

The Draft Lotteries Amendment Bill 2013 at a glance

The Part 1 of the Amendment Bill-2013

Amending Section 1 of the Lotteries Act-1997 on 'Definitions'

Page 5 of the Amendment Bill

- The term distribute amended to prevent the distribution of funds to persons or places outside of South Africa
- Adds the definition of 'Organ of State'

Part 2 of the Amendment Bill-2013

Amending Section 3 of the Lotteries Act- 1997 on 'Composition of the Board'

Page 6 of the Amendment Bill

- Adds that an official of government may be appointed as an official of the National Lotteries Board(NLB)
- Adds criteria that would disqualify a person from being appointed to the NLB

Part 5 of the Amendment Bill-2013

Amending Section 7 of the Lotteries Act-1997 on 'Staff of the Board'

Page 7 of the Amendment Bill

- Legislates that members of the Distributing Agency(DA) will become staff of the NLB just like the CEO
- Increases the cooling off period for executive members of staff of the NLB from 12 months to 3 years

**Part 6 of the
Amendment Bill-2013**

**Amending Section 10
of the Lotteries Act-
1997 on 'Functions of
the Board'**

Page 8 of the Amendment Bill

- Allows the NLB to act as review or appeal authority for decisions made by the DA
- Allows the NLB to conduct or authorise staff to conduct research and fund recipients without an application being lodged
- Allows the NLB to recover amounts from grants which were not utilised as intended
- The NLB and the Minister of Trade and Industry(Minister) will determine the category of applications that will be excluded from funding

**Part 7 of the
Amendment Bill-2013**

**Amending Section 13
of the Lotteries Act-
1997 on 'Licence to
conduct National
Lottery'**

Page 9 and 10 of the Amendment Bill

- Allows the Minister to appoint an organ of state to conduct the National Lottery if he decides on 'justifiable grounds' not to issue a licence, in determining 'justifiable grounds' the Minister may consider Government plans and priorities
- If an Organ of State conducts the National Lottery to it will not be necessary for a NLB to be established
- The following is removed from the Lotteries Act 1997, "*In considering whether to grant the Licence contemplated in subsection (1), the Minister and the board shall not favour an applicant solely because the applicant or a shareholder or partner of that applicant is an organ of the State.*"

**Part 8, 9, 10, 11 and
12 of the Amendment
Bill-2013**

**Amending Section 14,
15, 16, 17 and 18 of
the Lotteries Act-1997
which deal with the
following:
'Requirements,
Variation and
Enforcement of
conditions of Licence;
Grounds for
revocation of licence
and Notice of
proposed revocation'**

Page 10, 11 and 12 of the Amendment Bill

- In several places where decisions could be made either by the NLB or the Minister in the Lotteries Act 1997, this has been changed to " the Minister after consultation with the Board" in the draft Lotteries Act 2013

**Part 17, 18, 19, 20, 21
and 22 of the
Amendment Bill-2013**

**Amending Section 26
of the Lotteries Act-
1997 on 'Allocation of
money in fund'**

Page 14, 15, 16 and 17 of the Amendment Bill

- The clause referring to the Allocation for the Reconstruction and Development expenditure is removed
- The DA will be responsible for adjudicating and distributing funds
- A single DA of 9 members will be appointed on a permanent basis
- States what would disqualify a person from being appointed as a DA
- Includes a section on conflict of interest for DA members
- Allows conduit funding only if good cause may be shown for why beneficiary cannot make own application

**Part 28 of the
Amendment Bill-2013**

**Amending Section 32
and 33 of the
Lotteries Act-1997 on
'Payment of
Allocations'**

Page 19 and 20 of the Amendment Bill

- Removes the clause pertaining to the percentage provincial allocations
- Adds clause pertaining to the allocation of funds to allocation costs and the actual cause funded to be determined by the Minister in consultation with the Board
- Removes the subsection pertaining to the required considerations by the Minister regarding provincial and local interests
- Removes section on the power of the Minister to prohibit certain grants

**Part 30 of the
Amendment Bill-2013**

**Amending Section 60
of the Lotteries Act-
1997 on 'Regulations
in respect of National
Lottery and sports
pools'**

Page 21 of the Amendment Bill

- Allows the Minister to set limits to the amounts of the grant to be awarded to an applicant in a twelve month period
- Allows the Minister to determine the number of DA members who may adjudicate and distribute a grant as well as the upper limits on amounts they may adjudicate and distribute.