

L.N. 34 of 2000

**PUBLIC LOTTO ORDINANCE
(CAP. 70)**

Operation of Betting Offices Regulations, 2000

IN EXERCISE of the powers conferred by section 11 of the Public Lotto Ordinance, the Minister of Finance has made the following regulations:

Citation

1. (1) The title of these regulations is the Operation of Betting Offices Regulations, 2000.

(2) These regulations shall be deemed to have come into force on the 1st February, 2000.

Interpretation.

2. In these regulations, unless the context otherwise requires -

“approved control system” means a control system approved by the Gaming Board, and includes an approved control system changed with the approval of the Gaming Board;

“betting office” means premises in respect of which a permission has been granted by the Director under the provisions of section 11 of the Ordinance for the purpose of conducting therein betting transactions by electronic means otherwise than with persons resident in Malta;

“betting transaction” includes any transaction in which one or more of the parties acts as a bookmaker;

“bookmaker” means any person who, whether on his own account or as employee or agent of any other person, carries on the business of receiving or negotiating bets;

“control system” means a system of internal controls and administrative and accounting procedures for the conduct of a betting office;

Cap. 122.

“Director” means the Director of Public Lotto whose office is constituted under the Director of Public Lotto (Constitution of Office) Act;

“electronic means” includes all electronic data transfer, whether by telephony, facsimile, computer or any other means as approved by the Gaming Board;

“Gaming Board” or “Board” means the Gaming Board established under section 5 of the Gaming Act, 1998; Act X of 1998.

“inspector” has the same meaning assigned to it in the Gaming Act, 1998; Act X of 1998.

“Ordinance” means the Public Lotto Ordinance. Cap. 70.

3. (1) When granting a permission to operate a betting office, regard shall be had to the suitability and integrity of the applicant. Without prejudice to the generality of the aforesaid, in deciding whether a person is suitable to hold a permission to operate a betting office, the Director shall have regard to the following - Suitability of applicant

(a) the applicant’s character, or the character of the persons vested with executive powers if the applicant is a body corporate, and his business reputation;

(b) the applicant’s current financial position and financial background;

(c) whether the applicant has, or is able to obtain, appropriate resources and appropriate services;

(d) whether the applicant has the appropriate business ability to conduct the betting office successfully.

(2) For the purposes of this regulation -

“appropriate resources” means financial resources which are –

(a) adequate, in the Director’s opinion, to ensure the financial viability of operations of a betting office; and

(b) available from a source that is not, in the Director’s opinion, tainted with illegality;

“appropriate services” means the services of persons who have appropriate experience to ensure the proper and successful conduct of a betting office.

Plan and use of premises.

4. (1) An application made to the Director under the provisions of section 11 of the Ordinance shall be accompanied by -

(a) a plan of the premises in respect of which the application is made; and

(b) evidence that any authorisation, consent or permission required under any law in respect of the structure or use of any premises which are the subject of such application has been granted or that, in the particular circumstances of the case, no such authorisation, consent or permission is necessary.

(2) Any premises in respect of which a permission has been granted for the operation of a betting office shall be used solely for the purpose of conducting therein betting transactions as authorised in the said permission.

Powers of the Gaming Board.

5. (1) It shall be the duty of the Board to regulate, control and supervise the operations of a betting office in respect of which the Director has granted permission under the provisions of section 11 of the Ordinance, and to ascertain compliance with any conditions imposed by the Director in the said permission.

(2) For the purposes of carrying out its duties under these regulations, the Board may at any time serve on a person who has been granted permission to operate a betting office a notice requiring him, in such manner and within such reasonable time as may be specified in the notice, to produce for inspection by or on behalf of the Board books, documents or any other records relating to the betting office, as specified in the notice which the Board reasonably requires to carry out its duties, and the person operating a betting office shall comply with any such notice.

(3) It shall not be lawful for the person who has been granted a permission as aforesaid to employ or permit to work in relation to the operation of the betting office any person unless such person is approved for that purpose by the Board.

Electronic betting office control systems.

6. (1) A person granted a permission to operate a betting office shall ensure that there is in the premises used as a betting office an approved control system and that all betting transactions are effected under the system.

(2) The person granted a permission to operate a betting office shall not change an approved control system without the prior consent of the Board.

(3) The person granted a permission to operate a betting office shall make a submission in writing, prepared at his own cost and by or with the approval of his auditors (hereinafter referred to as a "control system submission"), to the Board for approval of the control system -

(a) before effecting betting transactions; and

(b) before effecting any change to an existing approved control system.

(4) A control system submission shall describe and, without prejudice to the generality of the foregoing, shall include information about -

(a) the following items to be used for the conduct of the betting office -

(i) accounting systems and procedures and chart of accounts,

(ii) administrative systems and procedures,

(iii) computer software,

(iv) standard forms and terms; and

(b) the general procedures to be followed for effecting betting transactions;

(c) the procedures and standards for the maintenance, security, storage and transportation of equipment to be used for effecting betting transactions;

(d) the procedures for recording bets and paying winnings won in a betting transaction; and

(e) the procedures for using and maintaining security facilities.

(5) The Board shall consider the control system submission and either approve or refuse the proposed control system or the proposed change thereto.

(6) In considering the control system submission, the Board may require the person granted permission to operate a betting office -

(a) to give the Board further information about the submission that is necessary and reasonable to assist the Board to make a decision about the submission; and

(b) to allow the Board, acting through its inspectors or agents, to submit the proposed control system, or the approved control system as proposed to be changed, to tests.

(7) In considering whether to give an approval, the Board shall have regard to –

(a) whether the system control submission satisfies the requirements of this regulation; and

(b) whether the proposed control system, or approved control system as proposed to be changed, is capable of providing satisfactory and effective control over the management and conduct of a betting office.

(8) The Board may refuse to give an approval if the person granted permission to operate a betting office fails to comply with a requirement under paragraphs (4) and (6).

(9) If the Board decides to withhold its approval, a notice in writing stating the reasons for the decision shall be served on the person granted permission to operate a betting office within thirty days and, if the Board is of the opinion that the control system submission can easily be rectified to enable it to give an approval, the notice must also –

(a) explain how the submission may be changed; and

(b) invite the person granted permission to operate a betting office to resubmit the submission after making the appropriate changes.

**Accounts and
Records**

7. (1) The person granted permission to operate a betting office shall cause to be kept, in respect of the transactions and affairs relating to the operation of the betting office, proper accounts and records which show a true and fair view of the financial operations and affairs conducted by the person in relation to the operation of the betting office.

(2) The person granted permission to operate a betting office shall, within thirty days from the end of each six month period to be reckoned from the beginning of each financial year, lodge with 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, 1995.

Act XXV of 1995.

8. (1) An inspector may at any time upon production of his identity card enter and remain in a betting office for the purpose of – Powers of inspectors.

- (a) observing the operations of the betting office;
- (b) ascertaining whether the operations of the betting office are being properly conducted and managed;
- (c) ascertaining whether the conditions imposed in the permission issued by the Director are being complied with; and
- (d) in any other respect, exercising his powers or performing his duties.

(2) An inspector may for the purpose of ascertaining that the conditions imposed by the Director in the permission are being complied with and that the full amount of tax under the permission is being paid –

- (a) require, in writing or orally, a person granted permission to operate a betting office or a person acting on his behalf –
 - (i) to produce to the inspector for inspection such book, document or record in his custody or control relating to the operation of the betting office as the inspector specifies; or
 - (ii) to attend before the inspector at a reasonable time and place specified by the inspector and there to answer such questions, to supply such information, or to produce such book, document or record, relating to the operation of the betting office as the inspector specifies;
- (b) inspect or test any equipment, including software, or inspect such book, document or record, and take copies of, or make notes in relation to, such book, document or record, relating to the operation of the betting office as the inspector considers necessary;
- (c) direct a person operating a betting office not to use any equipment, including software material, that the inspector considers unsatisfactory for use; and
- (d) call to the inspector's assistance –

(i) another inspector; or

(ii) a betting office employee who, in the belief of the inspector, is competent to assist the inspector in the exercise of his powers or performance of his duties.

(3) No person employed in a betting office shall, without reasonable excuse, hinder or fail to assist an inspector in the discharge of his duties.

(4) Inspectors may, in carrying out their functions under these regulations, be assisted by or accompanied with such experts as the Secretary of the Board may direct.

(5) An inspector shall make a report on the exercise of his functions under these regulations to the Secretary of the Board.

Duty.

9. Persons granted permission to operate betting offices are to pay to the Government of Malta a tax equivalent to half of one *per centum* (0.5%) on the value of all bets received and accepted by them at the betting offices established and operated through such permission, in lieu of the tax provided for in subsection (2) of section 11 of the Ordinance.

Suspension or withdrawal of permission.

10. It shall be the duty of the Board to advise the Director to restrict, suspend or withdraw any permission granted under section 11 of the Ordinance if it considers that any person granted permission to operate a betting office is acting in breach of any condition imposed in the permission or of any provision of these regulations or if, upon giving sufficient reason, it deems necessary in the national interest to suspend or withdraw the permission.