

# 2020/21

## Annual Report



LOTTERIES AND GAMING  
REGULATORY BOARD

Responsible Gaming

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# List of Abbreviations

<b>BUBU</b>	Buy Uganda, Build Uganda
<b>CEO</b>	Chief Executive Officer
<b>CSR</b>	Corporate Social Responsibility
<b>DPP</b>	Directorate of Public Prosecution
<b>EEE</b>	Engage, Educate and Enforce
<b>FIA</b>	Financial Intelligence Authority
<b>FY</b>	Financial Year
<b>ICRG</b>	International Corporation Review Group
<b>KMA</b>	Kampala Metropolitan Area
<b>L&amp;G</b>	Lotteries and Gaming
<b>NLGRB</b>	National Lotteries and Gaming Regulatory Board
<b>MGLSD</b>	Ministry of Gender, Labour and Social Development
<b>MoFPED</b>	Ministry of Finance, Planning and Economic Development
<b>NDP</b>	National Development Plan
<b>NGB</b>	National Gaming Board
<b>SWOT</b>	Strength, Weaknesses, Opportunities and Threats
<b>TBD</b>	To be determined
<b>UGX</b>	Uganda shillings
<b>UNBS</b>	Uganda National Bureau of Standards
<b>UPDF</b>	Uganda People's Defense Forces

# General Information

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# Board's General Information

<b>Registered Name</b>	LOTTERIES AND GAMING REGULATORY BOARD	
<b>Physical Address</b>	Communication House 4th Floor Colvile Street Kampala, Uganda	
<b>Postal Address</b>	P. O. BOX 5446 Kampala, Uganda	
<b>Telephone</b>	+256 414 231 628	
<b>E-mail</b>	info@lgrb.go.ug	
<b>Website Address</b>	www.lgrb.go.ug	
<b>External Auditors</b>	Office of the Auditor General - Uganda	
<b>Legal form of entity</b>	Established by an Act of Parliament in accordance with section 2 of the Lotteries and Gaming Act No.7 2016	
<b>Board members</b>	Mr. Aloysius Mugasa Adyeri	Chairperson
	Rt. Hon. Margaret Nantongo Zziwa	Member
	AIGP. Grace Akulo	Member
	Mr. Frances N. Twinamatsiko	Member
	Ms. Rebecca N. Nassimbwa	Member
	Ms. Juliet Namuli	(Ex. Officio)
<b>Management Team</b>	Ms. Juliet Namuli	Ag. Chief Executive Officer
	Mr. Bernard Winyi	Head Finance and Administration
	Ms. Deborah Kituyi	Head Legal and Board Affairs
	Mr. Brian Ainomugisha	Manager Responsible Gaming
	Ms. Rhoda Ajuna	Manager Finance & Administration
	Mr. Denis Mudene	Manager Information & Technology

## Legislation governing the entity operations

The Lotteries and Gaming Act No.7 2016

## Strategic Outcome-Oriented Goals

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- Ensure compliance with Legislative framework
- Increased monitoring and enforcement of gaming activities
- Promotion of Responsible gaming
- Increased contribution to good cause hence improving community lives

### Teamwork

We strive towards working together and supporting each other as a unit to enhance Board performance

### Integrity

We believe in doing the right thing always because it is always the right thing to do in an honest and truthful manner

### Respect

We respect, appreciate and value all our clients both internal and external

### Determined to Deliver

We believe in delivering an experience while consistently satisfying our client's needs

### Systems

We believe in building practical and effective internal mechanisms.





## Legislative & Other Mandates

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The National Lotteries and Gaming Regulatory Board (NLGRB) is a body corporate established under the Lotteries and Gaming Act No. 7 2016 to license, supervise and regulate the establishment, management and operation of gaming activities in Uganda, and to protect the citizens from its adverse effects.

The Board came into operation on 8th April 2016 and was launched on 10th May 2017.



# Chapter 01



# Introduction

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The National Lotteries and Gaming Regulatory Board (NLGRB) is a body corporate established under the Lotteries and Gaming Act No. 7, 2016 to license, supervise and regulate the establishment, management and operation of gaming activities in Uganda, and to protect the citizens from its adverse effects. The Board came into operation on 8th April 2016 and was launched on 10th May 2017.

As NLGRB marks five years of existence since its establishment, we remain focused on the core values and principles of good governance in the operation of the Board activities. The Board is committed to developing effective, transparent and accountable corporate governance practices to guide the principles by which the affairs of the Board will be governed. The Board is comprised of five directors and holds a Secretariat headed by a Chief Executive Officer. The Board's responsibility is to oversee the conduct of board activities, provide advice and counsel to the Chief Executive Officer, on behalf of the government and other stakeholders, to protect the Board's best interests and foster the creation of long-term values for government.

The NLGRB activities were aligned to the National Development Plan III that contributes to the Development Plan Implementation Program, which aims at enhancing revenue mobilization. This categorization is derived from Section 3 and 4 of the Lotteries and Gaming Act 2016 that mandates the Board to supervise and regulate the establishments and operations of gaming activities, and protect the public from the adverse effects of gaming. This is done through licensing

and the collection of taxes. In line with Section 48 of the Lotteries and Gaming Act 2016, an operator of a casino, gaming or betting activity is issued a license under this Act. In addition to taxes prescribed by law, operators are required to pay Gaming tax at a rate of 20% less pay outs (winnings) for the period of filing returns. In addition to the gaming tax, the operators are mandated to withhold 15% from the players' winnings. The sector also contributes Non-Tax Revenue from Application fees, license fees, fines and stamp duty among others.

## 1.1 Statutory Basis of the Annual Report

Section 22 of the Lotteries and Gaming Act No. 7, 2016 requires the Board to submit an annual report to the Minister on the operations of the Board during the preceding year at the end of each financial year. In line with Section 19 of the Act, the financial year of LGRB runs from 1st July of the current calendar year to 30th June of the next ensuing calendar year.

The annual report provides detailed information about the exercise of the functions and powers of NLGRB during the year to which it relates.

This report relates to the Financial Year 2020/21. It covers the period from 1st July 2020 to 30th June 2021. In this Report, the comprehensive activities of NLGRB are described. These include licensing activities, background investigations,

enforcements, compliance inspections, dispute resolution, initiatives to foster responsible gaming and conducting public awareness programs. Other important aspects include coverage on the economic significance of the gaming sector in the country.

Considering that FY2020/21 marks a decade and half of the existence of the gaming industry as a segment of the economy in Uganda, it is worth putting some significant landmarks achieved over time on record. LGRB has recorded notable strides in terms of advancement of the gaming industry as reflected by the increased number of the licenses issued and diversity in the gaming products, both online and remote gaming. The achievements are as a result of having a dynamic regulatory framework in place, effective laws and having an adequate resource capacity in terms of personnel and infrastructure.

The report contains business statistics and other sensitive information. Thus, it is prepared with due consideration to stakeholders and other public users. Due care has been taken to avoid disclosure of business information of individual licenses with the view of preserving business confidentiality. The information herein has been sourced from regulatory records maintained by LGRB and obtained in the course of conducting its regulatory functions.

## 1.2 Priorities/Functions of the Board

- a) Regulate and supervise the establishment, management and operation of lotteries, gaming, betting and casinos in Uganda;
- b) License casinos in Uganda;
- c) License persons operating in a casino and any other employee of a casino;
- d) Approve devices or equipment for lotteries, gaming, betting and casinos;
- e) Designate and license premises for lotteries, gaming, betting and casinos;
- f) Collect lottery, gaming, betting, and the casino tax from both the owners and the gamblers;
- g) Approve games that may be made available for casinos, lotteries, gaming, betting and casinos;
- h) Approve and set standards for the supply, installation or adaption of gaming and betting software;

- i) Participate and contribute to good causes in accordance with this Act;
- j) Protect members of the public from adverse effects of gaming and betting including the promotion of transparency and accountability;
- k) Implement Government policy relating to lotteries, gaming, betting and casinos;
- l) Promote public awareness of the gaming and betting industry;
- m) Receive, investigate and arbitrate complaints relating to lotteries, gaming, betting and take appropriate action;
- n) Advise and make recommendations to the Minister on matters relating to lotteries, gaming, betting and casinos;
- o) Perform any other function conferred upon it under this Act.

## Board Members

As specified by the Act and required by good governance, the Board members have representation from both the public and private sectors. Their collective qualifications, skills and experience enable them provide objective views about decisions to be made. This enables them to provide proper direction and guidance in the implementation of its activities.

## Composition of the Board

In accordance with the Act, the Board is composed of the following;

- A representative of the Ministry responsible for finance appointed by the Permanent Secretary
- A representative of the Ministry responsible for internal affairs appointed by the Permanent Secretary
- Three persons, not being public officers, who are knowledgeable and experienced in matters relating to the administration of casinos, gaming, betting and private sector management; and
- The Chief Executive Officer who is an ex officio member.

**TABLE 1: BOARD MEMBERS**

Name	Designation	Date appointed
Aloysius Mugasa Adyeri	Chairperson	18 <sup>th</sup> July 2019
Francis Twinamatsiko	Board Member	18 <sup>th</sup> July 2019
Margaret Nantongo Zziwa Babu	Board Member	18 <sup>th</sup> July 2019
Grace Akullo	Board Member	7 <sup>th</sup> July 2020
Rebecca Nassimbwa Nsumba	Board Member	5 <sup>th</sup> November 2019
Juliet Namuli	Ex Officio	1 <sup>st</sup> July 2019

## Remuneration of the Board members

The Board member's remuneration is as determined from time to time by the Minister. This is as provided for in the Act 2016 No.7.

## Board Meetings

According to Section 8 of the Lotteries and Gaming Act No.7 2016, the Board meets at least once every three months for the purposes of discharging its functions. It may also meet as often as is necessary for the transaction of Board affairs. Proceedings at meetings are directed by a formal agenda. The proposed agenda is circulated prior to the meeting to allow Board members sufficient time to propose additional items and prepare for the meetings.

Board members are also provided documents for approval not less than two weeks to the meeting for early review and comments for a more interactive and informed meeting.

The Board held 17 meetings during the reporting period to transact business relating to the licensing, recruitments and gaming. From July 2020 to 31st June 2021, the Board also held virtual meetings using the zoom online platforms due to the restrictions in movement brought about by the COVID-19 pandemic.

**TABLE 2: MEETINGS OF THE BOARD**

Number of meetings held	Number of members	Name of members
17	5	Aloysius Mugasa Adyeri
		Francis Twinamatsiko
		Margaret Nantongo Zziwa Bbabu
		Grace Akullo
		Rebecca Nassimbwa Nalongo Nsumba

Other face-to -face meetings and public meetings were held by the Board members as required and attendance was structured depending on the assignment of responsibilities among members. Several other meetings were conducted whenever required by telephone and email. In addition to the scheduled meetings, some of the board members served on the Finance and Administration committee where there was active participation and contribution.

The Board has seen a significant increase in the amount of work required out of planned meetings in comparison to previous years. Therefore, the demand has called for ongoing correspondence and decision-making in addition to the Board's regular workload, in order to carry out its functions and respond to the community and industry needs.

**TABLE 3: DETAILS OF THE MEETINGS OF THE BOARD**

No.	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1	Investigation on Vic Bet, SOPs to re-open sector & Purpose of National Lottery	Revision of JDs for Supervisor Compliance, Request for study leave, Approval of 4 licences	Renewal of contracts for the 10 staff, forgery of Bank Guarantees and Import permits	2nd Special recruitment, 29th April 2021
2	Review of Hon Minister's directives on licencing betting facilities, Approved 9 licences.	Licensing for 2021- Approved 34 operators for renewal, recommended resubmission of 27 operators, Approval of designs of licences, grace period to operate with one bank guarantee.	3 principle gaming licenses, presentation of letter from CID about forged bank guarantees, update on status of Strategic Plan and Repeal of separation pay.	1st committee of finance and committee special meeting,
3	Amendments to Act & Regulation, Additional Conditions for Manufacture, Supply et al, Responsible Gaming Concept paper.		Approval of 4 principle licences, update on status of recruitment & Strategic Plan.	55th Board meeting held on 17th May 2021, matters discussed includes resignation of Procurement officer and Recruitment of Manager.

No.	Quarter 1	Quarter 2	Quarter 3	Quarter 4
4			Approval of the budget for FY 21/22 and the reconstitution of Board committees.	56th Board Meeting held on 18th May 2021 where recruitment of Manager responsible Gaming was conducted.
5			Approval of 15 principal licences, key employee licences and revised budget for FY 2020/21.	58th Board meeting held on 26th May 2021 on renewal of contract, updates on recruitment and discussion of the Strategic Plan.
6			Representations from operators with forged bank guarantees, review and adoption of the internal Audit report and review of areas for amendments in the Human Resource manual.	57th Board meeting on 26th May 2021, Application of principle licences and premises licences were discussed.

## Board Committees

There are three Committees of the Board of Directors namely:

- Finance and Administration
- Auditor and Risk management
- Arbitration and Dispute Resolution

IV. Human Resource; human resource

V. Information and Technology; responsible for ICT functions.

VI. Internal Audit; responsible for internal audit functions.

VII. Responsible Gaming; Corporate Social Responsibility and promotion of responsible gaming.

VIII. Research and Planning; Strategic plan monitoring and innovations

IX. Corporate Affairs; Organization Marketing

## 1.3 Management

Management Team of NLGRB is led by the Ag. Chief Executive Officer, who is appointed by the Minister of Finance, Planning and Economic Development of the Republic of Uganda. The Ag. Chief Executive Officer is responsible for the day-to-day operations and administration of the Board. She is assisted by two Heads of Directorates and 4-line Managers.

The organization structure of NLGRB provides for three Directorates namely; the Directorate of Legal and Board Affairs, Strategy and Corporate Affairs, and Finance and Administration. They are responsible for providing Regulatory and support services to the Board which includes Licensing and Regulation, Strategic directives and Corporate Services and Management of Finance and Administration respectively.

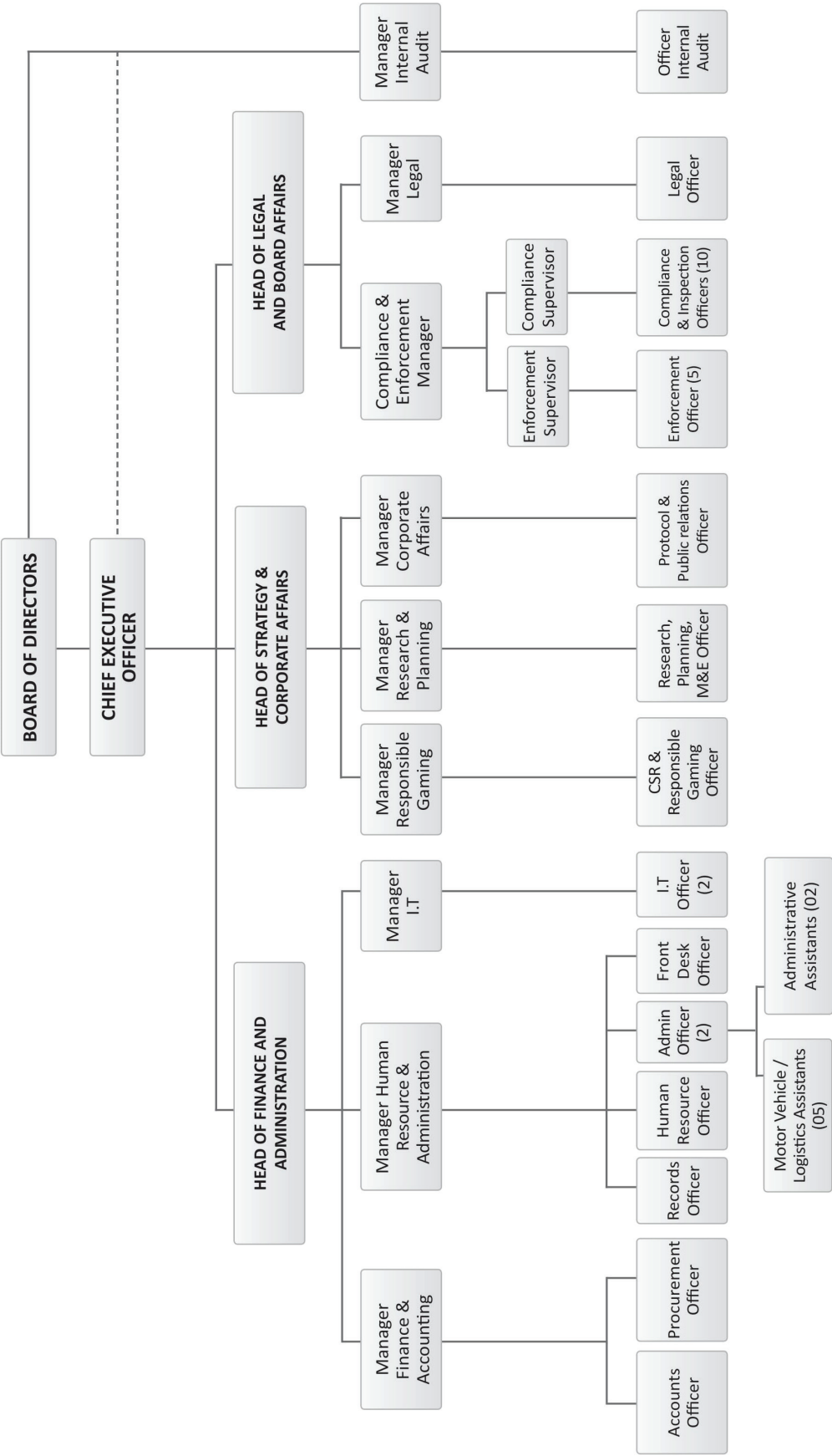
The Organization Structure provides for 9 departments:

- Enforcement and Compliance; responsible for enforcement operations, gaming inspection and compliance.
- Legal; responsible for licensing and legal services.
- Finance and Administration; responsible for finance, and general administration

TABLE 4: DETAILS OF THE MANAGEMENT TEAM

No.	Name	Title
1	Ms. Juliet Namuli	Ag. CEO/Head- Strategy & Corporate Affairs
2	Mr. Bernard Winyi	Head - Finance & Administration
3	Ms. Deborah Kituyi	Head - Legal & Board Affairs
4	Mr. Richard Muteesaasira	Manager - Internal Auditor
5	Mr. Denis Mudene	Manager - Information Technology
6	Mr. Brian Ainomugisha	Manager - Responsible Gaming
7	Ms. Rhoda Ajuna	Manager - Finance & Administration

# 1.4 Organizational Structure



# Chapter 02



# Performance Information

The performance objectives of the NLGRB are aligned to the mandate provided by the Lotteries and Gaming Regulatory Act No.7 of 2016, NPA strategic objectives, Ministry of MoFPED objectives and other government directives including but not limited to the NRM manifesto to enhance stakeholder liaison and statutory advisory services, enforced compliance, optimize organizational excellence and gaming technical compliance represented through the three Directorates provided in the NLGRB organizational Structure to manage all gaming activities with specific activities linked to each Strategic Outcome Oriented Goal (SOOG).

## 2.1 Strategic Outcome Oriented Goals

The Board aligned its activities to its major areas of focus. These are divided into two as identified below:

1. To supervise and regulate the establishment, management and operations of all gaming activities in Uganda
2. To strengthen the internal capacity of LGRB to effectively and efficiently deliver its mandate.

For the year under review, the Board had the following major outcomes from the implementation of its major activities from its areas of focus;

- i. Increased efficient and effective regulation of gaming activities
- ii. Increased compliance in the gaming market
- iii. Enhanced organizational performance
- iv. Enhanced financial accountability and compliance

## 2.2 Legal & Board Affairs

Under the program, the Board is mandated to:

- i. Improve effectiveness of the Board and Board structures through developing policies, manuals, charters and other guiding documents.
- ii. Receive, evaluate and recommend to the Board of Directors applications for gaming licenses.
- iii. Receive, approve and register devices and equipment for gaming.
- iv. Approve games that may be available for gaming.
- v. Undertake regular compliance, inspections and desk reviews to ensure gaming operators adhere to sector laws and regulations.
- vi. Investigate and enforce against illegal and non-compliant operators.
- vii. Receive, investigate and arbitrate complaints related to gaming and take appropriate action.
- viii. Offer secretarial and support services to the Board of Directors.

## Gambling Regulation

The Board's primary objective, in line with Section 3 of the Lotteries and Gaming Act 2016, is to ensure the licensing and regulation of all gaming activities in accordance with the law, and the protection of the public from the adverse effects of gaming.

The Lotteries and Gaming regulation ensures that:

- i. All gambling activities, operators, premises and employees in Uganda are licensed
- ii. All devices or equipment used in gambling are licensed
- iii. Standards for gaming are drafted, approved and implemented
- iv. The public and community are sensitized and protected from the adverse effects of gaming
- v. Gambling is free from criminal influence
- vi. Gambling activity is conducted fairly and in accordance with approved rules and procedures
- vii. Operators participate and contribute to good causes to the benefit of the different communities

## Legislative and Regulatory Developments

The Board continued with the review exercise and proposed additional areas of amendment to the existing laws. Additional sets of draft regulations were also formulated to enhance its legal framework. This was in an effort to address circumstances and events not addressed by the existing law and set of regulations in place.

### Amendments to the existing law

Considering the evolving nature of gaming, its existence across the country and the Board's mandate to protect the public from the adverse effects of gaming and prevent financial crime while enabling fair environment for both the operators and players, it was deemed necessary that the law is amended. These amendments will empower the Board in the process of decision making, strengthen supervision and put more focus on high-risk areas in the gaming sector. The Board will have wider-reaching powers in compliance and enforcement thus ensuring the implementation of its mandate fully. The major highlights in the bill include:

- i. Areas in the different sections that contradict each other
- ii. Duration of the License
- iii. Process of suspension and revocation of a license
- iv. Rephrasing of some sections for clarity, better understanding and interpretation among others

## Regulations

The Board, in addition to amending the law, embarked on the amendment of the existing regulations to cater for the following;

- i. Include Fees not provided for, or that are unclear under the current provision.
- ii. Provide for the appeal procedure before revocation or suspension of a license
- iii. Provide for rules for the National Lottery, Public Lottery and Promotional competition
- iv. Provide for designation of inspectors, provision of express penalties and manner of conducting investigations and
- v. Provide for general regulations, among others

## Guidelines for the National Lottery, Public Lottery and Promotional competition

The Board is mandated to License lottery operations as stipulated in the Lotteries and Gaming Act. However, currently, the entity has no regulations in place to govern these operations. To ably regulate this facility and protect the operations of the different lotteries, contribute to the economic development of the country through revenue collection and create a safe and fair play environment, it was required that specific regulations be developed for the three (3) different categories mentioned above. Draft guidelines are currently in place; these will be forwarded to Ministry of Finance and thereafter to the Ministry of Justice before presentation to the sector operators.

## Due Diligence

One of the major processes undertaken by the Board before licensing is undertaken is due diligence. Due-diligence examines the company's probity and financial standing before engaging in gaming.

In the financial year ending June 2021, the Board undertook a thorough vetting of all its gaming applicants prior to the issuing of licenses. During this due-diligence

exercise, the Board liaised with local regulators, enforcement entities and foreign intelligence service providers. The Board undertakes this to ensure that the applicant is experienced and knowledgeable, free from crime, is of good character, has a good financial standing and has the ability to protect the interests of the public

## Licensing

Licensing ensures that operators are eligible in accordance with Section 26 and 27 of the Lotteries and Gaming Act 2016 as well as Section 24 of the Lotteries and Gaming (Licensing) Regulations 2017. The licensing of persons in relation to gaming shall require that the Board satisfies itself that the person is fit and proper to conduct gaming activities in Uganda; this is in relation to parts IV and V of the lotteries and Gaming Act 2016. The Board shall at the time of investigating and inquiring into an application for a license to operate gaming activities, also approve the suitability of the premises for conducting the activity before issuing a premises license. Throughout the reporting period, the Board received 164 applications in total from both new applicants and renewals as illustrated in the table below:

TABLE 5: SHOWING FACILITY APPLIED FOR

S/N	Facility applied for	N° of applications
1.	General Betting Operating License	33
2.	Casino operating License	17
3.	Pool Betting License	1
4.	Bingo Operating License	2
5.	Gaming & Betting License	16
6.	Manufacturing, Supply, Install or Gambling Software Operating License	4
	Total	73

The Board received a total of 102 license applications for new and renewal of licenses:

TABLE 6: SHOWING FACILITY APPLIED FOR

Category	Number of Applicants	Licensed operators	Pending
Existing applicant (License renewal)	59	45	15
New applicants	05	05	0
Total applicants	64	51	15

## Mediation/Arbitration

In accordance with section 4(m) of the Lotteries and Gaming Act, 2016, the Board has the powers to receive, investigate and arbitrate complaints relating to lotteries, gaming, betting and casinos and thereafter take appropriate action.

LGRB resolve disputes between consumers and gambling operators without going to court. This can make it easier for consumers to get help to resolve a dispute they have with a particular operator. It also helps to reduce costs for both parties to a dispute and can reduce the length of time it takes for a dispute to be resolved.

It is against this background that in FY 2019/2020, the Board received a total of 38 disputes and resolved a number of them. Details of claims are as follows;

TABLE 7: SHOWING MEDIATION/ARBITRATION

No	Category	Number
1	Received	39
2	Resolved	38
3	Pending	1

**Reason for variance:** 1 dispute had not been resolved by the end of the financial year due forensic investigations on the company.

## Equipment & Device Registration

The Board established a Register of gaming and betting equipment and devices. So far, a total of 6,801 gaming machines have been registered. This quarter, no gaming equipment was registered by the Board to be made available or transfer. However, the following number of companies imported gaming equipment.

TABLE 7: SHOWING MEDIATION/ARBITRATION

No	Quarter	Number
1	Q1	6,543
2	Q2	6,801
3	Q3	6,801
4	Q4	6801

## 2.3 Effective Supervision, Compliance & Enforcement

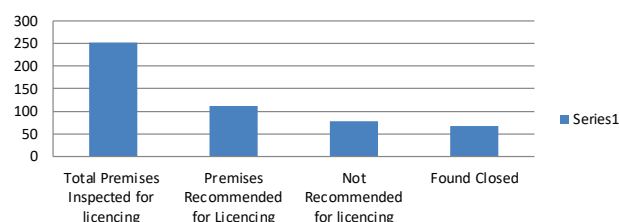
### Licensing Inspections

The Board also conducted the inspection of all gaming operators during the year, which is another key regulatory activity intended to assess and enforce compliance with the gaming legislation. The inspections involved planned and ad-hoc exercises. The planned inspections are scheduled exercises of which the execution requires operators to share the list of their premises prior to commencement and are considered Pre-licensing inspections. The Pre-licensing inspections are intended to review and appraise general compliance with the Act. On the other hand, ad-hoc inspections are impromptu in nature and their execution plan is as when the operator requires new premises to be inspected and also in case the inspector failed to allocate the premise in the first visit. Such inspections arise when information reaches the Board that a licensee is required of gaming law. Some of the activities which may prompt ad-hoc inspection include knowledge on conduct of illegal gaming, evasion of gaming tax and participation of children in gaming among others.

As specified in Section 5 (e) of the Act and Section 8 of the Regulations, the Board conducted inspections of both new and old premises to ensure compliance with the law before licensing. There is no doubt that COVID-19 has had a profound impact on every industry in the world, and the gaming industry in Uganda is no exception. In March 2020, the Government of Uganda issued measures to combat the COVID-19 pandemic which included closure of the gaming which affected premises inspection.

Following a decision by Government to re-open gaming operations, Standard Operating Procedures (SOPs) were approved for implementation before commencement of operations. The total number of premises inspected for 2021 licensing were 252. Of the total inspected, 111 meet the criteria and are recommended for licensing for the year 2021, 78 failed and are not recommended for licensing for the year 2021 and a total of 63 premises were found closed at time of inspection due to COVID-19.

PREMISES INSPECTED IN THE FY 2020/21



The Board inspected the following areas across the country as specified below;

**Near East:** Busia, Soroti, Bukedea, Kumi, Tororo, Ngora, Palisa, Jinja, Iganga, Buikwe, Bugiri, Kamuulikayunga, Buyende, Buvuma, Namayingo, Namutumba, Bugiri

**Eastern:** Sironko, Serere, Kaberamaido, Manafwa, Buduuda, Palisa, Butalejja, Kapchorwa, Butebo, Bulambuli

**Western:** Masaka, Lyatonde, Sheema, Bushenyi, Ntungamo, Kisoro, Rukungiri, Kabale, Mbarara

**Northern:** Dokolo, Apac, Kitgum, Lira, Gulu, Amolatar, Pader, Omoro, Alebtong, Pader, Apac, Kwanya, Amuru, Oyam, Nwoya

**Albertine:** Masindi, Luweero, Kasese, Mubende, Nakasongola, Mityana, Hoima, Kyenjojo

**Far East:** Kotido, Moroto, Abim, Kabong, Katakwi, Amuria, Nakapiripirit, Napak, Amudat, Nabelatuk

**Buganda:** Sembabule, Gomba, Mpigi, Kasanda, Kalungu, Butambala, Bukomansimbi, Nakasongora, Nakaseke, Luweero

**West Nile:** Pakwach, Zombo, Nebbi, Maracha, Arua, Koboko, Yumbe, Moyo, Obongi, Adjumani

FIGURE 1: SHOWING COMPLIANCE OFFICER UNDERTAKING A PRE-LICENSING INSPECTION EXERCISE.



## Inspection and Monitoring

**TABLE 9: SHOWING DETAILS OF INSPECTION**

No.	Category	Number
1	Total number of premises applied for	2,116
2	Premises recommended for licensing	2,078
3	Premises not recommended	38

### Evaluate monthly submissions (Returns, review, reconcile, operator returns and payments to Uganda Revenue Authority)

Tax is the monetary charge imposed by the government on persons, entities, transactions or property to yield public revenue. The Uganda Revenue Authority administers the tax laws (Acts) on behalf of the Ministry of Finance, Planning and Economic Development.

Similarly, in accordance with Section 48(1) of the Lotteries and Gaming Act 2016, all gaming operators are meant to remit 20% of the total amount of money staked less pay outs for the period of filling returns.

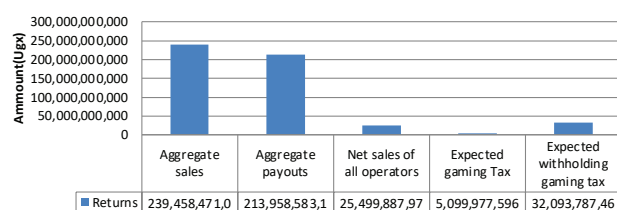
Section 118c of the Income Tax Act, as amended in 2018, states that a person who makes payment for winnings of betting or gaming shall withhold tax on gross amount of payment at the standard rate of 15%.

All monthly returns of individual operators for the FY 2020/21 were reviewed and analysed accordingly as shown below:

**TABLE 10: SHOWING RETURNS FROM GAMING ACTIVITIES**

No.	Returns for FY 2020/21	Amount
1	Aggregate sales	239,458,471,090
2	Aggregate payouts	213,958,583,112
3	Net sales of all operators	25,499,887,978
4	Expected gaming Tax	5,099,977,596
5	Expected withholding gaming tax	32,093,787,467

**GAMING RETURNS FOR FY 2020/21**



## Investigations & Enforcements

In accordance with section 4(m) of the Lotteries and Gaming Act, 2016, the Board has the powers to receive, investigate and arbitrate complaints relating to lotteries, gaming, betting and casinos and thereafter take appropriate action.

### Cases Being Investigated

Throughout the year, the Board undertook a number of investigations on both reported and identified gaming operations that were considered to be in breach of the gaming regulating. The common cases investigated were those related to operations undertaken without a license, these included:



Case	Comment/Status
Mena Sports Consulting-v- LGRB & A.G, CAD/ ARB No.1 OF 2019	<p>Mena sports consulting FZCO lodged a complaint to the Center for Arbitration and Dispute Resolution on the ground that the Board had failed, neglected and refused to perform their obligations under the Agency Agreement allegedly costing the Company a colossal loss in the Sum of USD 6,300,000.</p> <p>The matter was forwarded to the Solicitor General for representation. The office of the Solicitor General challenged the CADER's ability to appoint an arbitrator since it had not been validly constituted for years and the High Court ruled in favor of Solicitor General's office (that CADER cannot validly conduct arbitration). As a result the office of the Solicitor General proposed to Mena Sports Consulting FZCO to meet and agree on an arbitrator to be appointed by both parties</p> <p>Thereafter Mena wrote to Hon. Minister proposing to settle the same out of court. Proposed settlement, awaiting response from the Hon. Minister of Finance, Planning and Economic Development</p>
Home bet-v- LGRB & A.G Constitutional Petition No 11 of 2015	<p>An interim order was granted to Home Bet prohibiting the Attorney General, Lotteries and Gaming Regulatory Board, Government agencies, servants, employees, assignees and any others claiming or deliver authority from closing or in any way interfering with the applicant's rights to carry out lawful business of gaming in Uganda.</p> <p>However, following Solicitor General's advice the Board carried out enforcement operation against Home Bet premises in the country. Home Bet filed a miscellaneous application citing enforcement operations were an abuse of court process against the interim order. Fixed for Hearing on 27th April 2021</p>
Game Concepts Limited and Another Vs. The Lotteries and Gaming Regulatory Board and Attorney General Constitutional Petition No.0005 of 2018	<p>Challenging Sect.1, 39, 40,67 of Lotteries and gaming Act, 2016 and Reg.2 and 30 claim they are inconsistency with article 21(1) and 42.</p> <p>Temporary Injunction was issued.</p>
Sisimuka Uganda Ltd-v-LGRB	<p>The Directors of Sisimuka Uganda lodged a complaint to Court against the Lotteries and Gaming Regulatory Board for allegedly illegally issuing a Casino operating license to Sunset Casino in contravention of Reg 18(d) of the Licensing Regulations. The Matter has not yet been fixed for hearing</p>
Uganda –v-Emma & Anor	<p>In 2017, May an Enforcement operation was carried out against non-compliant and illegal operators within Kampala Metropolitan Areas, during which Board officers were assaulted and threatened by Home Bet officials (Emma Namunungi and Matovu Abasi) for interfering with Home Bet business, all gaming equipment confiscated by the officers were forcefully repossessed by the said Home Bet officials.</p> <p>A case was lodged against the Home Bet officials; the case has been ongoing for hearing and was adjourned to 2nd December, 2020</p>

**FIGURE 2: ILLEGAL GAMING SHOP OPERATING SLOT MACHINES IN KASOKOSO AREA DURING INVESTIGATION EXERCISE**



**FIGURE 3: ILLEGAL GAMING SHOP OPERATING SLOT MACHINES IN KABALAGALA AREA DURING INVESTIGATION EXERCISE**





## Enforcements

Expansion and growth of the industry have also exposed gaming industry to illegal gaming operations. This involves operators who conduct unlicensed gaming operations. Illegal gaming activities in Uganda involve, mainly, unlicensed on-line betting sites and slot machine operations. The magnitude of online activities is not alarming compared to illegal slot machine operations; it frustrates the orderly regulatory environment of the gaming industry. The Board, in collaboration with other Government law enforcement agencies, mounted massive regulatory measures to combat illegal gaming activities and has successfully conducted several operations during 2020/21 to control illegal gaming. The Board is confident that such illegal gaming activities will decline overtime as the Board continues to institute suitable measures, including strengthening its regulatory capacity and collaboration with other Government agencies.

Enforcement exercises are undertaken as:

- i. Follow up on pre-licensing inspections
- ii. Impromptu spot checks on gaming houses informed by investigations and other channels of information.
- iii. Scheduled spot checks on all gaming activities across the country as a way of ensuring compliance with the licensing conditions.

The Board partners and works closely with other relevant organizations;

- i. Uganda Police Force that helps with Police personnel during the Board's enforcement activities. All the Board's gaming activities are carried out with the assistance of the Uganda Police Force.
- ii. The Uganda Communications Commission (UCC) that helps with enforcing against illegal online gaming by blocking the access of identified illegal sites. Over 200 illegal gaming sites have been blocked by the UCC.
- iii. The Uganda Revenue Authority (URA) that helps with blocking the entry of illegal and substandard gaming equipment. Over 1000 illegal and substandard gaming equipment in form of slot machines have been denied entry in Uganda by URA.
- iv. Financial Intelligence Authority that helps with fighting money laundering.

Confiscated unauthorized gaming equipment is destroyed with leave of Court. To date, the Board has so far destroyed a total of 352 gaming equipment.

### 1. Enforcement operations in KMP

A total of 28 illegal gaming equipment and devices were confiscated from unlicensed gaming operators. These include the following: 3 laptops, 4 slot machines, 1 Desktop, 3 CPUs, 1 Router, 2 key Boards, 1 Blower, 3 HMI cables, 1 Extension cable, 2 Ream of Papers, 2 TVs and 3 Printers.

All the confiscated illegal machines are to be destroyed with leave of Court.

**FIGURE 4: CONFISCATED GAMING EQUIPMENT BEING AUDITED BY INTERNAL AUDITOR**



### 2. Enforcement Operations in Upcountry

A total of 120 gaming equipment confiscated during enforcement operations were collected from different police stations across the country.

These were undeclared, unregistered, substandard machines operated in the areas Oyam, Kole, Amuru, Alebtong, Agago, Lamwo, Nwoya, Abim, Omoro, Kotido, Moroto, Napaka, Kaabong, Sirinko, Kapchorwa, Bukwo, Kween, Rubanda, Rukiga, Kanungu, Mitooma, Rubirizi, Buhweju, Bushenyi, Gomba, Bukomansimbi, Butambala, Mpigi, Kyegegwa, Hoima, Bulisa, Kagadi, Kakumiro, Kibaale, Kyankwazi, Kiboga, Bunyangabo, Naseke respectively.

All the 120 gaming equipment collected are to be destroyed with leave of Court.

**FIGURE 5: SOME OF THE ILLEGAL SLOT MACHINES CONFISCATED DURING ENFORCEMENT OPERATIONS**



### 3. Equipment Destruction

The Board, in collaboration with M/s Luwero industries in Nakasongola, destroyed 352 illegal gaming equipment and devices from unlicensed and unregistered gaming operators throughout the country.

**FIGURE 6: DESTRUCTION OF ILLEGAL AND UNLICENSED GAMING EQUIPMENT FROM LUWERO INDUSTRIES, NAKASOGOLA DISTRICT**



**FIGURE 7: A TEAM FROM LGRB ALONGSIDE MEMBERS FROM THE ATTORNEY GENERAL'S OFFICE, MENDO MAGISTRATE'S COURT AND OFFICIALS OF LUWERO INDUSTRIES LTD IN AN EXERCISE CONDUCTED IN NAKASONGOLA DISTRICT. OVER 300 ILLEGAL SLOT MACHINES WERE DESTROYED BY THE BOARD**



**FIGURE 8: THE CHAIRMAN, BOARD OF DIRECTORS, MR. ALOYSIUS MUGASA ADYERI SPEAKS DURING THE DESTRUCTION OF ILLEGAL GAMING EQUIPMENT**



### 4. Money collected from the disposed gaming equipment

The Board recovered Ugx 548,600 and Kenya currency of KES 3,650. The money is to be paid into a consolidated fund.

**FIGURE 9: PHOTO OF MONEY COLLECTED FROM DESTROYED EQUIPMENT ON 20TH MAY 2021**



## 2.6 Strategy & Corporate Affairs

The program is responsible for;

- i. Provision of strategic policy guidance through development and implementation of the strategic plan.
- ii. Formulation of Ministerial policies.
- iii. Development of annual reports and work plans.
- iv. Monitoring the implementation of the various board plans.
- v. Protect the public from adverse effects of gaming through regular sensitization and implementation of the responsible gaming program.

- vi. Spearhead the development of gaming standards.
- vii. Undertake research to support innovation and inform gaming policies and decision making.

## Development of the Strategic Plan

The Board of Directors approved the draft Strategic Plan which will guide the Board for a period of 5 years (2021/22-2025/6). The Plan maps out the Board's Vision, Mission, Mandate and Core values, taking into account all the current policies, legislations, Board aspirations and other frameworks namely: the Accountability Sector Strategic Investment Plan (ASSIP), the Vision 2040 and the third National Development Plan (NDP III). This plan is intended to enable the Board take advantage of the opportunities available and address the challenges that could impede the Board's progress towards achieving its major mandate. With this Plan, the Board is confident that it will contribute to creating a sector that is free from the adverse effects of gaming.

FIGURE 10: TRAINING DURING THE STRATEGIC DEVELOPMENT



## Responsible Gaming Program

Responsible Gaming is a set of social responsibility initiatives by the gaming industry intended to mitigate the adverse effects of gaming. These initiatives are shared amongst governments, gaming regulators, operators, gaming vendors, gaming public (punters) and other stakeholders.

Responsible gaming is embedded in the main objective and functions of the National Lotteries and Gaming Regulatory Board (NLGRB) of Uganda under the Lotteries and Gaming Act, 2016.

Section 3 of the Lotteries and Gaming Act, 2016 provides that the major objective of the Board is to supervise and

regulate the establishment, management and operations of lotteries, gaming and betting and casinos in Uganda and to protect the citizens from the adverse effects of gaming and betting in Uganda.

Section 4 further provides for the functions of the Board to include:

- i) Participate and contribute to good causes in accordance with the Act.
- ii) Protect members of the public from the adverse effects of gaming and betting including the promotion of transparency and accountability.

### 1. Responsible Gaming Program

The Responsible Gaming Program (RGP) is a set of activities that incorporates treatment and counseling, public awareness, education, training, and research on gambling and problem gambling in Uganda.

The Board recently formed the Responsible Gaming Department in the year 2020 to take the lead on implementing the Responsible Gaming Program.

### 2. Program Goal/Purpose

The general goal is to protect members of the public from the adverse effects of gaming. This includes the promotion of transparency and accountability in the sector.

The NLGRB ensures that the gaming operators' general practices are consistent with the community's expectations and that their operations are conducted in a manner that promotes responsible gaming and end problem gambling in Uganda.

### 3. What the Program entails

#### a) Train and create awareness on Responsible Gaming and its relevance in society.

The Board has earmarked interest groups for training and sensitization about the Responsible Gaming. These activities will commence once the COVID 19 lockdown is lifted.

#### b) Educate and sensitize against money laundering

The NLGRB works closely with the Financial Intelligence Authority, local regulators, enforcement entities, foreign intelligence service providers and gaming operators to fight money laundering in the gaming industry.



Requirement of an Anti-money Laundering officer in licensed casinos to detect and report any activities that could be associated with money laundering.

Requirement to have internal controls by gaming operators such as identification and trails on;

- Caliber of the punters
- The amounts spent on wagering
- The frequencies of wagering
- Sources of money used for wagering
- Due diligence is also carried out on all gaming applicants before, during and after licensing. In the financial year ending June 2021, the Board undertook a thorough vetting of all its gaming applicants prior to the issuing of licenses.
- Study/investigate gaming patterns/behavior, identify and handle any issues arising out of gaming.
- The Board as part of its function was given quasi-judicial powers to investigate and handle issues arising out of gaming such as:
- Nonpayment of winnings and any form of unfair treatment.
- The Board requires all gaming houses to have approved codes of conduct which are a basis for self-regulation. These codes of conduct entail approved requirements for transacting such as:
- Fair mode of payment to winners
- Timely and prompt payment to winners
- Valid contracts for employees
- Justifiable termination of work contracts
- Justifiable working conditions for employees
- Any aggrieved party has channels to lodge in their complaint/s to the Complaints and Arbitration Committee through direct calls, email, website and our toll free line.
- Irresponsible advertising and under age gambling
- The Board has developed advertising directives and is also amending the law to improve regulation on advertising.
- All gaming houses are required to have Board messages prohibiting irresponsible marketing and under age gambling.

- As a requirement, any advert by gaming operators has to be approved by the Board before being made available to the public. It would constitute an offence by the gaming operator to act contrary to the above and can lead to either suspension or revocation of their license.

### c) Fair gaming

The Board has a Games and Rules Committee that approves and sets standards for rules to be used by the gaming operators. This aims at;

- Ensuring a levelled ground for transactions between the punters and the gaming houses
- Eliminating cheating by any of the parties involved
- Standardizing the rules of engagement
- All the games currently operated by gaming houses are approved by the Games and Rules Committee. The Operators' rules are still being studied with the objective of developing standard gaming rules from which all the other existing gaming rules shall derive their validity.

## Corporate Social Responsibility

One of the licensing requirements is Corporate Social Responsibility. In coordinating and ensuring licensed operators contribute to CSR activities; various gaming operators are sponsoring different activities that include sports development, health, and education among others. In 2020, operators contributed relief items and cash estimated at Ugx 600m towards COVID-19.

## 2.7 Internal Audit

The Internal Audit Department executed its mandate as stipulated by the Public Finance Management Act (PFMA), 2015 of providing assurance regarding the adequacy and effectiveness of the Board's enterprise risk management, compliance management, its systems of internal control, its governance processes and where appropriate, the quality of performance of its business operations and its information systems as measured against agreed standards. Below are summaries of performance reports of the FY 2020/21:

- (i) During the financial year, various pre-audits of Board expenditure and management advisory activities resulting into various strategies to enhance accountability and internal control effectiveness.

- (ii) A half year consolidated report on the engagements and activities undertaken was submitted to the Accounting Officer and the Board of Directors. The report summarized audit assignments carried out, key audit findings, recommendations and the status of implementation of the agreed actions.
- (iii) Management review of the status of implementation of audit recommendations was carried out and was made by both the Internal Auditor General and the Office of the Auditor General. Feedback was consolidated and used as a basis for management's feedback to MOFPED enroute to Parliament.
- (iv) Operator minimum capital adequacy was assessed based on submitted audited and management accounts. this has improved the quality of submissions, transferred knowledge to NLGRB compliance staff and enhanced the quality of management decisions on recommendations to the Board.
- (v) Terms of Reference for procurement was also prepared on consulting services aimed at drafting policy and procedures manuals for risk management and internal audit practices respectively.

# Chapter 03



# Economic & Social Impact Analysis Of The Gaming Industry In Uganda

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The gaming industry of Uganda has not been spared the impact of the declaration of a state of a national disaster that was announced in Uganda towards the end of March 2020. Pandemics like the novel coronavirus, also known as COVID-19, are known to cause economic damage through multiple channels, including short-term fiscal shocks and longer-term negative shocks to economic growth. This negatively impacted and threatened the destination model of gambling in Uganda, as people were unable to access the modes of gaming namely, casinos, slot machines, bingo and betting shops while operators are also affected negatively by the withdrawal of the markets they depend on for the outcome of betting contingencies such as sports and virtual games. This affected gaming revenue and taxes ultimately, presenting a challenge for the NLGRB's strategic quest.

From a social perspective, the more people are urged to stay at home, the more they may be drawn to illegal gambling activities with no control of the overstimulation and latent need to gamble online and access unlicensed gaming premises operating. As such and like many other gambling Boards, Uganda has had to question the continued prohibition of online and illegal slot machine gambling and ways of transforming this stance into an economic recovery plan for the future regulation of the industry as a response to the devastating effects of the COVID-19 pandemic and going forward. Illegal gambling threatens to erode the regulated environment as it impacts the legal industry in that illegal gaming activities

are operated by unlicensed operators, primarily through online and land base platforms. These illegal operators offer games that compete with legal modes which may have a considerable impact on the gaming revenues generated by licensed gaming operators. This ultimately also has a remarkable impact on tax revenue for the Government whilst further consequences include loss of employment opportunities and participation in local economic activities, as well as an erosion of consumer rights and protection. The illegal gaming industry in particular has gained momentum over the last few years and is now prominent throughout both urban and township communities.

One of the Board's mandates is protection of society from the adverse effects of gaming through the control of gambling opportunities. Gaming is a form of recreation and entertainment often in a safe environment when the destination approach is prioritized. The legal gambling industry is well-regulated and compliant in various respects to offer a safe environment to participate in gambling activities and offers the opportunity to become part of new social groups.

In promoting local content, the Board has emphasized the employment of Ugandans in the gaming sector, the sector is employing 8,959 people (professionals and non-professionals) in various capacities like; Cashiers, Branch managers, Accountants, Marketing agents/sales agents, Security guards, Chefs for casinos, Cleaners, Administration.

### 3.1 Challenges of the NLGRB

- a) Lack of funds to implement the National Central Electronic Monitoring System (NCEMS). This system will enhance revenue collection, prevent under-age gaming, protect punters by detecting and monitoring significant events associated with gaming activities, analyze and report received data. Government has a contractual obligation to pay Ugx10.8 billion over a period of two financial years. For FY 2021/22 Parliament allocated 2 bn towards the implementation of the system, however, this was affected by the 41% cut towards the COVID-19 emergency relief fund.
- b) Insufficient recurrent budget allocations – for the past three years allocations to the Board have been UGX 6.37 billion. With this allocation, the Board is unable:
  - i. to recruit all the required staff as per the approved structure
  - ii. Establish regional offices to monitor gaming activities across the country.
  - iii. Sensitize the public on the negative effects of the gaming sector.
- c) Lack of physical presence across the country – Due to the limited budget the Board is unable to establish regional offices hence compromising the effectiveness of the sector supervision. This affects revenue collection, encourages illegal operations due the long response times and exposure of the underage.
- d) COVID-19 restrictions on social gatherings continue to affect the sector to date. The land-based gaming operations are currently closed hence affecting revenue contribution to Government and employment rendered to.

### 3.2 Revenue Collections

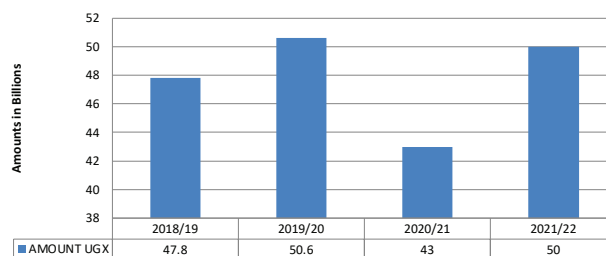
Gross gaming revenue generated from the industry in FY2020/21 amounted to UGX 50,100,111,783. This collection was from the Gaming tax, Withholding tax and the Non-Tax Revenue (NTR) which includes application fees, license fees, fines and charges among others. From the total above, UGX 20,353,251,640 was collected from withholding tax, UGX 9,440,567,253 from the Gaming Tax and UGX 1,151,170,00 as NTR. According to the assessment, a bigger percentage of the gaming revenue is from the sports betting sector. However,

it has been noted that there was a negative growth in revenue collected compared to the FY2019/20. This is due to the effects of the COVID-19 outbreak, resulting into a prolonged lockdown of the gaming industry which affected its performance and growth going forward.

**TABLE 11: SHOWING REVENUE COLLECTION PROJECTIONS**

FINANCIAL YEAR	AMOUNT (UGX)	STATUS
2018/19	47.8Bn	Actual
2019/20	50.6Bn	Actual
2020/21	50.1Bn	Actual
2021/22	50Bn	Projected

**GRAPH SHOWING REVENUE COLLECTION FROM THE GAMING SECTOR**



The effects of COVID-19 can also be seen in the constraints caused in incomes of households resulting from the country's negative GDP growth. This resulted into a slowdown in gambling activity, gambling revenue losses due to the closing down of gaming operations across the country due to the nationwide lockdown. Although the sector has maintained a positive growth trajectory with gross gambling revenues continuously rising annually, the average growth of the industry is expected to be lower in FY2021/22 due to emerging issues exacerbated by the global pandemic.

### 3.3 Information Technology

The Information Technology department of Lotteries and Gaming Regulatory Board is mandated to plan, coordinate and monitor customization, implementation, and operational support of Information Communication Technology systems/infrastructure in line with identified departmental needs.

The IT department relies on the procurement department in procuring the required hardware and software to support and enable the organization's business.

The IT department relies on the procurement department in procuring the required hardware and software to support and enable the organization's business.

### **National Central Electronic Monitoring System**

The gambling environment has been continuously changing, with new technology and a host of new products coming onto the market. This presents a challenge for a gambling regulator, such as the NLGRB, and requires the regulator to be innovative and agile in achieving its objectives. The NLGRB has embraced the benefits of the evolution of information technology through the implementation of best practices in performing its mandate. To support improved industrial performance, dynamism and competitiveness of local companies, the NLGRB plans to monitor the industry through a technologically driven National Central Electronic Monitoring System (NCEMS) ensuring that gambling revenues are accurately captured and allocated to relevant stakeholders.

The National Central Electronic Monitoring System (NCEMS) is a type of system that the Board has procured, in line with Section 61 of the Act, to detect and monitor significant events associated with gaming activities, analyze and report received data. This procurement commenced in the year 2018/19, but due to its complexity, was not completed then. Due to the COVID-19 pandemic that caused travel restrictions, due-diligence was undertaken online and the contract signed by the Ministry of Finance on behalf of the Lotteries and Gaming Regulatory Board. Implementation is expected to commence in the next financial year (2021/22) with initial engagements with the different key stakeholders to discuss the different outputs expected, and to guide in the design of the system.

### **Digitizing Board Records & Information**

The unit continues to ensure that all Board records and information resources are kept and managed in the most effective and safe way. A number of measures have been initiated to ensure the above these including;

- I. Maintaining a register to record and track all incoming and outgoing correspondences within and outside the Board.
- II. Converting them to electronic format. The Board procured a scanner to enable the digitizing process. In addition, the Board is also in the final stages of

procuring scanning services to help in scanning all backlog records of the Board.

### **Gaming Standards**

Section 37 and 38 of the Lotteries and Gaming Act, 2016 mandates the Board to determine, and set standards in respect of the manufacture, supply, installation, adaption, maintenance and repair of gaming or betting machines and betting software.

### **Development of Gaming Standards**

The Board in consultation with the Uganda National Bureau of Standards developed 5 sets of standards to streamline the sector as listed below. These will protect the public from unfair play from substandard gaming equipment and software.

- i) US 1580-Standards for casinos.
- ii) US 1580-Standards for limited payout machines.
- iii) US 1580-Standards for monitoring and control systems.
- iv) US 1580-Standards for wagering record-keeping software and
- v) US 1580- Standards for tokens.

In addition to the above, the Board is in the process of developing other 14 standards.

### **Testing & Certification Of Gaming Equipment and Software**

The Board is in the process of testing gaming equipment and software using prequalified international independent testing laboratories as per the set standards. This will eliminate substandard gaming equipment and software that leads to loss of government revenue and unfair play.

The IT department developed specifications and initiated the procurement of a Microsoft E3 platform to ensure the integration of systems, enhanced communication, and collaboration, secure data sharing and enable remote working given the challenges caused by the COVID-19 pandemic.

	Strategic Objective	Performance Indicator	Target	Actual	Status	Reasons for deviation/comment
1	To promote effective and efficient regulation of the gaming industry	Procure a consultant to review the draft Strategic Plan for approval by Management and the Board	Approved Plan by 31st March 2021	Approved	Achieved	Country wide Lock down affected the travel plans for the consultants hence delaying the process
2	To promote effective and efficient regulation of the gaming industry	Sports betting and Gaming standards developed	6 sets	6 sets developed	Achieved	Efficiency of the process
3	To promote effective and efficient regulation of the gaming industry	National register for gaming and betting machines and devices updated in accordance with Section 36, Lotteries and Gaming Act, 2016	1 register	1 register updated	Achieved	Efficiency of the process
4	To promote effective and efficient regulation of the gaming industry	Local content regulations developed, printed and disseminated	50 copies printed	Draft local content regulations in place awaiting gazette	Not Achieved	Delayed Gazeting
5	To promote effective and efficient regulation of the gaming industry	Online regulations developed, printed and disseminated for use	50 copies printed	Draft online regulations awaiting gazette	Not Achieved	Delayed Gazeting process
6	Increased compliance in the gaming market	An evaluation report on applications received was drafted and reviewed	31st December 2021	Report reviewed by management	Achieved	Efficiency of the process
7	Increased compliance in the gaming market	Report on premises inspected drafted, reviewed and approved by management and the Board	31st March 2021	1 reports	Partially Achieved, inspected KMP	COVID-19 outbreak failing inspections in some areas
8	Increased compliance in the gaming market	A report on number of operators approved for licensing reviewed and approved by management and the Board	31st December 2021	1 reports	Achieved	Efficiency of the process
9	Increased compliance in the gaming market	Number of Licenses printed, signed and issued	100% of eligible operators	100% printed	Achieved	Efficiency of the process
10	Increased compliance in the gaming market	Testing of gaming equipment by certified labs	Exercise undertaken by the 31 <sup>st</sup> March 2020	Certification providers invited to commence testing of equipment	Not Achieved	Sector closed due to countrywide lock down to control the spread of the COVID-19 pandemic.
		Report on operator compliance audits reviewed and approved by management	Every quarter	Reports drafted	Achieved	Efficiency of the process
	Increased compliance in the gaming market	Report on countrywide enforcements (Kampala metropolitan, upcountry and impromptu) reviewed and approved	1 report per quarter	Report on enforcements in KMP	Partially achieved	Sector closed due to COVID-19 pandemic

Strategic Objective	Performance Indicator	Target	Actual	Status	Reasons for deviation/comment
<b>11</b> To promote effective and efficient regulation of the gaming industry	Report on amendment proposals for the LGRB law and regulations drafted and approved by management and the Board.	Report by 30th	89.5% resolved	Partially achieved	Operations suspended due to the COVID-19 country wide lockdown
<b>12</b> Enhance Organizational performance in enforcement and Compliance	Enforcement and Compliance Audit manual drafted, reviewed and approved by management and the Board.	30th June 2021	Draft Manual in place	achieved	Delay was due to the lock down. To be subjected to further review by Management and consultant
	Training of staff and Implementation of the enforcement and compliance audit manual	All Board staff	No training conducted	Not achieved	Offices closed due countrywide lock down to control the spread of the COVID-19 pandemic.
<b>13</b> Increased compliance in the gaming market	Testing of gaming equipment by certified labs	Exercise to be undertaken by the 31st Aug 2020	Certification providers invited to commence testing of equipment	Not Achieved	Sector closed due countrywide lock down to control the spread of the COVID-19 pandemic.
<b>14</b> To promote effective and efficient regulation of the gaming industry	Report on studies undertaken of the gaming industry in Tanzania, Ghana, South Africa and Las Vegas reviewed by management and the Board	Report by 31st July 2020	Study only undertaken in Tanzania and Ghana	Partially achieved	International travels suspended and airports closed to control the spread of the COVID-19 pandemic.
<b>15</b> Increased compliance in the gaming market	Number of gaming disputes Received, investigated and resolved	100% of disputes received	89.5% resolved	Partially achieved	Operations suspended due to the COVID-19 country wide lockdown
	Dispute report drafted and reviewed by management	1 report every quarter	Report reviewed by management	Achieved	Efficiency of the process
<b>16</b> To ensure financial accountability and compliance to financial guidelines	A comprehensive budget Reviewed and approved by the Board	31st March 2021	Budget reviewed and approved by the Board	Partially Achieved	Efficiency of the process
<b>17</b> Enhance Organizational performance	Number of vacant positions advertised interviewed and appointed	All vacant positions	8	Partially achieved	Inadequate funds
<b>18</b> Enhance Organizational performance	Training of all staff and Board members on Corporate Governance, the law, regulations and the gaming sector	All staff	Trained in all aspects except Corporate Governance	Achieved	Efficiency of the process
<b>19</b> Enhance Organizational performance	Number of staff engaged in team building activities	100%	30	Achieved	Efficiency of the process
<b>20</b> Enhance Organizational performance	Number of staff trained in audit compliance, balance scorecard customer care management, and contemporary issues in taxation	100%	8 staff	Not achieved	Inadequate funds

	Strategic Objective	Performance Indicator	Target	Actual	Status	Reasons for deviation/comment
21	Enhance Organizational performance	Number of staff appraised to better performance management	100%	19 staff	Achieved	Efficiency of the process
22	Enhance Organizational performance	Training needs assessment reviewed and approved by management	All staff	Training needs conducted	Achieved	Efficiency of the process
23	Enhance Organizational performance	Number of staff contracts renewed	All staff due	All	Achieved	Efficiency of the process
24	Enhance Organizational performance	Number of staff considered in the Health and safety program	100%	35	Achieved	Efficiency of the process
25	Enhance Organizational performance	A procurement plan based on PPDA accepted procedures drafted and reviewed by management	30th September 2020	Plan drafted	Achieved	Efficiency of the process
26	Increased compliance in the gaming market	Implementation of the two modules of the National Central Electronic Monitoring System	30th June 2021	Reviewed and signed off system requirements for RG and the tax collection modules	Not Achieved	No budget
27	Enhance Organizational performance	Implementation of structured cabling, and access control installed	30th June 2021	Was dependent on office partitioning which was cancelled	Not achieved	Inadequate funds
28	Enhance Organizational performance	Consultant to commence the review and alignment of the Strategic Plan to the balance score card performance management tool	Approved Plan by 30th June 2021	Commenced the review process. Plan approved by management and the Board	Achieved	Effects of the COVID-19 pandemic affected the smooth review
29	Promotion of responsible gaming strategy	Number of jurisdictions studied to analyze the best approach for implementing the responsible gaming strategy	28th January 2021	Different Jurisdictions benchmarked online	Achieved	Efficiency of the process
		Responsible Gaming program reviewed and approved.	30th June 2021	Program reviewed and approved by Management and the Board	Approval achieved	Timelines affected by the COVID-19 lock down
30	Enhance Organizational performance	Board work plan for the FY2021/22 drafted and reviewed by management and the Board	30th June 2021	Board work plan drafted and reviewed by management and Board	Achieved	Efficiency of the process
31	To promote effective and efficient regulation of the gaming industry	Report on research areas undertaken reviewed and approved by management and the Board	30th June 2020	Report reviewed by management	Not Achieved	Inadequate human resource
32	Enhance Organizational performance	Board annual report drafted and reviewed by management and the Board	31st October 2020	2018/19 report reviewed by management and the Board	Achieved	Delayed by inadequate staffing



	Strategic Objective	Performance Indicator	Target	Actual	Status	Reasons for deviation/comment
33	Enhance Organizational performance	Corporate communication plan drafted, reviewed and approved by management and the Board	30th September 2020	Plan drafted and approved	Not Achieved	Inadequate human resource
34	Increased compliance in the gaming market	Report on relevant stakeholders sensitized, reviewed and approved by management and the Board.	30th July 2020	Sensitization of key stakeholders undertaken	Partially Achieved	Inadequate funds and restrictions by COVID-19 pandemic
35	Enhance Organizational performance	LGRB corporate office packs designed and approved for printing and distribution to stakeholders	30th June 2021	Design approved	Not achieved	Inadequate funds and human resource
36	To promote effective and efficient regulation of the gaming industry	Reports on relevant relations with International bodies/ Associations attended or subscribed to	30th June 2021	Reports developed and approved	Not achieved	Inadequate funds and travel restrictions due to COVID-19 pandemic
37	Increased compliance in the gaming market	AML follow up on framework and sector policy guidelines	30th June 2021	Meetings held and regular updates provided to FIA	Achieved	Efficiency of the process
38	To promote effective and efficient regulation of gaming	A comprehensive Audit plan 2020/21 developed and reviewed by Management and the Board	31st January 2021	Audit plan developed and approved	Achieved	Delayed due to absence of staff in that position at the time
39	To promote effective and efficient regulation of gaming	Quarterly audit reports drafted and reviewed by management and resolutions forwarded to the Board	4 reports	2 reports prepared	Partially Achieved	Inadequate staffing

# Chapter 04

# Human Resource Management

## 4.1 Organizational Structure

The Board, to better support the Human Resource Department whose main function is to ensure the mandate of the Board is achieved through proper management of Board staff, engaged in the process of restructuring the entity. This was to make the Secretariat lean, affordable and more effective in executing its mandate of cleaning up the sector and increasing revenue generation for the Government.

## 4.2 Performance Management

The Board invested in performance management training for its entire staff. Performance management is a process that creates a work environment in which people are enabled to perform to the best of their abilities. This training helped motivate and empower Board employees to perform their work and roles in an efficient and effective manner.

## 4.3 Staff Appraisal

One of the key aspects of performance management is staff appraisal. The Lotteries and Gaming Regulatory Board views the performance of its staff as a key element in building the gaming sector. The Board Secretariat carried out an annual staff appraisal for all staff to assess their performance upon the agreed job descriptions as stated in the staff employment contracts. 21 members of staff were appraised in the FY 2020/21.

## 4.4 Recruitments

During the financial year 2020/21, the following officers were recruited

1. Manager finance and Administration
2. Manager Responsible Gaming
3. Legal Officer
4. Protocol and Public Relations Officer
5. Responsible Gaming Officer
6. Administration Officer
7. Front Desk Officer
8. Administrative Assistants (2)

The following officers were promoted

1. Mudene Denis (IT officer) to Manager IT

The following officers were re-designated

1. Akampurira Collins from Inspection to IT
2. Grace Kemo from Inspection to Enforcement
3. Elesu John Patrick from Enforcement to Planning

## 4.4 Staff Meeting

The Secretariat had 3 staff meetings in the year, one of them being on COVID 19 pandemic, in which the staff were advised on health and safety as top priority. These meetings act as a regular means of communicating Board expectations to staff, decision.

## 4.3 Internship

In line with Section 8.9 (i) of the National Gaming Board Human Resource Manual in which the Board shall offer opportunities to postgraduate students and Undergraduate of relevant discipline to undertake industrial training and internship at the Board. Eleven (13) interns, were offered internship placement in FY 2020/22.

# Chapter 05

# Finance & Administration Report for FY 2020/21

The core function of the Finance unit is to provide overall Management of the financial affairs of the LGRB. This unit has facilitated the financial planning and reporting for both internal and external users of the financial information. Below is the financial report for the year 2020/21 as audited by the office of the auditor General.

## 5.1 Finance

### a. Annual Accounts and External Audit FY 2020/21

The LGRB Annual Accounts for the FY 2020/21 were prepared and submitted to the Accountant General and to the Auditor General. The audit process is in the final stages.

## 5.2 Financial Report for FY 2020/21

Sec 20 of the Lotteries and Gaming Act, 2016 requires the Board to keep proper books of accounts in accordance with generally accepted accounting practice and to prepare financial statements reflecting the state of affairs at the end of the financial year. The respective financial statements are summarized below:

### Funding, Expenditure and Revenue Collections

#### a. Budget allocation for 2020/21

During the financial year 2020/21, the Board was allocated UGX 6,369,000,000. This was no

change in allocation compared to FY 2019/20

#### b. Expenditure for the F/Y 2020/21

LGRB was given cash limits of UGX 6,317,367,396 during the financial year out of which Shs 4,974,824,228 was actually spent. This represents 79% performance.

#### c. Non Tax Revenue (NTR)

A total of UGX 1,914,300,000 was realized as NTR as compared to the expected collection of UGX 2,964,850,000 translating to 65% performance. The Shortfall was due to the lockdown of the gaming sector as a result of the COVID-19 Pandemic. NTR is collected from license fees and application fees.

#### d. Tax Revenue from the Sector

UGX 41,522,630,149 was realized as tax revenue from the sector compared to expected collections of 45,000,000,000. This represents 92% performance. The shortfall was caused by the lockdown due to the Covid-19 pandemic which resulted in suspension on sporting activities and closure of gaming premises. Taxes from the sector are mainly Gaming tax and withholding tax.

Tax Head	Amount collected (UGX)
Gaming Tax	13,298,300,071
Withholding Tax	21,564,785,524
Other Taxes	6,659,544,554
<b>Total</b>	<b>41,522,630,149</b>

## Statement of Financial Performance for the Period ending 30th June 2021

	Actual 30 <sup>th</sup> June 2021 (UGX)	Actual 30 <sup>th</sup> June 2020 (UGX)
<b>OPERATING REVENUE</b>		
Taxes	0	0
External Assistance	0	0
Transfers from Treasury-UCF	0	0
Transfers from other Government units	4,659,241,603	4,974,824,228
Non Tax revenue	1,914,300,000	3,918,316,074
<b>Total operating revenue</b>	<b>6,573,541,603</b>	<b>8,893,140,302</b>
<b>OPERATING EXPENSES</b>		
Employee costs	2,882,689,184	2,779,007,802
Goods and Services consumed	1,952,652,101	1,801,232,798
Consumption of property, plant and Equipment	4,000,318	532,113,628
Subsidies	0	0
Transfers to other Organisations	0	0
Social benefits	0	0
Other operating expenses	0	0
<b>Total operating expenses</b>	<b>4,839,341,603</b>	<b>5,112,534,228</b>
<b>Excess of revenue over expenditure from operating activities</b>	<b>1,734,200,000</b>	<b>3,780,786,074</b>
Foreign exchange loss/gain	0	0
Finance costs	0	0
Transfers to treasury	1,914,300,000	3,918,316,074
<b>Excess of Revenue over expenditure</b>	<b>180,100,000</b>	<b>137,530,000</b>



## Statement of Financial Position as at 30th June 2021

	30 <sup>th</sup> June 2021 (UGX)	30 <sup>th</sup> June 2020 (UGX)
<b>ASSETS</b>		
Cash and Cash Equivalents	0	0
Receivables	66,622,500	57,720,000
Inventories	0	0
Non Produced Assets	0	0
<b>Total Assets</b>	<b>66,622,500</b>	<b>57,720,000</b>
<b>LIABILITIES</b>		
Borrowings	0	0
Payables	260,750,000	195,250,000
Deposits	0	0
Pension Liability	0	0
<b>Total Liabilities</b>	<b>260,750,000</b>	<b>195,250,000</b>
<b>Net Assets/ (liabilities)</b>	<b>(194,127,500)</b>	<b>(137,530,000)</b>
<b>REPRESENTED BY:-</b>		
<b>Net Worth</b>	<b>(194,127,500)</b>	<b>(137,530,000)</b>

## Statement of Changes in Equity (Net Worth)

	30 <sup>th</sup> June 2021 (UGX)	30 <sup>th</sup> June 2020 (UGX)
At 1 <sup>st</sup> July - Net worth Last Year (B/F)	(137,530,000)	-
Less: Transfers to the UCF account	0	0
+/- Balance sheet adjustments	123,502,500	0
Revaluation reserves	0	0
Add: Excess revenue over expenditure for the year	<b>(180,100,000)</b>	(137,530,000)
<b>Closing Net Financial Worth</b>	<b>194,127,500</b>	<b>(137,530,000)</b>

# Appendixes

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## Internship Students For FY 2020/21

S/N	Names	Course & University	Internship Period
1	Mr. Ignatius Ariho	Makerere University College of Computing & Information Science	November - January 2021
2	Ms. Edna Birungi Paula	Kenyatta University	November - January 2021
3	Muyita Allan	LLB, LDC- Diploma in Legal	March - May 2021
4	Aturinda Daphine	Business studies, MUK	March - May 2021
5	Amutuheire Alexandra	LLB at Nkumba University	March - May2021
6	Wandulu Andrew Elijah	Bachelor of Computer Science at UTAMU	March - May, June - September
7	Atugonza Mable	LLB at MUK	March - May 2021
8	Ositaru Joan Mercy	Bachelor of Science in Accounting & Finance, MUK	March - May 2021
9	Kaala Michele Hellen	Human Resource Management at Ndejje University	May - August 2021
10	Buleru Sonia Bremda	Procurement and supply chain management at MUBs	May - August 2021
11	Persy Christopher Mpindi	LLB at Muk	June - September 2021
12	Emong Daniel	International Business at MUBs	June - september2021



LOTTERIES AND GAMING  
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