



EFFECTIVENESS OF NRCS'S PROCESS WITH RESPECT TO ISSUING LETTER OF AUTHORITY

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SAGMA Profiles

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Members:

AGI Africa	Aristocrat Africa	Aruze Gaming Africa
Atomic Gaming	Bally Gaming Africa	Custom Gaming solutions
MP Gaming	Simplicit-e Gaming Solutions	Omega Gaming
Game Smart	WMS Gaming Africa	IGT Africa
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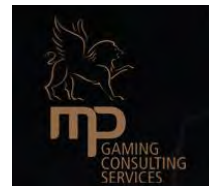
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South African Gaming Manufacture Association - Profile

- ▶ Our members are licensed in terms of Chapter 3 -Part B - Section 37 of the National Gambling Act (2004), by the Gauteng Gambling Board as a manufacturer, suppliers or maintenance providers.
- ▶ Majority of our products are imported in full or part from Australia, Asia, Europe and United States.
- ▶ We rely on South African Accreditation System (SANAS) for transfer of our safety results from Australia, Asia, Europe and United States though International Laboratory Accreditation Cooperation (ILAC).
- ▶ We sell and distribute our Products into the licensed Casino, Electronic Bingo, Limited Payout Machine & Bookmaking Markets.
- ▶ Most of our member also conduct business with majority of the SADC region member states.

SAGMA Members engagement with NRCS

- ▶ In term of NRCS act, act 5 of 2008 , all gambling equipment standards under South African National Standards (SANS) 1718 are compulsory standards and therefore fall under the NRCS scope.
- ▶ Gambling Products include any of the following approvals:
 - ▶ Hardware - requiring compulsory safety & EMC certification by mean of Letter of Compliance(LOC) (Equivalent to Letter of Authority(LOA) for electronic equipment.)
 - ▶ Software - requiring compulsory certification by means of LOC.
- ▶ Our members business's fully depend on NRCS LOC before any of the following can happen:
 - ▶ Distribution and selling to any of the 9 x provinces due to the following:
 - ▶ Selling or Distribution of uncertified product is prohibited by provincial legislation.
 - ▶ Provincial legislation requires approval of all gambling equipment prior to selling and distribution.
 - ▶ Manufacturing and release from our factories does not allow placements of the sales order with a customer before NRCS certification letters are available.

SAGMA Member general experiences with NRCS services



- ▶ NRCS services turn around time:
 - ▶ NRCS has committed to a 5-7 business days turn around of certificates after successful submission. Majority of our members have generally recorded an average of 18 business days service and sometimes even longer.
- ▶ Quality of certificate evaluation:
 - ▶ LOCs are issued based on the review of submitted evaluation reports from Accredited Testing Laboratories. , Our members often discover mistakes that could have been rectified by the NRCS evaluation process. We therefore question the role and function and validity of the actual review process.
- ▶ Authority to adjudicate and determine compliance to compulsory specifications:
 - ▶ Our understanding is that the NRCS own the jurisdiction on determination of compliance to the SANS1718 standards. Our members generally find themselves having to be rejected by the provincial gambling boards over a technical standards matter.
 - ▶ One of the provincial gambling boards recently introduced additional technical requirements to Testing Laboratories evaluation reports in addition from SANAS requirements. It is for this reason we therefore question the role , function and jurisdiction of the NRCS in the whole process.
- ▶ Submission infrastructure and NRCS engagement with our members:
 - ▶ The submission of application to NRCS for our members is purely email based. Provincial gambling board instruction for additional technical requirement of evaluation reports in addition from SANAS requirements. This has caused increase in size of electronic documents
- ▶ Industrial actions and LOA/LOC issuance systems down time cause delays in import placement:
 - ▶ We had delays in 2012 when NRCS employees embarked on industrial action.
 - ▶ We had delays in 2015 when NRCS LOC/LOA issuance systems where down for over two weeks

Conclusions and Recommendation

- ▶ The DTI should engage with NRCS management to put extra efforts in services they provide for SAGMA members:
 - ▶ They should engage and consult for process improvement.
- ▶ The DTI should reinforce the role, responsibility and jurisdiction of NRCS to the provincial Gambling Boards in term of NRCS act, act 5 of 2008.
 - ▶ NRCS should own and adjudicate in any matter related to technical compliance to SANS1718.
 - ▶ Powers of the NRCS and provincial gambling board over SANS1718 should be clarified accordingly by the appropriate legal organ of the state that is responsible for gambling equipment.
 - ▶ The general confusion commonly relates to scope of surveillance audits of gambling equipment certified by NRCS between Provincial Gambling Boards and the NRCS:
 - ▶ We understand that Provincial Gambling Boards regulates their licensee operations and compliance.
 - ▶ We understand that the NRCS regulates gambling equipment under compulsory specification act.
- ▶ The NRCS management team should invest in electronic options that will allow for recording of LOC submission and tracking of turn around time for service rendered.
 - ▶ SAGMA members are paying R1460 per new LOC, we produce in excess of 200 requested per month.
- ▶ The DTI and National gambling board should look at improving the process we have reported in this presentation in order to improve our industry growth, specifically the national database registration of imported and manufactured gambling equipment.

Questions...

