



GAMING BOARD OF TANZANIA

**THE NATIONAL POLICY ON
GAMING ACTIVITIES**

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1.0 INTRODUCTION

1.1 Background

The trade liberalization policy and economic reform program especially after the enactment of the Investment Promotion and Protection Act, 1992 a number of investment projects in the leisure and entertainment industry brought about the establishment of gaming activities in the country. The present gaming legislation and regulations governing these activities are outdated and longer form appropriate regulatory tools to regulate and tax the industry effectively.

The government revenue presently being collected does not represent the true value of these activities.

It is against this reference, a need arises therefore to initiate a national gaming policy aimed at finding solutions to these shortfalls, hence this document.

This document underlines the objectives and strategies to overcome the stated deficits and to initiate for development of a sustainable national gaming industry. It aims at ensuring accelerated development of an efficient and profitable industry that can contribute meaningfully to the national economy. Presently the gaming industry is regulated under the Pools and Lotteries Act, 1967 and the National Lotteries Act, 1974. The National Lotteries Board is charged with both the tasks of regulating the industry as well as conducting the national lotteries.

1.2 Current Status

Until the onset of economic reforms in 1985, only the national lottery was conducted as a significant gaming activity in Tanzania. However, following the trade liberalization policy and the economic reform program that followed, especially after the enactment of the Investments Promotion and Protection Act of 1992, a number of investment projects in the hotel industry, leisure and entertainment included operations of some gaming activities, notably, casinos and slot machines. These new developments and the continuing pace of change in the economic scenario have led to expansion in gaming activities.

The present legislation and regulations governing the industry are outdated and no longer form an appropriate or effective regulatory framework that can be used to govern a modern and fast expanding gaming industry.

1.3 Vision

The vision of the gaming industry as a component of the leisure and entertainment sector is to develop into a well regulated controlled, policed, and licensed industry that is able to grow and contribute meaningfully to the national economy. Both in terms of revenues to the government and improvement in the welfare of the community while maintaining customer satisfaction.

6.0 THE GAMING POLICY, OBJECTIVES AND STRATEGIES

2.1 Objectives

The general objective of the gaming policy is to ensure that gaming activities are conducted in a regulated and competitive manner. The main objectives are to ensure that:

- Gaming activities are conducted with integrity and accountability
- The private sector owns and operates all gaming activities except for National Lotteries.
- An independently operated regulatory framework is established to oversee the gaming industry.
- The public is given a voice in the way gaming activities are conducted.
- Adverse social impacts of gaming activities are dealt with responsibly.
- Operators of gaming activities aim at ensuring customer satisfaction and that the customer is valued as an important and respected stakeholder in the gaming industry.
- A fair portion of the proceeds of the gaming industry are returned to the Government for the benefit of good and important social causes.
- The gaming industry is allowed to maximize its growth potential in a well - organized manner.

2.2 Strategies

To achieve the objectives set in the national gaming policy, the following strategies will be pursued:

- Set a national gaming policy, which will be reviewed at agreed intervals to focus on the future direction of the national gaming industry.
- Establish an independent operated regulatory frame work, which will oversee the gaming industry.
- Establish enabling legislation and pertinent regulations to support the development of a modern gaming industry and provide for its regular review to keep abreast of changes in the industry.
- Set out the standards for operations to cover both premises and equipment, personnel employed to conduct the various gaming activities, procurement and supplies procedures for equipments and consumable and services.
- Classify the gaming activities into three specific groups and ownership be as:

GROUP I

Casino, Slot Machines and Bingo Halls to be owned and operated by Private Sector, licensed and regulated by the Government.

GROUP II

National Lotteries, i.e. nation-wide lotteries will be owned and regulated by Government but contracted to Private Sector through competitive bidding.

GROUP III

Other gaming activities e.g.: promotional lotteries, society lotteries, community based lotteries, one-off bingo etc will be

open to public, no ownership, no private gain: all will be regulated by the Government.

- Determine the range of gaming activities allowable and the licensing requirements.
- Register and monitor individuals and corporate bodies engaged in the functions of gaming.
- Establish proper procedures to collect fees and taxes associated with the functions of gaming.
- Institute appropriate measures for inspecting,
- auditing and enforcing compliance at all gaming events and at locations.
- Ensure timely prosecution and penalization of violators.

3.0 INSTITUTIONAL FRAMEWORK

The government recognizes the role played by the gaming industry in the national economy and is committed to the creation of an enabling environment that will ensure its sustainable development and realization of full potential. In this regard, the institutional framework of the sector is comprised of the Government, the regulator and the operator with distinct roles and obligations as follows:

3.1 The Government

The Government shall provide strategic policy guidelines for development of the gaming industry. The role of the Government in the gaming sector shall be:

- To initiate and facilitate the process of designing industry specific development strategies and lines of action for the gaming sector, and to be the custodian of the gaming policy;

- To own National Lotteries while contracting private operators to operate them.
- To encourage fair competition and create an enabling environment to attract investors and private sector participation.
- To provide inter - sectoral regional and international coordination.
- To provide mechanism through which the views of stakeholders and the community at large can be presented.

3.2 The Regulator

There should be established an independent, quasi-government body whose functions will be to regulate and monitor the gaming industry; and foster competition through licensing of operators and franchise holders.

In addition, the regulator will be responsible for defining standards, principles and procedures as they relate to operations, premises, equipment, personnel, suppliers, procurement of service and enforcing compliance there with. Furthermore, the regulator shall develop mechanisms for stakeholders' involvement and measures for dealing with the adverse social impacts of gaming activities.

3.3 The Operator

The operator should own, operate, develop and finance all casinos, slot machines and other related activities save for the national lotteries. The regulator will license operators in keeping with dictates of the market and peculiarities of particular gaming activities. The aim should be to allow competition in the sector whilst securing community welfare. Operators should comply with regulations and rules set to govern the sector.

3.4 Consultation Forum

In an effort to create efficient, effective and competitive gaming industry, the Regulator will facilitate the formation of a stakeholders' forum that will serve as a channel for open discussion on improving the country's gaming activities. Likewise, stakeholders' specific forum to reflect on specific interest groups will be encouraged.

3.5 Standards

The quality of gaming activities in the country should conform to international standards and practises in relation to premises equipment, personnel, supplies and procurement procedures. All gaming devices should be assessed to conform with standards, principles and procedures with the objective of bringing them to compliance within a reasonable time.

3.6 Human Resource Development

The development and appropriate utilization of human recourses constitute critical inputs for the sustainable development of the gaming industry. The focus will be on provision of technical, business and managerial skills to meet the sector needs, hence creation of job opportunity for local Tanzanians. Appropriate measures will be taken to promote the development of training institutions that will cater for the various skills required in the sector.

3.7 Financing of the Gaming Sector

For sustainable development of the gaming sector, both domestic and foreign investors will be allowed to invest in the gaming sector with priority in investment in hotels, tourism and other related communities development activities. The promotion of equity joint ventures between local and foreign partners will be encouraged.

3.8 Legal Framework

The government will provide a clear and transparent legal and regulatory framework that will ensure that the gaming activities in the country are effectively regulated controlled policed and licensed. The legal framework shall provide for a suitable regulatory regime that will promote private sector efforts to develop gaming activities and services in accordance with the accepted international standards and practice.

3.9 Information Technology

In order to ensure accountability, integrity, and instil public confidence in the gaming industry, information management system (IMS) should be undertaken and be effectively put in place by all operators and the regulator.

4.0 Regional and International Cooperation

Cooperation with regional and international bodies promoting the gaming will be encouraged and maintained to enhance synergies that will boost the domestic gaming sector. The following benefits are expected to accrue from this cooperation:

- Facilitate a mechanism for examining critically domestic operators with foreign operations for faults or errors.
- Participate in regional and international deliberations on gaming through membership in various regional and international bodies.
- Developing regional and international markets for domestic gaming products; and
- Participate in the exchange of information through systems put in place by regional and international bodies so as to boost technology, standards and security.

5.0 PROHIBITION OF PYRAMID SCHEMES AND CHAIN LETTERS.

Pyramid schemes and chain letters games do not fall under games of chance or regulated investment schemes. As a result, where they have operated, they have done so because they fall under no specific legislation. Consequently, it has been difficult to establish whether the operations have been illegal or not despite the losses suffered by innocent victims. This policy is proposing the prohibition of such schemes. The enabling legislation for the gaming industry will include a Section declaring such schemes banned.

6.0 DURATION FOR REVIEW OF THE POLICY

This policy will be reviewed whenever need arises to capture any technical, operational and other relevant changes taking place globally or domestically affecting the gaming industry.

CONCLUSION

The gaming policy underscores the objective for the gaming industry to become amongst the main contributors to the Nation's sustainable, social and economic development. The philosophy, objectives and strategies of the policy are highlighted so as to enable all stakeholders understand and contribute their efforts towards achieving the objectives. The private sector contribution to the industry's development is crucial. Integrity, transparency, efficiency and effectiveness are the key important criteria and basis for the gaming policy to realize its vision.



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