



**REPUBLIC OF ZAMBIA**

**REPORT**

**OF THE**

**COMMITTEE ON DELEGATED LEGISLATION**

**ON THE**

**BETTING CONTROL (AMENDMENT) BILL, N.A.B. NO. 48 OF 2021**

**FOR THE**

**FIRST SESSION OF THE THIRTEENTH NATIONAL ASSEMBLY**

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# **REPORT OF THE COMMITTEE ON DELEGATED LEGISLATION ON THE BETTING CONTROL (AMENDMENT) BILL, N.A.B. NO. 48 OF 2021 FOR THE FIRST SESSION OF THE THIRTEENTH NATIONAL ASSEMBLY**

## **1.0 MEMBERSHIP OF THE COMMITTEE**

The Committee consisted of Mr R C Mutale, MP (Chairperson); Ms E Munashabantu, MP (Vice Chairperson); Mr J Mulebwa, MP; Mr K Siachisumo, MP; Mr G Ngowani, MP; Mr P Twasa, MP; Mr S Hlazo, MP and Mr M Nyambose, MP.

The Honourable Madam Speaker  
National Assembly  
Parliament Buildings  
**LUSAKA**

Madam,

The Committee has the honour to present its Report on the Betting Control (Amendment) Bill, N.A.B. No. 48 of 2021, for the First Session of the Thirteenth National Assembly referred to it by the House on Friday, 10<sup>th</sup> December, 2021.

## **2.0 FUNCTIONS OF THE COMMITTEE**

The functions of the Committee are as set out under Standing Order 193 and, among the functions, the Committee is mandated to consider Bills that may be referred to it by the House.

## **3.0 MEETINGS OF THE COMMITTEE**

The Committee held five meetings to consider the Betting Control (Amendment) Bill, N.A.B. No. 48 of 2021.

## **4.0 PROCEDURE ADOPTED BY THE COMMITTEE**

In order to acquaint itself with the ramifications of the Bill, the Committee sought both written and oral submissions from the stakeholders listed at Appendix II.

## **5.0 BACKGROUND TO THE BILL**

In his Budget Address to the National Assembly, the Minister of Finance and National Planning, Hon Dr Situmbeko Musokotwane, MP, outlined some revenue measures for the 2022 fiscal year. Among them, was the need to enhance tax compliance on betting, casino, lottery and gaming activities. In order to give legal effect to these pronouncements, the Government introduced the Betting Control (Amendment) Bill, N.A.B. No. 48 of 2021.

## **6.0 OBJECTS OF THE BILL**

The object of the Bill was to amend the *Betting Control Act, Chapter 166 of the Laws of Zambia*, so as to:

- (a) revise the licence fees for a bookmaker;
- (b) revise the validity period of a licence issued to a bookmaker; and
- (c) provide for matters connected with, or incidental to, the foregoing.

## **7.0 SALIENT PROVISIONS OF THE BILL**

The salient provisions of the Betting Control (Amendment) Bill, N.A.B. No. 48 of 2021, were as set out below.

### **7.1 PRELIMINARY PROVISIONS**

#### **Clause 1- Short title and commencement**

The clause sought to provide for the short title and the commencement date of the Act.

#### **Clause 2-Repeal and replacement of section 14**

The clause sought to revise a bookmaker's licence fee upwards from the current 1000 fee units payable for a first time issue of the licence and 500 fee units on a renewal of that licence to 500,000 fee units and 250,000 fee units, respectively. Additionally, the clause provided the validity period of a bookmaker's licence which was one year.

## **8.0 CONCERNS RAISED BY STAKEHOLDERS**

All stakeholders who appeared before the Committee supported the *Betting Control (Amendment) Bill, No. 48 of 2021*. However, some stakeholders raised the concerns set out below.

- (i) The Government did not have the capacity to police the betting industry because of limited knowledge around the operations of the industry. In this regard, there was need by the Government to enhance monitoring and regulation of the betting industry in view of the increasing number of betting shops, which had consequently led to financial distress among households and individuals due to betting and gambling.
- (ii) The term 'premises' in the *Betting Act, Chapter 166 of the Laws of Zambia* referred to physical business premises and did not take into consideration the fact that betting was also being conducted online. It was proposed that the Act should be amended to extend to online trading.
- (iii) While appreciating the increased revenues to be realised from the amendment, the proposed licence thresholds were too exorbitant and would push many small scale players out of business
- (iv) While acknowledging that betting would contribute to Government revenue as well as creation of employment, stakeholders were of the view that the increase in betting and gambling houses had contributed to financial distress in some households. This was because some individuals were allocating family resources to betting in the hope of increasing personal incomes. Stakeholders were concerned with the social impact of gambling on society, especially on the youth. They proposed that the Government should strengthen monitoring and regulation of this sector so that there was a balance between the economic benefit to the country and the social welfare of families.

## **9.0 COMMITTEE'S OBSERVATIONS AND RECOMMENDATIONS**

After interactions with the stakeholders and taking into account their various submissions, the Committee wishes to support the Bill. In supporting the Bill, the Committee makes the following observations and recommendations.

**(i) Inadequate capacity to police the betting industry**

The Committee observes that the country has limited capacity to regulate the betting industry, thereby making it difficult to realise the maximum revenue from the sector. Recognising that betting is a fast growing industry, the Committee recommends that the Government should build capacity in this sector and strengthen the regulatory framework.

**(ii) Betting premises**

The Committee observes that the Betting Control (Amendment) BILL, N.A.B. No. 48 of 2021, appears to suggest that betting is only done on physical premises when in fact it is also being conducted on-line. The Committee, therefore, recommends that the law should be amended to include online trading.

**(iii) Statutory Instruments**

The Committee observes that the betting industry is fast evolving and may inevitably require constant amendments or adjustments to the licence fees. To this end, the Committee recommends that the quantum for the licence fees should be provided in a Statutory Instrument rather than the principle Act, for easy adjustment or amendment.

**(d) Regulation of the Betting Industry**

The Committee observes that the increase in betting and gambling houses has worsened financial distress in households. This is because some individuals allocate family resources to betting in the hope of increasing personal incomes. In other words, stakeholders were concerned with the social impact of gambling on society, especially on the youth.

In view of the foregoing, the Committee recommends that the Government should strengthen monitoring and regulation of the betting industry so that there is a balance between the economic benefit to the country and the social welfare of families.

**10.0. CONCLUSION**

The enactment of the Betting Control (Amendment) Bill, N.A.B. No. 48 of 2021, will significantly increase revenue collection for the Government. It is the Committee's considered view that the Government puts in place mechanisms that will help to enhance tax revenue collection from the betting industry.

In conclusion, the Committee wishes to express its gratitude to all stakeholders who appeared before it and tendered both oral and written submissions and to thank you, Madam Speaker, for affording it an opportunity to scrutinise the Bill. The Committee also appreciates the services rendered by the Office of the Clerk of the National Assembly and the permanent witness from the Ministry of Justice.

We have the Honour to be, Madam, the Committee on Delegated Legislation mandated to consider the Betting Control (Amendment) Bill, N.A.B. No. 48 of 2021, for the First Session of the Thirteenth National Assembly.

Mr R C Mutale MP,  
**(Chairperson)**

Ms E Munashabantu, MP  
**(Vice-Chairperson)**

Mr J Mulebwa, MP  
**(Member)**

Mr K Siachisumo, MP  
**(Member)**

Mr G Ngowani, MP  
**(Member)**

Mr P Twasa, MP  
**(Member)**

Mr S Hlazo, MP  
**(Member)**

Mr M Nyambose, MP  
**(Member)**

Mr R C Mutale, MP  
**(Chairperson)**

December, 2021  
**LUSAKA**

## **APPENDIX I – National Assembly Officers**

Mr H Mulenga, Deputy Principal Clerk of Committees (FC)  
Mr F Nabulyato, Deputy Principal Clerk of Committees (SC)  
Mrs C K Mumba, Senior Committee Clerk (FC)  
Mrs A M Banda, Senior Committee Clerk (SC)  
Ms C R Mulenga, Committee Clerk  
Mr G Zulu, Committee Clerk  
Mrs R Kanyumbu, Typist  
Ms E Njovu, Typist  
Mr D Lupiya, Committee Assistant



## **APPENDIX II - List of Witnesses**

### **MINISTRY OF JUSTICE**

Mr L Banda, Senior Parliamentary Counsel

### **MINISTRY OF FINANCE**

Dr Situmbeko Musokotwane – Minister of Finance

Mr M C Chikuba, Permanent Secretary – Economic Management and Finance

Mr J Nonde, Director – Budget, Economic Management Department

Mr J Phiri, Assistant Director IT – Economic Management Department

Mr K Chimfwembe – Assistant Director

Mr J Sakala, Assistant Director - DIT Senior Economist - Economic Management Department

Mr B Chinombwe, Principal Economist

Mr S Phiri, Principal Economist

Ms C Namwinga, Senior Economist

Mr D Luneta, Senior Economist

### **MINISTRY OF COMMERCE, TRADE AND INDUSTRY**

Ms B Mkuyamba, Acting Permanent Secretary

Mr M Chivumo, Acting Principal Planner

Ms J M Mututwa, Acting Principal Economist

Ms C Kasoma, Principal Economist

Mrs Z Phiri, Acting Principal Planner

Mr B Moonga, Chief Planner

Mr D F Banda, Acting Director Business Regulatory Review Agency

Mr O Banada, Export Development Manager

### **ZAMBIA REVENUE AUTHORITY**

Mr D Banda, Commissioner General

Mr P Phiri, Commissioner, Direct Taxes Research

Mr Y G Shamabobo, Senior Economist

### **BANK OF ZAMBIA**

Dr D Kalyalya, Governor

Ms R C Mhango, Deputy Governor – Administration

Ms N Ndhlovu, - General Counsel and Bank Secretary

Mr I Muhanga, Director – Financial Markets

Mr J Chipili, Director - Economics

Ms G Mposha, Director – Bank Supervision

Ms F Tamba, Director – Non Bank Financial Institutions Supervision

Ms B Mwanza, Assistant Director – Communications

Dr J Lungu, Assistant Director – Governor’s Office

Ms P Sinkamba, Executive Assistant – Deputy Governor – Administration

### **COMPETITION AND CONSUMER PROTECTION COMMISSION**

Mr C Sampa, Executive Director

Mr P Muteto, Chief Analyst

Ms M Jere, Research Analyst