit and Risk Committee	<IR>	Integrated Reporting Framework
BAOA	Botswana Accountancy Oversight Authority	IT	Information Technology
BAC	Bid Adjudication Charter	ICT	Information Communication Technology
BEC	Bid Evaluation Charter	IFRS	International Financial Reporting Standards
BoBS	Botswana Bureau of Standards	IIRC	International Integrated Reporting Council
CAGR	Compound Annual Growth Rate	KYC	Know Your Customer
CBD	Central Business District	MITI	Ministry of Investment, Trade and Industry
CDD	Customer Due Diligence	MoU	Memorandum of Understanding
CIPA	Companies and Intellectual Property Authority	N/A	Not Applicable
COVID19	Corona virus Disease 2019	NDP	National Development Plan
CFT	Combating the Financing of Terrorism	NGO	Non- Governmental Organisation
CPF	Counter Proliferation Financing	NLDF	National Lottery Distribution Fund
DCEC	Directorate on Corruption and Economic Crime	NSO	National Strategy Office
DNFBP	Designated Non-Financial Businesses and Professions	OECD	Organization for Economic Cooperation and Development
EDMS	Electronic Document Management System	PEEPA	Public Enterprises Evaluation and Privatisation Agency
EGM	Electronic Gaming Machine	PFMA	Public Finance Management Act
EGP&R	Excessive Gambling Prevention and Rehabilitation	PMS	Performance Management System
ERTP	Economic Recovery and Transformation Plan	(PTY) LTD	Proprietary Limited
FATF	Financial Action Task Force	REGCO	Regulatory Committee
FC	Financial Capital	RFA	Request for Applications
FI	Financial Institutions	RFAC	Risk, Finance and Audit Committee
FIA	Financial Intelligence Agency	SaaS	Software as a Service
F&KIBS	Finance and Knowledge Intensive Business Services	SDC	Service Delivery Capital
FY	Financial/ Fiscal Year	SOE	State Owned Enterprise
GA	Gambling Authority	SPESCO	Strategy, Policies, Ethics and Social Committee
G&SC	Governance and Safety Capital	SRC	Stakeholders Relationship Capital
GDP	Gross Domestic Product	STM	Suspicious Transaction Monitoring
GGR	Gross Gambling Revenue	OC	Organisational Capital
HR	Human Resources	TOR	Terms of Reference
IAGR	International Association of Gaming Regulators	UN	United Nations
ICRG	International Cooperation Review Group	VISION 2036	Botswana's 2nd National Vision that aims to transform Botswana from an upper middle income country to a high income country by 2036
		VOIP	Voice Over Internet Protocol
		VDR	Virtual Data Room

OUR RESPONSE
TO COVID19THE GAMBLING AUTHORITY HAS IMPLEMENTED
A COUPLE OF INITIATIVES TO RESPOND TO
COVID19 PANDEMIC.

i. Partnered with private healthcare provider (Stockfort Health) to amongst others.

- Manage employee and visitor screening on entry to premises.
- Manage employee covid-19 testing.
- Covid-19 positive case management (monitoring recovery of covid-19 positive patients and offering advisory services.
- Staff education on Covid-19 protocols and prevention strategies through health-talks.
- Offering psycho-social support to staff to assist them deal with the negative effects of the pandemic.



ii. Office de-congestion.

- Authority decided to de-congest the work environment by introducing working from home arrangements such that their office occupancy is always at 50%.
- Provision of tools to enable work from home arrangements (Laptops and home internet)



iii. Provision of PPE to all staff including face masks and sanitisers.



iv. Frequent disinfection of surfaces in the workplace to reduce opportunity for infection whilst in the workplace

COVID19 INFORMATION AND HELP

Helpline: 16649 Portal: <https://covid19portal.gov.bw/>

GENERAL INFORMATION

GAMBLING AUTHORITY OVERVIEW

The Gambling Authority is an autonomous body mandated by the Gambling Act, 2012 to regulate the Gambling Industry in Botswana.



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Website

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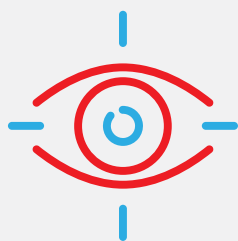
@GamblingBW



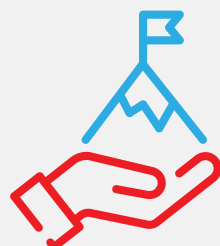
GAMBLING AUTHORITY

MISSION, VISION, VALUES
AND STRATEGIC INTENT**MISSION**

To effectively regulate and promote responsible gambling, and contribute to the socio-economic development of Botswana.

**VISION**

To Transform Botswana's economy through safe gambling.

**VALUES**

Professionalism.
Integrity.
Commitment.
Transparency.

STRATEGIC INTENT

We will contribute to Botswana's transformation agenda and economic development by diversifying the gambling industry. This will be attained through the development and implementation of a responsive licensing regime and promotion of responsible gambling.

UPDATE BY THE CHIEF
EXECUTIVE OFFICER

Research facilitated indicated that there is a lot of stigma towards gambling in Botswana.

Consequently

1. people shy away from gambling thus limiting the goal to transform the economy through safe gaming
2. people with a gambling problem refuse to get help because they are afraid to get judged.

One of the aims of the **"Motshameko o Phepa National Campaign"** was to de stigmatise gambling. Through this campaign it was evident that stigma was caused by:

1. lack of education on the difference between problem gambling and responsible gambling
2. exposure to someone with a gambling problem
3. experience with being cheated through illegal gambling

By educating the nation about Responsible gambling, community members were able to differentiate problem gambling from the actual activity of gambling. They were able to get tips on how to prevent the onset of problems; as well as know where to get help if they identify signs of a problem. Community members expressed a new appreciation for licensing and regulation. They were able to realize that without licensing and regulation it was easy for them to be cheated by illegal vendors.

INTRODUCTION

Core Mandate

A core mandate of the Gambling Authority (GA) is to issue licenses in the various licence categories and promoting the economic development of Botswana through a sector focused approach that is aligned with the strategy of Gambling Authority and national priorities, policies and strategies. The GA regulates and controls the development of gambling establishments in Botswana.

GAMBLING AUTHORITY STRATEGIC PLAN 2022/23

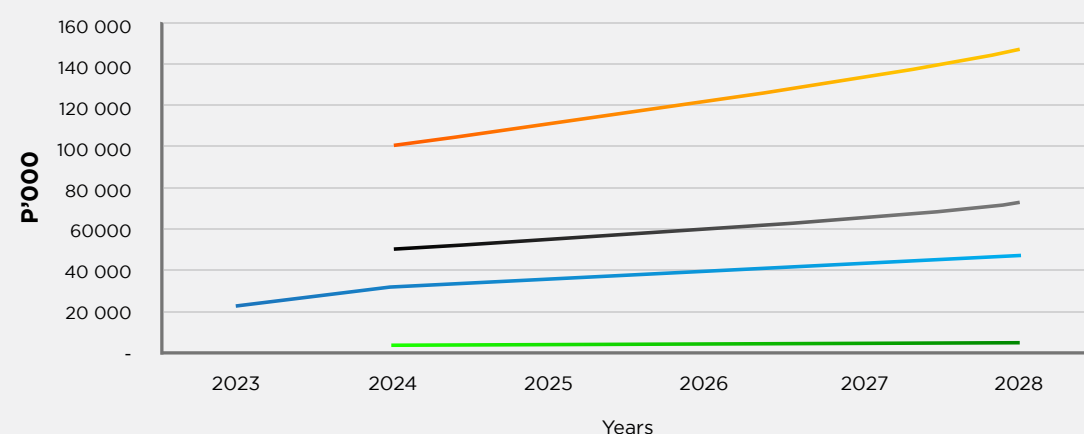
Capital	Strategic Initiative	Outcome
Financial	Develop sustainable funding migration plan to Licensees	Healthy funding provided through levies and fees from licensees
Stakeholder Relationship	Educate/Inform/engage stakeholders on key issues and services for the Gambling Authority and Industry	0%, or higher score from Gambling Authority stakeholder groups
Service Delivery	Value Chains: Develop and implement a broad, comprehensive licensing plan.	New licences issued in line with plan, diversifying Industry
	Digitalisation: Develop and implement digitalisation strategy for the Authority Development of a gambling policy for Botswana	Increasing digitalization opportunities through approved programme in line with project milestones Botswana Gambling Policy
Governance and Safety	Implement QMS. Compliance to statutory and oversight bodies	ISO certification Green Audits
Organisational Capital	Implement PMS and Talent Development Develop Employee Engagement plan Develop and implement disaster recovery plan	All Performance Contracts in place and assessed as per programme.
		Employee Retention of talent pool. 75% Employee engagement score

GAMBLING AUTHORITY SELF FUNDING MODEL

- Since 2017 a total of P117million has been collected as casino levies out of which P108million has been remitted to the consolidated fund as directed by the Ministry in June 2020.
- The Gambling Authority was to continue remitting the levies until the Gambling Levy Fund is set-up.
- The Gambling Levy Fund has been set-up from April 2022
- National Lottery
- 1% net ticket sales averaging P4.25million annually
- 10% administration fee of the National Lottery Distribution fund average P8million
- 5% investment management fee averaging P1million
- Levy Fund
- 10% administration fee of the averaging P12million annually

ROAD TO SUSTAINABILITY

Revenue Forecast for Various lice Types



SELF FUNDING MODEL

Short-term goals (5 months):

- Utilisation of a portion of the levies as approved in the shareholder compact.
- Submission of the budget with activities to be financed in the Licensing plan(October 2022 to March 2023).
- Implementation of Licensing Plan to issue different types of licenses.

Medium-term goals :

- Charging administration fees under Gambling Levy Fund Order for collection of levies and services rendered to the Fund.
- Charging of administration fees under the National Lottery Distribution Fund Order for services rendered to the Fund.
- Amendment of the Gambling Act to provide for a self-sustainable funding model from levies and penalties.

LICENCES PLAN

The Authority has been granted approval by the Hon. Minister of Trade and Industry to issue the following licenses:

National Lottery – Negotiations have been completed and the Board approved the draft licence. We are hopeful for positive consultations with the Minister as per the provision of the Act.

Betting – Request for Applications is complete and being taken through internal approvals. Four (4) licences will be made available. Target date for licensing is June 2023.

Bingo – Four licences will be made available Licensing process has started.

Limited Pay Out Machines – In 15 areas

LIMITED PAYOUT MACHINES

Limited Payout Machines (LPMs) and Bingo

- Limited Payout Machines are slot machines that only play low denomination and pay low denomination and largely seen more as entertainment than gambling due to the inherent low betting and low winnings.
- In order to allow for new business and entrepreneurs to enter the market, LPM's and Bingo licences should create as much diversity as possible.
- We should allow Bingo and LMP's in the urban centres in Botswana these being:

URBAN CENTRES

Greater Gaborone	Francistown	Mahalapye
Palapye	Serowe	Maun
Lobatse	Ghanzi	Selibe Phikwe
Ramotswa	Molepolole	Tsabong
Mmadinare	Kasane	Mochudi

NATIONAL LOTTO

- We believe that the market is ready for a National Lottery.
- There is a history of private lotteries and raffles that have been supported by the public.
- The participation of people in SMS Lotteries also is evidence that a Lottery would be supported.
- A lottery will also contribute immensely to the treasury as well as give back to worthy social causes.
- In 2016 a benchmark with the National Lottery in Mauritius whose population is estimated at 1,5 Million people and a stable economy to get an example of a market closer to ours of potential.
- The Gross Domestic Product figures for the two countries in USD based on figures from the International Monetary Fund in 2012 are Mauritius 23,322 Billion for the nation and per capita stood at 23,222 USD and Botswana's GDP stood at 38,819 and per capita was 18,021 USD.
- The information shared by the Gambling Regulatory Authority is that their Lottery made over \$100 Million in 2015. We believe that Botswana has an aspirational market and would support a National Lottery.

JOBS TO BE CREATED (580)

Licence Type	Direct Jobs	Indirect Jobs /Benefits
Casino	240	Supplies
Lottery	60	Retail Sector and SMME, supplies, game development
Betting	40	Retail Sector and SMME, game plans
LPM	40	SMME
Horse racing	80	SMMEs, supplies, services

GAMBLING REGULATIONS

Awaiting Approval

- Promotional Competitions Regulations with Attorney General's Chambers
- Private and National lottery regulations submitted to the MTI

To be Developed

- Betting
- Racing
- Bingo
- LPM

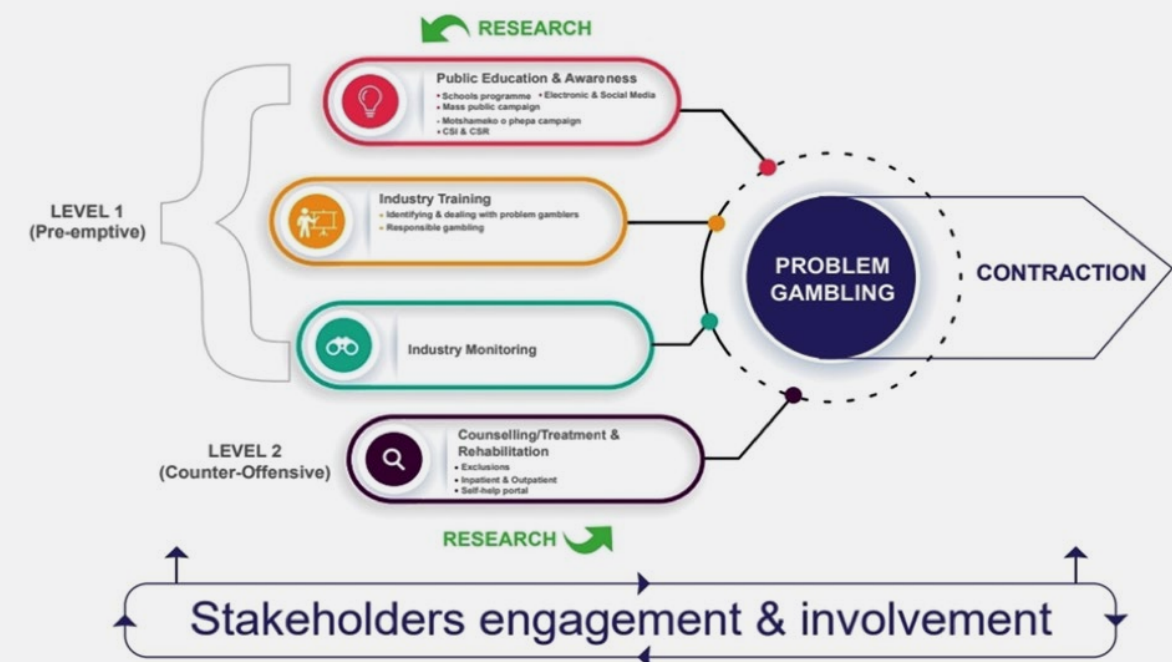
RESPONSIBLE GAMBLING

Research Projects

The Authority is committed to evidence-based interventions

- Baseline Study on the prevalence of problem gambling in Botswana
- Socio-Economic Impact of Gambling in Botswana
- Risk Factors for Problem Gambling in Botswana

GA RESPONSIBLE GAMBLING STRATEGY SNAPSHOT



IAGR 2023

Botswana will host IAGR Conference in October 2023
Local Organising Committee to be established

GAMBLING INDUSTRY
VALUE CHAINGAMBLING INDUSTRY
VALUE CHAIN

Industry/Sector	Government	Private	Private		Private	SMMEs
Tier/Level	1st	2nd	3rd		4th	5th
Role/Opportunity	<p>Regulator:</p> <p>Gambling Authority</p> <ul style="list-style-type: none"> -License Manufacturers, operators and gambling industry employees -Regulate industry -Collect Fees and Taxes -Creates jobs <p>Botswana Bureau of Standards (BOBS)</p> <ul style="list-style-type: none"> -Accreditation of Testing Agents <p>Processes</p> <p>a. Manufacturer/Employees Licences</p> <ul style="list-style-type: none"> - Manufacturers/Employees apply to GA -GA licenses employees, machines and devices -The Industry contributes to the treasury in taxes -The industry contributes to well being of the country by creating employment, training and skills transfer. <p>b. Operator Licence</p> <ul style="list-style-type: none"> -Minister approves licensing areas -GA issues out RFA -Operators apply -GA licenses -Operators contribute to taxes, economy, jobs, levies, training and skills. <p>Status: </p>	<p>Operators/Licensees:</p> <p>Casinos</p> <ul style="list-style-type: none"> -Invest in infrastructure -Employ people across the spectrum of the community -Training <p>Bingo</p> <ul style="list-style-type: none"> -New in Botswana -Invest in infrastructure -Creates employment -Training <p>LPMs</p> <ul style="list-style-type: none"> -Create employment -Training -Suitable for SMMEs <p>National Lottery</p> <ul style="list-style-type: none"> -Creates employment -Invests in technology -Benefits charities, sports, etc. <p>Business Models:</p> <ul style="list-style-type: none"> -Lease or buy gambling devices -Number of gambling devices or modes of gambling available controlled by regulations <p>Bookmakers/Totalisator</p> <ul style="list-style-type: none"> -Training -Invest in infrastructure -Create employment <p>Business Model</p> <ul style="list-style-type: none"> -License the software used in wagering -Take wagers on contingencies <p>Status: </p>	<p>(a)</p> <p>Gambling Machines/Devices Manufacturers /Game Developers:</p> <ul style="list-style-type: none"> -Majority Multinationals in Casinos -Create employment -Training -Skills transfer <p>Business Model:</p> <ul style="list-style-type: none"> -Manufacturing done mostly overseas for Casino devices -Software mostly developed externally -Devices leased or sold outright to operators -Provide technical and after sales support <p>Process:</p> <ul style="list-style-type: none"> -Manufacturers manufacture gambling devices and systems -Devices and Systems are submitted to testing agents <p>Status: </p>	<p>(b)</p> <p>Industry Training and Rehabilitation:</p> <p>a.Module developers</p> <ul style="list-style-type: none"> - Responsible gambling training providers <p>Business Model</p> <ul style="list-style-type: none"> -BQA approves modules with advice from GA Training, and imparting skills <p>b.Counsellors</p> <ul style="list-style-type: none"> - Responsible gambling counselling services providers <p>Business Model and Process</p> <ul style="list-style-type: none"> - GA recruits counsellors from across the country - GA pays all the counsellors <p>Status: </p>	<p>Testing Agents:</p> <ul style="list-style-type: none"> -Multinationals -Employment creation -Training -Skills transfer -Access to multiple jurisdictions. <p>Business Model:</p> <ul style="list-style-type: none"> -High value employees, majority technical -High investment in human capital -Not involved in manufacturing -Testing and Inspection <p>Process:</p> <ul style="list-style-type: none"> -Testing agents test devices and systems -Testing agents submit testing results report to the Manufacturer, BOBS and GA <p>Status: </p>	<p>Vendors:</p> <p>Lottery tickets sales</p> <p>Business model and process</p> <ul style="list-style-type: none"> -Apply for clearance at GA <p>Status: </p>

Play it Safe



When Gambling:

- Set a money limit in advance
- Walk away from your losses
- Treat gambling as an entertainment expense
- Set a time limit in advance
- Be aware of how you're feeling
- Keep other entertainments in the mix.
- Take frequent breaks
- Be careful if you drink or do drugs

<https://www.begambleaware.org/advice-for-safer-gambling>

1. LICENSING AND COMPLIANCE

The report provides an overview of the activities and work performed throughout the period under review by the Operations Department. Furthermore, the report includes a detailed summary of the performance of the Operations Department during the period under review.

Throughout the period under review, the Operations Department focused on the regulatory compliance through implementation of a number of innovative internal and external initiatives which improved overall governance and supervision of the gaming sector. The Authority continued to further strengthen its Anti-Money Laundering/Combating the Financing of Terrorism/Combating the Financing of Proliferation (AML/CFT/CFP) supervision, in order to ensure effectiveness in the mitigation of ML/FT risks relating to gambling services.

The Operations Department is made up of the Licensing Services Unit and Compliance and Monitoring Unit.

2. LICENSING

The licensing unit is responsible for issuing gambling industry licenses and considering requests to conduct promotional competitions and private lotteries. The unit ensures regulation, effective supervision, and protection of the industry through the issuing of various licenses, monitoring of licensees and ensuring the fitness and propriety of those who participate in the industry.

2.1. NATIONAL LOTTERY

The Authority commenced negotiations on the National Lottery license with the reserved bidder, Ithuba Botswana (Pty) Ltd. The negotiations were successful, and the Authority is in consultation with the Minister to finalize the issuance of the licence as prescribed under Section 62 of the Gambling Act, 2012.

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GAMBLING AUTHORITY
HALF YEAR REPORT 2022

2.2. CASINO LICENSING

During the current reporting period, the Authority approved the casino licence renewal application for Sedibeng Casino. The licence was to expire on the 31st July 2022 and has now been extended for a further period of ten (10) years and will expire on 31st July 2032. For the same period in the previous year, the Authority considered and approved the casino licences for Peermont Global Botswana (Pty) Ltd t/a Grandpalm Casino, Minor Hotel Group(Pty) Ltd t/a Menateng Casino and Teemane Casino and Resorts(Pty) Ltd t/a Teemane Casino.

The below table outlines the expiry dates for all issued casino licenses;

Name	Location	License Expiry Date
Grand Palm Casino	Gaborone	29 April 2031
Menateng Casino	Selebi Phikwe	15 August 2031
Teemane Casino	Jwaneng	10 September 2031
Avani Gaborone Casino	Gaborone	1 July 2023
Moonlite Casino	Gaborone	3 October 2026
Sedibeng Casino	Francistown	31 July 2032
Thakadu Casino	Letlhakane	9 September 2025
Marang Casino	Francistown	2 July 2023
Kings Casino	Lobatse	7 July 2023

2.3. GAMBLING INDUSTRY EMPLOYEE LICENSING

During the period under review, 85 applications were received and considered. From the 85 applications received, 7 were new licence applications and 78 were renewal applications. It should be noted that during the same reporting period for the previous year, 163 applications were received. There was a decline of 78 applications or a 52% reduction in number applications as compared to the current reporting period. The decline of

applications received during this period could be attributed to the COVID-19 outbreak since licensees had notified the Authority on their intended retrenchments and forced retirement of staff.

2.4. PROMOTIONAL COMPETITIONS

The Authority regulates promotional competitions and oversees their compliance in accordance with the Gambling Act, 2012 and Regulations. During the period under review, a total of 123 promotional competitions were received as compared to 88 competitions for the same period in the previous year. This showed an increase of 35 competitions or an increase of 28% of competitions. Promotional competition requests increased during this reporting period due to the economic recovery and the public awareness conducted throughout the country by the Authority.

2.5. PRIVATE LOTTERIES

In accordance with the Gambling Act, private lotteries are mainly for societies and charitable organizations for the purposes of

raising funds. The Authority mostly receives applications from churches and some non-profitable organizations. For this period, a total of 8 applications were received as compared to 6 applications during the same reporting period the previous year. The number of private lottery applications did not significantly increase, however, the increase was of 2 applications or 33% of private lottery applications. The increase is attributed to the economic recovery and the public awareness conducted throughout the country by the Authority.

2.6. SERVICE PROVIDERS

The Authority registers and regulates service providers in the industry. For this period, a total of three (3) service providers was received as compared to two (2) service providers during the same reporting period the previous year. It should be noted that the number of expected applications for renewals of the service providers for the said period is six (6), however, due to financial constraints brought about by the Covid pandemic the Authority saw a decline in the number of service providers who were able to pay their registration fees for the current and previous reporting period.

The below table outlines the service providers registered with the Authority;

Service Provider	Type of Service
1. Aruze Gaming Africa (Pty) Ltd	Maintenance provider and seller of gambling machines and devices
2. International Game Technology Africa (Pty) Ltd	Distributor of gambling machines and devices
3. Associated Casino Management Services (Pty) Ltd	Distributor of gambling machines and devices
4. SG Gaming Africa (Pty) Ltd	Distributor of gambling machines and devices
5. SNB Investments (Pty) Ltd	Maintenance provider and seller of gambling machines and devices
6. Umlingo Trade and Invest 70 (Pty) Ltd	Maintenance provider and distributor of gambling machines and devices
7. UmAfrika Gaming Technologies (Pty) Ltd	Supplier of gambling machines and devices
8. Novomatic Africa (Pty) Ltd	Supplier of gambling machines and devices
9. TCS John Huxley Africa (Pty) Ltd	Supplier of gambling machines and devices
10. DRGT Africa (Pty) Ltd	Manufacturer, supplier, and maintenance provider of gambling machines and devices
11. GLI Africa (Pty) Ltd	Testing agent of gambling machines and devices
12. Omega Gaming (Pty) Ltd	Maintenance provider and distributor of gambling machines and devices

2.7. GAMBLING MACHINES AND DEVICES

For this period, a total of two hundred and sixty (260) gambling machine applications were processed for renewal as compared to fifty (50) machine renewal applications during the same reporting period for the previous year. For the current period, the number of expected renewals of gambling machines is two hundred and sixty (260) which corresponds to the number of gambling machine applications received.

The below table provides a breakdown of the number of licensed gambling machines and tables in the country;

Casino Name	Location	Operational Machines	Operational Tables	Spare Machines	Spare table
Grand Palm	Gaborone	150	16	34	0
Avani	Gaborone	127	11	41	1
Menateng	Francistown	58	0	7	0
Marang	Francistown	58	0	9	0
Moonlite	Gaborone	115	10	0	0
Sedibeng	Francistown	50	0	0	0
Teemane	Jwaneng	56	0	0	5
Kings	Lobatse	0	0	50	6
Thakadu	Letlhakane	50	0	0	0
Total		664	37	148	12

3. COMPLIANCE AND MONITORING UNIT

Compliance and Monitoring Unit is a unit within the Operations Department of the Gambling Authority. The Unit focuses mainly on Compliance and Monitoring matters such as general, targeted and ad-hoc inspections, non-compliance issues, casino requests, casino promotional competitions, machine disposal, shipment of approved gambling equipment, casino machine register, enforcement, anti-money laundering counter financing of terrorism and counter financing of proliferation financing, levies and any other compliance issues observed by the aforesaid unit.

3.1. CASINO INSPECTIONS

The Compliance and Monitoring Unit ensured compliance by conducting general and follow up inspections using a risk-based approach. During the period under review, a total of 10 casino inspections were conducted as per the table below. The number of inspections have decreased by 9% from the last reporting period, thus showing a compliance improvements from Casinos. These inspections comprised of nine (8) general on-site inspections (Full Scope), one (1) general on-site inspection (License Renewal) and one (1) on-site follow up inspections (License renewal).

CASINO	TYPE OF INSPECTION		TOTAL
	General	Follow Up	
Avani Casino	On-site General Inspection (Full Scope) Date: 11th to 14th July 2022	-	1
Grand Palm Casino	On-site General Inspection (Full Scope) Date: 20th to 22nd July 2022	-	1
Moonlite Casino	On-site General Inspection (Full Scope) Date: 20th to 22nd July 2022	-	1
Menateng Casino	On-site General Inspection (Full Scope) Date: 26th to 28 July 2022	-	1
Teemane Casino	On-site General Inspection (Full Scope) Date: 12th to 14th July 2022	-	1
Marang Casino	On-site General Inspection (Full Scope) Date: 2nd to 4th July 2022	-	1
Thakadu Casino	On-site General Inspection (Full Scope) Date: 26th to 28th July 2022	-	1
Sedibeng Casino	On-site General Inspection (License Renewal) Date: 6th to 7th April 2022	On-site Follow Up Inspection (License Renewal) Date: 9th June 2022	3
Kings Casino	-	-	-
TOTAL			10

3.2. CASINO REQUESTS

The Authority ensures regulatory compliance by overseeing all operations that takes place at Casinos. In this regard, the Authority considers requests made by Casinos for changes on the gambling floor, gambling devices and procedures. The requests have increased by **27%** from the last reporting period, it should be noted that the increase was triggered by the ease of law from the Post Covid-19 ease of restrictions.

CASINO	PERIOD	
	April 2021 to September 2021	April 2022 to September 2022
Marang	-	3
Avani	5	8
Grand Palm	4	6
Moonlite	5	8
Thakadu	-	1
Sedibeng	1	1
Menateng	2	1
Teemane	-	-
Kings	-	-
TOTAL	15	28

3.3. CASINO PROMOTIONAL COMPETITIONS

It is a requirement for all Casino operators licensed by Authority, to get approval to run a casino promotional competition, therefore to ensure safe gambling and customer protection in casinos, the Authority reviews the mechanics for Casino promotional competitions.

The table below shows a **9%** decrease in the number of Casino promotional competitions during the period under review as compared to the previous one. The decrease is likely attributed to the fact that Moonlite Casino in the previous period under review aggressively penetrated the market as they were relocating from Gaborone Bus Station to Airport Junction Mall, hence the number of its promotional competitions was higher.

CASINO	PERIOD	
	April 2021 to September 2021	April 2022 to September 2022
Marang	-	2
Avani	1	2
Grand Palm	4	6
Moonlite	9	1
Thakadu	-	2
Sedibeng	3	1
Menateng	-	-
Teemane	-	-
Kings	-	-
TOTAL	15	28

3.4. MACHINE DISPOSAL

The Authority did not receive any request from Casinos to destroy gambling devices during the period under review. This is attributable to the effects of the COVID-19 because Casinos were not able to acquire new machines or destroy old machines.

3.5. SHIPMENT OF APPROVED GAMBLING EQUIPMENT

There has not been much acquisition of gambling equipment for both current and previous review periods but the table below shows further 25% decrease, as Casinos have been significantly affected by the COVID-19 pandemic.

April 2021 to September 2021				
Service Provider	Shipment			
	Slots Machines	Tables Software/Kits	Game	Others
Atomic Gaming (Pty) Ltd	1	1		8
TCS John Huxley (Pty) Ltd	-	-	-	10
Total				20

April 2022 to September 2022				
Service Provider	Shipment			
	Slots Machines	Tables Software/Kits	Game	Others
TCS John Huxley (Pty) Ltd				1
Scientific Gaming Africa (Pty) Ltd	7			
IGT	4			
Total	11			12

3.6. MACHINE REGSITER

The total number of slot machines and tables have increased by 8% as eleven (11) new machines were imported by two casinos respectively. The table below summarizes the current number of machines in Botswana.

Subject	Quantity
Number of operational Machines	664
Number of operational Tables	37
Number of Spare Machines	148
Number of spare Tables	861

3.7. ENFORCEMENT

The Authority continues to receive and adjudicates complaints from the public arising from gambling disputes or other gambling-related activities. During the period under review the Authority received one (1) complaint against Casinos and had two (2) illegal gambling issues. Investigations on the matter were conducted and the cases was resolved.

Item	Details of Incident	Action Taken
1.	On the 12th May 2021 the Authority received a tip-off on illegal gambling machines in some villages in Botswana. Through ad-hoc inspections the Compliance and Monitoring Unit in conjunction with Botswana Police services managed to confiscate five (5) illegal gambling machines in liquor outlets at Mochudi and surrounding villages. The Authority was granted permission to destroy the confiscated machines by Mochudi magistrate court on 5th April 2022.	The liquor outlet owners were fined as per Section 89 of the Gambling Act, 2012. Moreover, the Authority managed to destroy the confiscated machines on the 23rd May 2022 at Pilane.
2.	On the morning of the 22nd of April 2022, a Botswana Network of People Living with HIV and AIDS (BONEPWA+) vehicle was spotted in traffic, the vehicle was branded with BONEPWA and her sponsors, "Skills share international" and "The National Lottery". BONEPWA+ was contacted through a tele-conversation and, it was stated that the project relating to the vehicle had since ended. Furthermore, it was stated that the lottery mentioned is from London and that the car that was spotted was a donated car for the project that was held in conjunction with skills share Botswana. BONEPWA+ continued to use the car for other duties and not for the project that was no more.	A letter was sent to BONEPWA+ on the 9th May 2022 informing them about the concerns by the Authority on purposes of consumer protection and usage of the words National Lottery. BONEPWA+ responded on the 2nd of June 2022, acknowledging the Authority's concern, and committed to remove the branding from their donated vehicle.
3.	The Authority received a correspondence from the Grand Palm Casino on the 15th of March 2022 requesting an approval to upgrade the Surveillance Closed Circuit Television System (CCTV) in the casino floor. The Casino pledged to inform the Authority about the commencement of the upgrade work and any other change that might occur to the project. However, the Authority received a tip-off to the effect that the Casino had already installed the CCTV. Upon the receipt of the tip-off, the Authority carried out an investigation on the matter.	Investigations conducted by the Authority revealed that the Grand Palm Casino has not yet installed a new CCTV on the casino gambling floor as alleged. However, there is an ongoing project of installing the new CCTV cameras on the hotel side.

3.8. AML/CFT/CPF

Despite Botswana's exit from the FATF grey list, the country's Anti-Money Laundering/ Combatting the Financing of Terrorism/ Combating the Financing of Proliferation (AML/CFT/CPF) reforms continue to be monitored by the Financial Action Task Force(FATF) Style Regional Body, the Eastern

and Southern Africa Anti-Money Laundering Group (ESAAMLG).

In this regard, to ensure sustainability, Botswana developed a Post Grey Listing National Plan, with action items that have timelines. The plan was developed out of the Recommendations of the Botswana On-site Assessment. It is therefore critical that the country maintains the momentum in the implementation of our AML/CFT/CPF framework so that the country is in a good position during the next Mutual Evaluation, scheduled for 2024.

In view of the above please find below updates on the Post Grey List National Action Plan for the period under review:

ACTION ITEM	ACTION ITEM UPDATE
Supervisors to continue with awareness-raising and outreach activities to Financial Institutions and Designated Non-Financial Business Professions (DNFBPs) with specific focus on high-risk entities, to ensure they are taking preventive measures and complying with their requirements, through internal trainings and regular updates to their risk assessments.	<p>Following the amendments of the Financial Intelligence Act 2022 the Gambling Authority in collaboration with the Financial Intelligence Agency on the 12th May 2022, sensitized the Casinos industry on key changes introduced by the F.I. Act 2022.</p> <p>Impact Since the capacitation the Gambling Authority has received revised AML/CFT/CPF Compliance Programs from the sector, in line with the current legislation.</p> <p>Moreover, on the 26th of August 2022, the Authority conducted an awareness training for Avani Gaborone Casino Management. The one-on-one training came about as a need by the Casino to further understand their obligations and implementation thereof. The scope of the training took into account all the Casinos obligations as per the Financial Intelligence Act 2022, Financial Intelligence Regulations 2022 and the Financial Intelligence (Implementation of United Nations Security Council Resolutions) Regulations ,2022:</p> <p>a) ML/TF/PF Risk Assessment; b) Customer due diligence procedures; c) Record Keeping; d) AML/CFT/CPF Training; e) Cash Transactions and Suspicious Transaction Reporting; f) Independent audit; g) United Nations Security Council (UNSC) Sanction List Screening;</p> <p>Impact Post the awareness program the compliance level of the aforementioned casino has since improved as they were able to appoint a Compliance officer and management made a commitment to resolve other outstanding compliance issues within a set period of time as agreed with the Authority.</p> <p>In addition, from the 29th August-4th September 2022 the Gambling Authority team participated in the Botswana Consumer Affair at the Fairgrounds (Boipuso)</p>

ACTION ITEM	ACTION ITEM UPDATE
	<p>Ditshupo Hall. Part of the engagements with the consumers was to explain and put more emphasis to the Casinos requirements as per the Financial Intelligence Act, 2022 as read with the Financial Intelligence Regulations and the expectation from the Consumers to assure compliance of the Casinos. The engagements took into account;</p> <p>The willingness of Consumers to provide Customer due diligence documentation and red flags of Money Laundering, Terrorism Financing and Proliferation Financing associated with the Casino Sector.</p> <p>In addition to the above the Gambling Authority on the 1st September 2022 secured a slot in one of the radio stations (Duma FM) in order to inform the public on the role of Gambling Authority in combating Financial Crime and the expectations from the public to assist with achieving its objectives</p>
To continue guiding, supervising, and providing feedback to the DNFBP sectors, to increase the types/quality of the STRs received in line with the risk profile of Botswana; 1. Outreach 2.Inspections	<p>As per feedback from Financial Intelligence Agency regarding low reporting of Cash Transactions (CTRs) and low quality of Suspicious Transactions (STRs) reported by the Casino sector, the Gambling Authority in collaboration with FIA conducted an awareness in which the sector was sensitized on the use of the GoAml platform (reporting of CTRs and STRs) and the suspicious transaction red flags associated with the sector. All the 8 Casinos as regulated by the Authority were in attendance.</p> <p>Impact Following the said awareness program, the FIA reported that the Casino sector had since improved in terms of reporting CTRs, as most Casinos were lodging their transactions there had also been an improvement in the quality of reported STRs.</p>
To continue with : 1. Outreach and training to reporting entities in relation to Proliferation Targeted Financial Sanctions obligations (screening, freezing, reporting etc.), in particular to DNFBPs.	<p>On the 25th of March 2022 the Authority sent out a cautionary letter to all Casinos reminding them of their obligations in implementing targeted financial sanctions as well enforcement action that the entities will be liable to in instances of non-compliance.</p> <p>Moreover, on the 12th of May 2022, the Gambling Authority in collaboration with the Financial Intelligence Agency hosted all the 8 casinos for a refresher training in which, the implementation of targeted financial sanctions was covered as well as the highlights of the new provisions of the Financial Intelligence Act 2022 on failure to file returns (nil or positive).</p> <p>Impact Following the abovementioned interventions to improve the Casinos compliance level in the implementation of targeted financial sanctions, the Authority has since seen an improvement in the turnaround time of all casinos when filling returns, in line with the provisions of the Financial Intelligence Act 2022 and the Financial Intelligence (Implementation of United Nations Security Council Resolutions) Regulations 2022</p>

ACTION ITEM

To keep on
a) strengthening
supervisory efforts,
and to

b) fully apply a risk-
based approach
to its supervision
in particular for
Non-bank financial
Institutions and
Designated Non-
Financial Businesses
and Professions

ACTION ITEM UPDATE

Based on the Money Laundering, Terrorist Financing Risk and Proliferation Financing Risk (ML/TF/PF) Sector Risk Assessment conducted by the Authority, the Authority from the 20th July -5th August 2022, conducted 8 full scope onsite inspections. The inspections were for medium to high risk Casinos. The objective of the inspection was to assess the effectiveness of the Casinos AML/CFT/CPF policies, procedures, and internal controls in addressing the identified risks.

The Authority has not issued any sanctions for the identified non-compliances however the Casinos have entered remedial action plans to allow the Casinos to remedy the non-compliances within the stipulated time. Failure to which the Authority shall exercise its enforcement action.

3.9. LEVIES

Revenue

There are two streams of casino revenue which are revenue generated from slots and tables and this is aggregate to gross gambling revenue (GGR). Entrance fees are another source of revenue collected from the casino players or punters. The responsible gambling levy is derived from the gross gambling revenue as per the Gambling Regulations of 2016, Section 109.

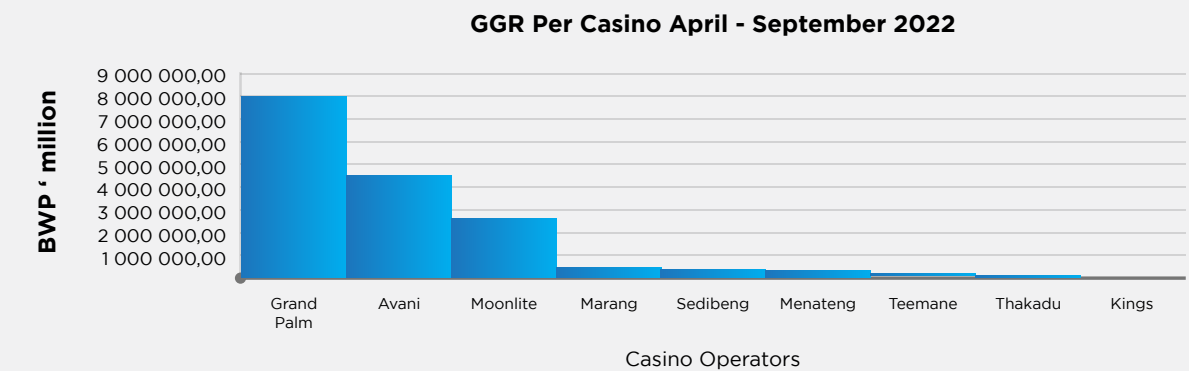
Therefore, the purpose of this report will show the performance of the GGR, Responsible gambling levy contribution and the entrance fees for the half year period (April- September 2022).

The following tables depict the performance of the casinos regarding the revenue generated in the year under review:



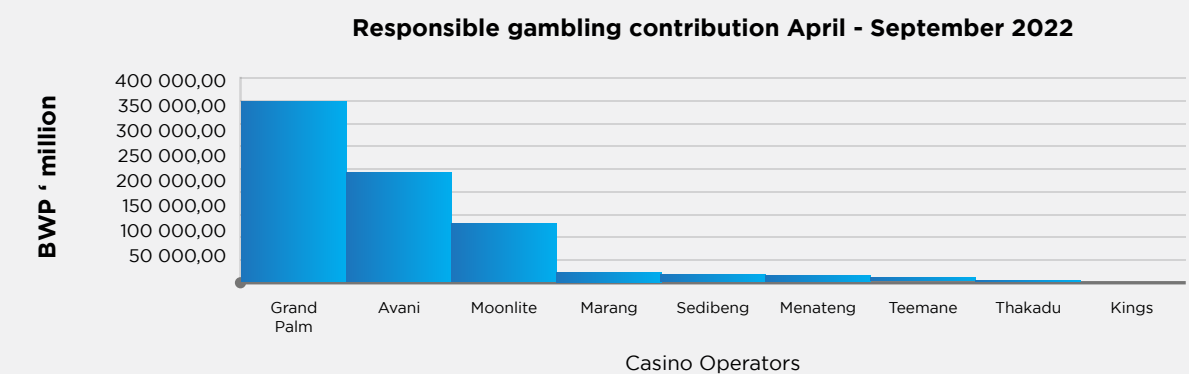
SUMMARY OF REVENUES

GGR FOR THE HALF YEAR PERIOD FOR THE YEAR 2022



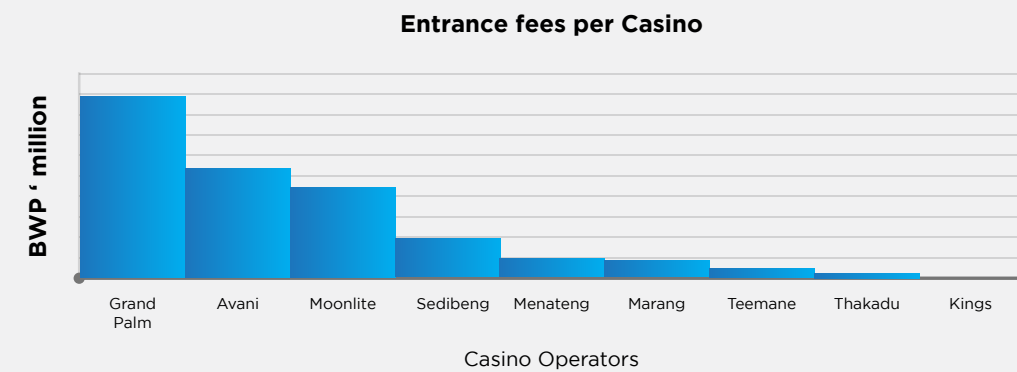
The gross gambling revenue (GGR) for the period under review is **BWP 104 958 348.62** representing a growth of **28.6%** as compared to **BWP 81 586 915.13** realised in the same period last year.

RESPONSIBLE GAMBLING LEVY



The responsible gambling levy contribution also realized a similar growth of **29.2%** as compared to the previous year.

ENTRANCE FEES



The entrance fees for the period under review are **BWP 1 575 017.00** while the previous year **BWP 1 297 942.00** was realised. This reflects a **21.3%** growth.

UNPAID LEVIES

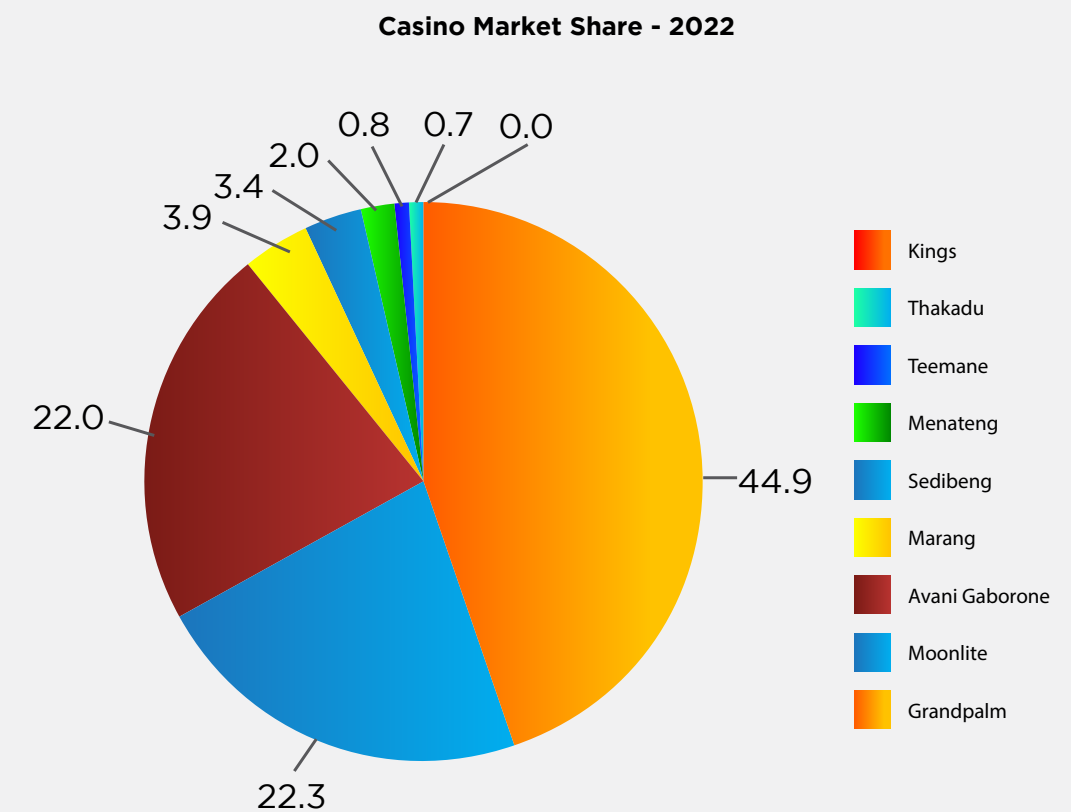
Teemane Casino has two months without paying the levies. The levies amounted to BWP 35 105.84 The penalty has also been charged. However, a communique has been sent to the licensee.

PENALTIES

Penalties are imposed on licensees when found guilty of contravening the gambling legislation. There is only one casino which paid their levies late and was charged penalty. But it was paid. However, it must be noted that most casinos pay their levies timeously.



MARKET SHARE



The Grand Palm Casino continue to dominate the casino industry and followed by Moonlite Casino. Avani Gaborone Casino has dropped to the third position in the gambling market as Moonlite Casino has replaced it. This is a great significant growth by Moonlite casino since its relocation to the new geographical location.

SUMMARY

The Casino revenues has greatly improved over this half year period under review. However, it must be noted that one Casino is currently not performing well in the market. It has been a year since the government eased the conditions of doing business (normal operation) hence, the improvement of the levies in this half year period.



RESPONSIBLE GAMBLING REPORT

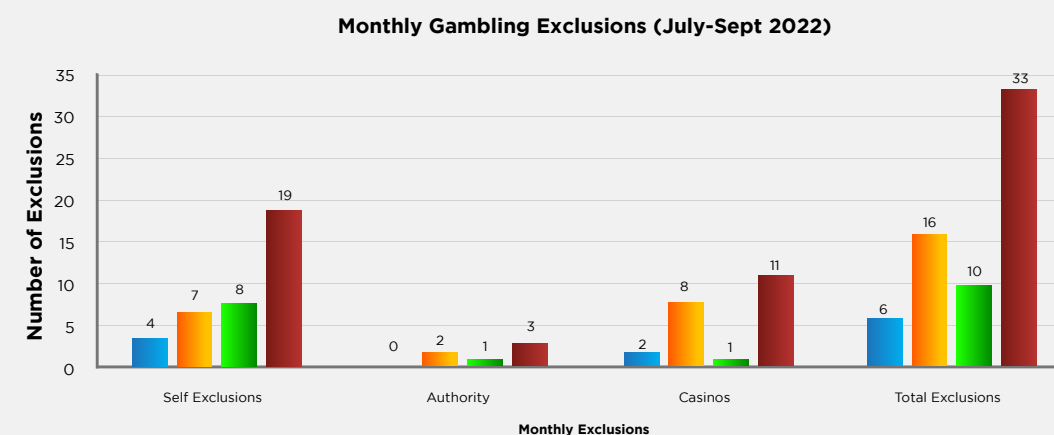
31

GAMBLING AUTHORITY
HALF YEAR REPORT 2022

1. SELF EXCLUSIONS AND THIRD-PARTY EXCLUSIONS

From July-September 2022, the Authority recorded a total number of 33 exclusions, 11 exclusions from the casino, 3 from the Authority and 19 self-exclusions.

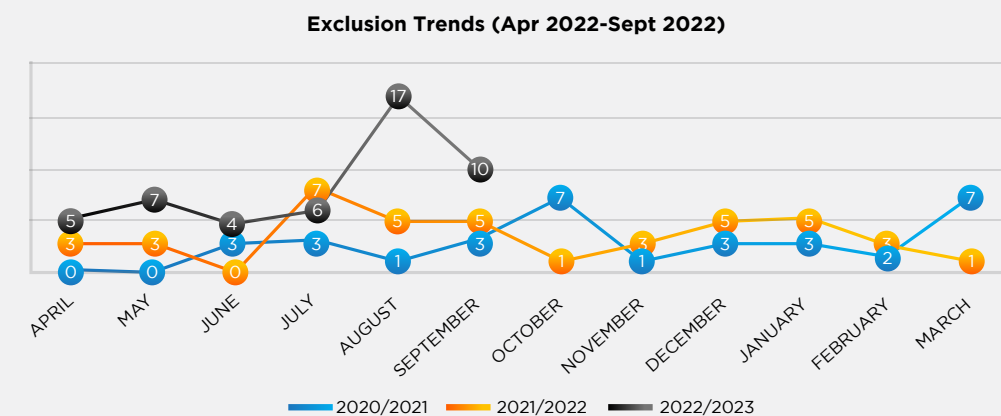
Monthly Gambling Exclusion Data (Jul-Sept 2022)



2. TOTAL NUMBER OF WALK INS FROM APRIL-JUNE 2022

3. WALK-INS

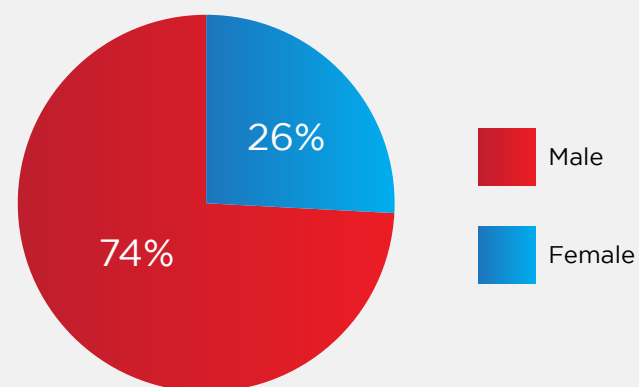
3. Graph below demonstrate exclusion trends from April 2020- September 2022. The below statistics account for both self and third-party exclusion



4. GAMBLING SELF-EXCLUSIONS BY GENDER (JULY-SEPTEMBER 2022)

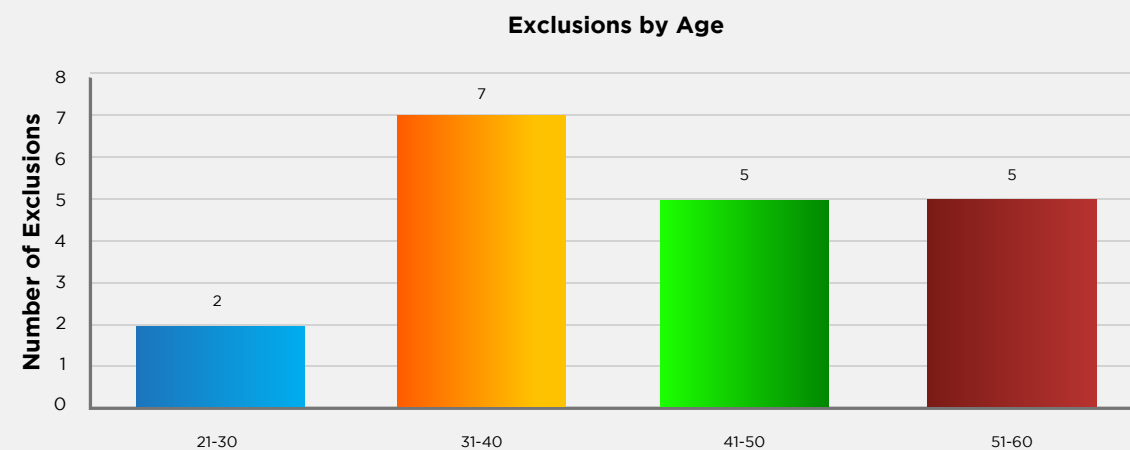
Chart indicates that more males (74%) than females (26%) applied for exclusion over the period under review.

Exclusion Trends (Apr 2022-Sept 2022)



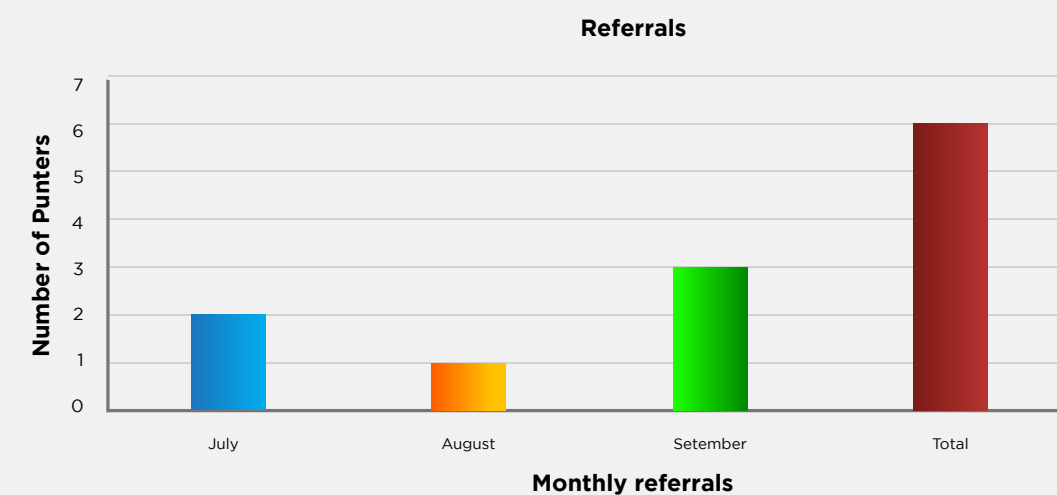
5. TOTAL GAMBLING EXCLUSIONS BY AGE (JULY-SEPTEMBER 2022)

The middle-aged cohort 31-40 had the highest inclination for gambling exclusion as compared younger-aged cohort 21-30 and older-aged cohort 41-60



6. COUNSELLING AND REHABILITATION

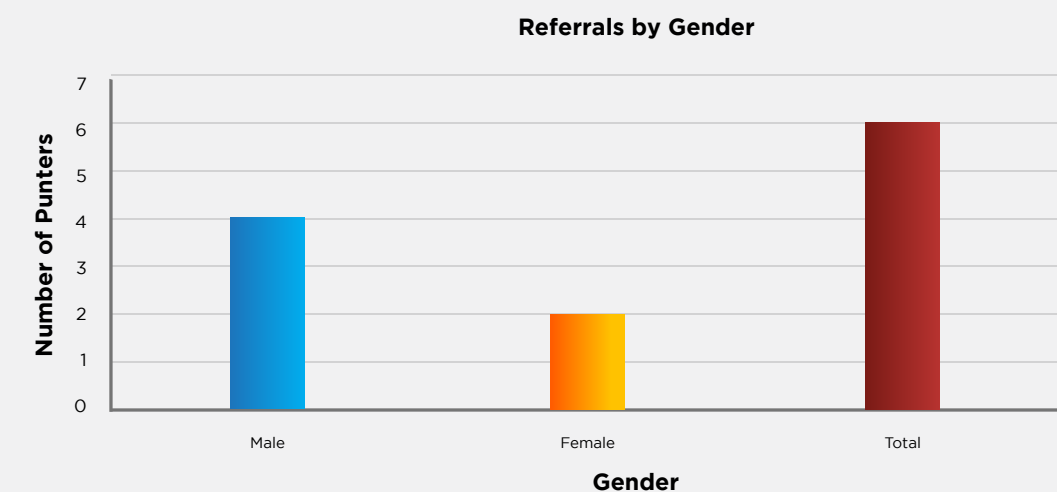
6.1.Counselling Referrals (July-September 2022)



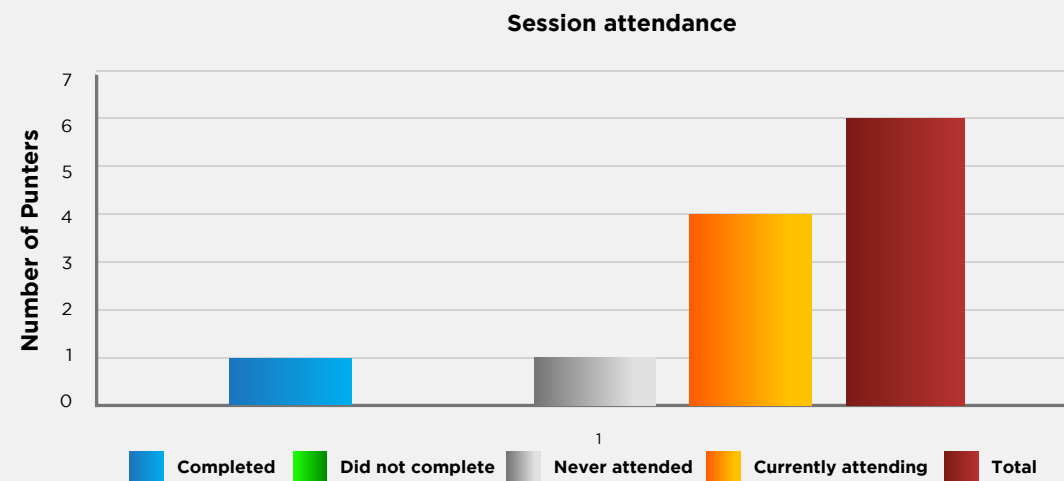
A total of 6 punters were referred to counselling from months July-September 2022

7. COUNSELLING REFERRALS BY GENDER

7.1 .From the total 6 punters referred from July-September 2022, 4 of the punters were males and 2 were females.

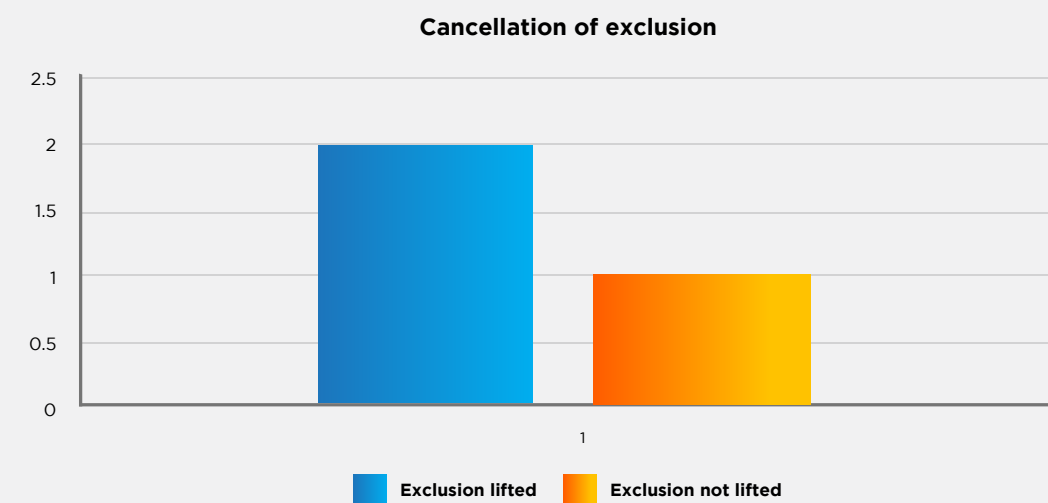


8. COUNSELLING SESSION ATTENDANCE (JULY-SEPTEMBER 2022)



8.1. Of the 6 punters (Jul -Sep 22), 1 completed their sessions, 1 has never attended and 4 are currently attending.

9. CANCELLATION OF EXCLUSIONS FROM GAMBLING (JULY-SEPTEMBER 2022)



9.1. From those who have completed their therapy, 2 cancellations of exclusions were made, 1 was from the previous quarter and the other from the second quarter. 1 completed but was not cleared from the previous quarter.

10. OUTLOOK, CHALLENGES, AND OPPORTUNITIES

10.1. Punters are not receptive of having to go through the process of counselling before their restrictions could be lifted, attendance remains a concern. Motives to attend the sessions and resume gambling are solely for re-admission to gambling and not to cope with the addiction. However, some punters do complete their sessions and are allowed by their counsellors to resume gambling.

10.2. On the same note, though reluctant at first, the process helps the punters to face the real reasons why they were gambling and unpacks the unhealthy patterns in their gambling.

10.3 Punters who were referred but never attended usually have made a new decision not to go back to gambling and result in them not attending counselling at all.

11. RESEARCH

The Authority has commenced two studies

1. Risk factors for problem gambling in Botswana &

2. Socio economic impacts of problem Gambling in Botswana)

The two are carried to fully appreciate and comprehensively address the problem of gambling in Botswana. The study is now at data collection stage and the team is going around identified areas in Botswana collecting data. This phase is to be completed by 04 November 2022.

12. REVISION OF FORMS 45/46 AND 47

We have commenced the process of reviewing gambling exclusions form 45 and 46 as well as cancellation of exclusion form 47 to make them more relevant to our mandate.

13. RESPONSIBLE GAMBLING CODE OF CONDUCT

We are working on developing the responsible gambling code of conduct.

14. RESEARCH CODE OF CONDUCT

We are working on developing the research code of conduct.

15. RESPONSIBLE GAMBLING AWARENESS- MOTSHAMEKO O PHEPA CAMPAIGN

In our continued effort to raise community awareness about the risks of problem gambling,

Gambling has commissioned a National Campaign dubbed "Motshameko o phepa" aiming to encourage early recognition of the signs of the risky gambling behaviour, reduce stigma and encourage to seek help early,

especially through empowering those who have experienced gambling harm to tell their stories.

The campaign has covered villages and towns such as Palapye, Serowe, Letlhakane, Mochudi, Molepolole, Selebi Phikwe, Bobonong and Jwaneng.

Although the general public lacked knowledge about the Authority, the reception was so good, they wanted to be informed more about when the national lottery will start and wanted to know if everyone can participate in the national lottery.

The team engaged local DJ'S (Youth) to keep the public entertained and also as a way to attract the public to the stall by means of music and mic voice projections.

The general public took with them the flyers and brochures containing the Authorities mandate as well as the contacts and some branded merch (draw strings bags, lanyards, t-shirts, bottles, key holders, power banks, pens and rulers) in effort to increase the visibility of the Authority's brand.



QUESTIONS ASKED DURING THE CAMPAIGN

1. When is the lottery licence coming out?
2. How can we benefit from the lottery?
3. How many people are affected by gambling in Botswana?
4. What are the opportunities in the gambling industry?
5. How does the Gambling Authority disseminate information to the public?
6. How many casinos in Botswana?
7. Fine for illegal gambling?
8. What are the requirements for licensing?
9. Do you have businesses that you licence to work for you?
10. Is online betting also regulated by the Authority?
11. Is the casino open to everyone?
12. Why do we allow only people above 21 to gamble?





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