

REPUBLIC OF SOUTH AFRICA

LOTTERIES AMENDMENT BILL

(As introduced in the National Assembly as a section 75 Bill; explanatory summary of Bill published in Government Gazette No. 20961 of 6 March 2000) (The English text is the official text of the Bill)

(MINISTER OF TRADE AND INDUSTRY)

[B 13—2000]

REPUBLIEK VAN SUID-AFRIKA

WYSIGINGSWETSONTWERP OP LOTERYE

*(Soos ingedien in die Nasionale Vergadering as 'n artikel 75-wetsontwerp; verduidelikende opsomming van Wetsontwerp in Staatskoerant No. 20961 van 6 Maart 2000 gepubliseer)
(Die Afrikaanse teks is die amptelike vertaling van die Wetsontwerp)*

(MINISTER VAN HANDEL EN NYWERHEID)

[W 13—2000]

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GENERAL EXPLANATORY NOTE:

- [] Words in bold type in square brackets indicate omissions from existing enactments.
- _____ Words underlined with a solid line indicate insertions in existing enactments.
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BILL

To amend the Lotteries Act, 1997, so as to remove the prohibition of participation in the National Lottery by certain persons; and to provide for matters connected therewith.

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

Amendment of section 14 of Act 57 of 1997

1. Section 14 of the Lotteries Act, 1997, is hereby amended by the substitution in subsection (2) for paragraph (i) of the following paragraph: 5
- “(i) to secure a valid and enforceable undertaking in writing from—
- (i) the person controlling the licensee in any way whatsoever not to change that control of the licensee for the duration of the licence without the consent of the Minister; and
 - (ii) the person controlling the licensee in any way whatsoever not to transfer, 10
cede or in any other way encumber the licence to another person. **[and**
 - (iii) **the licensee not to permit, require or compel any of its employees or agents knowingly to sell a ticket, or to award or to pay any prize to—**
(aa) a director of the licensee or a director of a holding or 15
shareholder company of the licensee, an employee, agent or consultant of the licensee or a member, employee or agent of the board;
(bb) a person who prints or in any other way manufactures a ticket for the National Lottery, or any of his, her or its directors or employees; 20
(cc) a person who supplies, operates, maintains or repairs any computers or any other electronic device or system of any kind, or parts thereof, or software for those computers or devices, in respect of the National Lottery, or any of his, her or its directors or employees; or 25
(dd) a person who is responsible for the marketing and advertising in respect of the National Lottery, or any of his, her or its directors or employees, as the case may be]”.

Short title

- 2.** This Act is called the Lotteries Amendment Act, 2000.

**MEMORANDUM ON THE OBJECTS OF THE LOTTERIES
AMENDMENT BILL, 2000**

1. The Bill seeks to amend the Lotteries Act, 1997 (Act No. 57 of 1997) (“the Act”), by deleting subparagraph (iii) of section 14(2)(i). The aim of section 14(2)(i) of the Act is to reduce both the actual and perceived risk of fraud being perpetrated by employees of the National Lottery operator and employees of the operator’s associated suppliers and business partners. However, it now appears that none of the aforementioned persons have the ability to fraudulently affect the outcome of a lottery draw. Research has also shown that with appropriate controls and independent supervision, the actual risk of lottery fraud is eliminated. This being the case, participation in lottery games by employees, as well as the general public, can be seen as a clear and public confirmation that effective and appropriate controls are in place and that they work. It is suggested that to prohibit any party from participating will inevitably have a negative effect on the public’s perception as to the integrity of the National Lottery.

2. Consultation

The National Lotteries Board was consulted.

3. Financial implications for State

None.

4. Parliamentary procedure

The State Law Advisers and the Department of Trade and Industry are of the opinion that the Bill must be dealt with in accordance with the procedure established by section 75 of the Constitution since it contains no provision to which the procedure set out in section 74 or 76 of the Constitution applies.