

RWANDA GAMBLING POLICY

OCTOBER 2024

RDB | RWANDA DEVELOPMENT BOARD

Published version

TABLE OF CONTENTS

Acronyms and Abbreviations **2**

1. Executive Summary **3**

2. Rationale and Objectives **5**

2.1 Rationale and Scope 5

2.2 Key Objectives 5

3. Definitions of Gambling Activities **6**

4. Situational analysis **8**

5. Comparative Analysis **10**

5.1. Socioeconomic Impact Management 10

5.2. Economic Impact Management 11

5.3. Regulatory and Compliance Measures 12

6. Legal and Compliance Framework **13**

7. Policy Orientation and Interventions **15**

7.1 Pillar 1 Negative Socioeconomic Impact Minimisation 18

7.2. Pillar 2 Economic Impact Maximisation 20

7.3. Pillar 3 Robust Regulatory and Compliance Infrastructure 22

8. Conclusion **26**

Acronyms and Abbreviations

AI	Artificial Intelligence
AML	Anti-Money Laundering
CBHI	Community-Based Health Insurance
CSR	Corporate Social Responsibility
EBM	Electronic Billing Machine
ESIA	Environment and Social Impact Assessments
FRW	Rwandan Francs
GDP	Gross Domestic Product
KIFC	Kigali International Financial Centre
PTSD	Post-Traumatic Stress Disorder
RDB	Rwanda Development Board
RRA	Rwanda Revenue Authority
RSSB	Rwanda Social Security Board

1. Executive Summary

The gambling industry in Rwanda has been growing rapidly. This rapid growth has highlighted several regulatory shortcomings and social issues requiring urgent action. Although it holds promise for economic growth, the absence of strong regulations has caused notable social problems, such as increased addiction rates, financial instability among low-income groups, and unregulated cash transactions that could enable money laundering. The widespread availability of gambling facilities, along with increased access to mobile smartphones and digital literacy, ambitions for economic liberation, and passion about sport intensifies these problems, especially impacting young and financially vulnerable populations.

This Gambling Policy will establish stringent oversight, ensuring Rwanda reaps the economic benefits of the industry while ensuring consumer protection and directing gambling revenues toward public health initiatives and social programs. This balanced approach will help mitigate the adverse effects of gambling, foster a safer environment, and maximise the positive contributions of the industry to Rwanda's socio-economic development.

In developing this policy, a benchmarking exercise was conducted against regulatory frameworks and best practices from neighbouring countries such as Kenya and Tanzania, as well as global leaders in gambling regulation like the United Kingdom, Singapore, Macau SAR, and South Africa. These comparisons revealed key insights, including the necessity of dedicated regulatory bodies, the effectiveness of stringent licensing requirements that differ by category, and the benefits of dedicated funds for gambling addiction prevention and treatment. By integrating these global best practices, Rwanda aims to create a regulatory environment that not only addresses current deficiencies but also positions the country as a regional leader in responsible gambling conduct.

To this end, the policy establishes three key pillars:

PILLAR 1

Negative Socio-economic Impact Minimisation;

PILLAR 2

Economic Impact Maximisation;

PILLAR 3

Robust Regulatory and Compliance Infrastructure.

The Rwanda Gambling Policy aims to strike a delicate balance between mitigating its associated social risks and harnessing the potential economic benefits of a rapidly growing gambling industry. By establishing stringent regulatory frameworks, creating a dedicated regulatory authority, and leveraging advanced technologies for monitoring and compliance, the policy seeks to ensure transparency, fairness, and consumer protection.

Furthermore, it emphasises the importance of directing gambling revenues towards public health and social programs, thereby contributing to the overall well-being of Rwandan society. This comprehensive approach not only fosters a safe and regulated gambling environment but also maximises the sector's positive impact on the national economy.

2. Rationale and Objectives

2.1 Rationale and Scope

The gambling industry in Rwanda has seen substantial growth, bringing both economic opportunities and social challenges. This Gambling Policy aims to create a structured environment that minimises social harms while maximising economic benefits.

The policy addresses the current regulatory gaps and ambiguities and establishes a robust framework to oversee gambling activities, ensuring transparency, fairness, and consumer protection. By learning from global best practices, Rwanda seeks to develop a responsible and well-regulated gambling industry that contributes positively to the nation's socio-economic development and citizen's wellbeing.

2.2 Key Objectives

VISION

To establish a safe and regulated gambling environment in Rwanda that prioritises safeguarding public health and socioeconomic well-being of the population.

MISSION

To establish a safe and regulated gambling environment that protects the public from potential harms while contributing positively to the economy and society.

The key objectives of the national gambling policy are to minimise associated negative socio-economic impact by implementing comprehensive measures to protect individuals and communities from the adverse consequences of gambling, such as addiction and financial distress; to maximise potential economic impact by ensuring that the gambling industry significantly contributes to national economic growth through strategic taxation, quality employment, and funding for social programs; and to develop and enforce a robust regulatory framework to oversee all gambling activities, ensuring transparency and consumer protection.

3. Definitions of Gambling Activities

To ensure clarity and consistency in the application of this policy, the following definitions are provided for key gambling activities within the context of Rwanda. Each category of gambling activity, whether land-based or online, will be licensed separately to ensure comprehensive oversight and regulation.

A Regulation by the supervising institution will determine the types of games under each gambling activity. Detailed licensing requirements, compliance and enforcement will be outlined in the Regulation.

Lottery: A lottery is a game of chance where participants purchase tickets for a chance to win prizes. The game includes formats such as lotto, raffles, sweepstakes, keno, and bingo. The regulatory authority retains the prerogative to revise the games as needed. These games are characterised by fixed odds and no skill requirements, ensuring every ticket has an equal chance of winning, with success based purely on luck. In Rwanda, the lottery is exclusively government-owned and centrally regulated known as the National Lottery, ensuring transparency and public trust. The operation of the National Lottery may be licensed to one or more private operators under a special agreement with the regulatory authority. The revenue generated are dedicated to public goods and projects, supporting national development in areas such as culture and arts, sports development, education, and healthcare, etc. The regulatory authority retains the prerogative to adjust the allocation of proceeds as needed.

However, exempt lotteries, which may include small-scale fundraising activities for charitable or community purposes, are permitted under special permits and do not require a full license. These lotteries must operate within strict, time-bound guidelines, including set prize limits, and must maintain a non-commercial focus to ensure they support public interest initiatives.

Casino: is an establishment licensed by the government to offer various forms of gambling, including but not limited to table games such as poker, blackjack, roulette, and baccarat, as well as slot machines and electronic gaming devices. Casinos may only operate as land-based establishments. All casino operations must adhere to strict regulations set forth by the licensing authority, ensuring fair play, responsible gambling, financial integrity, and security measures. Casinos must also implement robust measures to prevent money laundering, fraud, and protect vulnerable individuals. Regular audits and compliance checks will be conducted to ensure ongoing adherence to regulatory standards..

Sports Betting: involves placing wagers on the outcomes of real or virtual sporting events. This includes traditional sports betting on events such as football, basketball, and horse racing, as well as virtual sports betting on computer-simulated events. Sports betting can be conducted in licensed physical betting shops or through authorised online platforms. The regulatory organ will ensure that sports betting operations maintain integrity, fairness, and transparency. Measures must be in place to prevent match-fixing, fraud, and underage gambling. Operators are required to promote responsible gambling practices and provide support for problem gamblers. Comprehensive monitoring and reporting mechanisms must be in place to ensure compliance with these standards.

Slot Machine: a slot machine, or an Electronic Gaming Machine (EGM), is a gambling device that features spinning reels with various symbols. Players insert money and wager on the outcome, which is determined by the alignment of symbols according to a predefined pay-out structure. Slot machines utilise sophisticated algorithms to ensure fair play and maximise user engagement. They can be located in physical venues such as casinos and gaming halls, as well as accessed via online platforms.

The current policy intends to set regulatory directions for existing gambling activities and categories. The regulatory authority will determine the regulations regarding possible gambling activities that may emerge in the future in the context of Rwanda. The list provided is not exhaustive, allowing flexibility to include additional new or evolving gambling activities under regulatory oversight as they develop.

4. Situational analysis

Gambling in Rwanda has evolved significantly since the early 2000s. Initially, the industry was largely informal and unregulated, characterised by small-scale lotteries and sports betting. The late 2000s saw rapid expansion, with around five licensed casinos operating by 2009 and a growing number of sports betting shops. In 2011, the Law Governing Gaming Activities was gazetted and commenced in 2012, establishing the licensing procedure, monitoring, and regulation of gambling activities. Since then, the Ministry in charge of trade and industry began issuing licences for casinos, lotteries, electronic gaming machines (slot machines), sports books, and internet gaming.

As of 2021, 26 licences had been issued to gambling operators, resulting in more than 900 gambling shops across the country. However, as of 2024, only 13 licences remain active due to the impacts of COVID-19 and violations of contractual terms in the slot machines category. These active licences include 7 for sports betting, 2 for casinos, 4 for internet gaming, and 1 for the National Lottery.

The rapid expansion of the internet and accelerated digital penetration in Rwanda have significantly boosted online gambling activities. By 2024, internet penetration reached 71%, and the penetration of digital devices, including smartphones, stood at 45%. This easier access to online gambling platforms has contributed to the sector's growth. Additionally, decreasing internet costs have further facilitated the rise in online gambling activities.

The gambling sector has made observable contributions to Rwanda's economy and society. Key positive impacts include:

1. **Support for Sports Development:** Major sports betting companies and the national lottery have invested in sports infrastructure, sponsored local teams, and organised events, contributing to the growth and popularity of sports in the country. Some sports betting firms have sponsored national football leagues and supported grassroots sports initiatives, enhancing both infrastructure and talent development.

2. **Economic Growth and Job Creation:** The gambling industry has contributed to GDP growth through job creation, tax revenues, and investments in various sectors. Between 2013 and 2019, the industry generated gross revenue of Frw 264.3 billion RWF, with taxes amounting to 8.8 billion RWF, RSSB contributions of 623.2 million RWF, and levies and fees totalling 334.2 million RWF. Approximately 2,000 direct jobs were created, with 79% in sports betting, 13% in slot machines, and 8% in casinos. This has helped to reduce unemployment and stimulate economic activities in related sectors.

3. **Social Contribution:** Gambling operators engage in initiatives to improve community welfare, such as funding educational programs, healthcare projects, and community development activities. These contributions support vulnerable populations and enhance community well-being.

4. **Financial Sector Development:** The establishment of the Kigali International Financial Centre (KIFC) has attracted major international gambling companies and payment gateways to domicile their regional headquarters in Rwanda. Such influx of big companies has increased the country's financial liquidity and enhanced Rwanda's reputation as a hub for international business.

Despite these positive contributions, the rapid expansion of the gambling sector in Rwanda has highlighted numerous regulatory gaps and social challenges that necessitate immediate attention:

5. **Social and Health Harms:** The lack of robust regulation has led to significant social harms, including rising addiction rates, financial instability among low-income groups, and unregulated cash transactions that may facilitate money laundering. Gambling addiction leads to financial distress, mental health issues, and social problems. Vulnerable populations, particularly those from lower-income brackets, are disproportionately affected by its negative consequences. Trauma-related conditions such as PTSD, depression, and anxiety are strongly associated with addictive behaviours, further exacerbating the social impact of gambling.

6. **Economic and Financial Issues:** Financial performance trends in the gaming sector show an initial positive trajectory, followed by a decline during the COVID-19 pandemic. Annual turnover peaked at Frw 92.5 billion in 2019 but dropped to Frw 29.4 billion in 2020 and to zero in 2021 due to lockdowns. Despite the industry's potential for significant economic contribution, tax revenue from gambling remains low due to poor compliance with tax regulations, especially from online gaming platforms.

7. **Regulatory and Compliance Challenges:** The lack of robust regulation and effective monitoring has resulted in issues such as tax evasion, fraudulent operations, and unfair competition among operators. Additionally, the revenue generated from gambling often does not translate into meaningful socio-economic development due to the industry's poor compliance with tax obligations. In 2023, several gambling operators were fined for non-compliance with regulatory standards, highlighting the ongoing challenges in enforcing regulations. Additionally, inadequate consumer protection leaves players vulnerable to exploitation and predatory practices.

The gambling industry in Rwanda has made mild contributions to economic growth, along with notable impacts on employment and sports development. However, these benefits are overshadowed by significant social, economic, and regulatory challenges. The industry is currently plagued by rising addiction rates, financial instability among vulnerable groups, and widespread compliance issues.

These challenges highlight the urgent need for robust regulatory measures. The proposed policy orientation aims to implement comprehensive regulatory reforms to mitigate the negative impacts of gambling and promote responsible gambling practices in Rwanda.

5. Comparative Analysis

This section presents a comparative analysis of gambling policies and practices across the United States, the United Kingdom, Macau, Singapore, and South Africa. These countries were selected due to their significant and diverse gambling markets, which provide valuable insights into social implications, economic impacts, and regulatory frameworks. The gambling economies in these countries vary significantly in size, with the US being the largest market at $54.9 billion in 2022, followed by Macau with $44 billion. Each country has adopted different approaches to managing the social impact, maximising economic revenue, and ensuring regulatory compliance, which will be summarised in the following sections.

5.1. Socioeconomic Impact Management

Managing negative socioeconomic impact of gambling is crucial to protect vulnerable populations and mitigate the adverse consequences associated with gambling activities. Effective socioeconomic impact management involves a combination of responsible gambling programs, public awareness campaigns, support services, and stringent regulations on advertising. These measures help ensure that the benefits of gambling are balanced with efforts to minimise harm and support those affected by gambling addiction. Best Practices include:

1. **Responsible Gambling Programs:** Implementation of comprehensive responsible gambling programs that provide tools and resources for players to manage their gambling activities. These include self-exclusion options, deposit limits, and access to support services for problem gamblers.

2. **Public Awareness Campaigns:** Extensive public awareness campaigns to educate citizens about the risks associated with gambling. These campaigns often target vulnerable groups, such as young people and those at risk of gambling addiction.

3. **Helpline and Support Services:** Establishment of national helplines and support services that offer assistance and counselling to individuals affected by gambling problems. These services are often integrated with broader public health initiatives.

4. **Regulations on Advertising:** Strict regulations on the advertising and promotion of gambling activities to prevent the targeting of minors and vulnerable populations. This includes restrictions on the use of celebrities and sports figures, in advertisements, or utilisation of prime location for advertisement as well as clear warning messages about the risks of gambling.

5. **Identification of Problem Gamblers:** Advanced monitoring systems and algorithms are used to identify unusual betting patterns and behaviours indicative of problem gambling. Operators are required to intervene and offer support to affected individuals.

5.2. Economic Impact Management

Maximising economic revenue from the gambling sector is a key objective for many countries, providing significant contributions to public finances. Effective strategies for public revenue maximisation involve establishing robust taxation policies, ensuring transparent reporting and compliance, integrating gambling revenue with public health funding, and creating incentives for legal operations. These practices help ensure that the economic benefits of gambling are fully realised and contribute to broader societal goals. Best practices include:

1. **Taxation and Revenue Allocation:** Effective taxation policies that ensure a significant portion of gambling revenue is directed towards public goods and social programs. This includes the use of specific statutory levies on gambling operators. Currently in Rwanda, operators pay 13% on gross income (difference between total stakes and winnings), and players pay 15% on their winnings. While this rate compares favourably to South Africa's 6% on gross gambling revenue, it remains lower than the rates in Macau, the USA, and the UK, which tax gross gambling revenue at 39%, 24%, and 15% respectively.

2. **Transparent Reporting and Compliance:** Implementation of transparent reporting requirements for gambling operators to ensure accurate tax collection and prevent evasion. Regular audits and compliance checks are conducted to maintain integrity in the sector. In some jurisdictions, software companies providing gambling platforms are also required to report their activities to ensure transparency.

3. **Integration with Public Health Funding:** Allocation of gambling tax revenue to fund public health initiatives, particularly those aimed at preventing and treating gambling addiction. This ensures that the economic benefits of gambling are balanced with efforts to mitigate its social costs.

4. **Incentives for Legal Operations:** Creating incentives for legal gambling operations, such as streamlined licensing processes and support for digital transformation, to attract legitimate operators and increase revenue.

5. **Technology and Innovation:** Leveraging technology to enhance the gambling experience while ensuring compliance with regulatory requirements. This includes the use of AI for fraud detection, age verification, and responsible gambling measures.

5.3. Regulatory and Compliance Measures

Ensuring robust regulatory and compliance measures is essential for maintaining the integrity of the gambling industry. This involves establishing comprehensive licensing requirements, conducting regular audits and inspections, fostering collaboration between regulatory agencies, and leveraging technology and artificial intelligence. These measures help detect and prevent illegal activities, ensure fair play, and protect consumers. Best practices include:

1. **Dedicated Regulatory Organ:** A dedicated regulatory authority is responsible for overseeing all gambling activities, ensuring that operators comply with national standards, and maintaining the integrity of the industry.

2. **Comprehensive Licensing Requirements:** Detailed licensing requirements for all types of gambling operations, including online platforms, to ensure operators meet high standards of integrity and financial stability.

3. **Regular Audits and Inspections:** Conducting regular audits and inspections of gambling operators to ensure compliance with regulations. This includes checks on financial records, anti-money laundering measures, and adherence to responsible gambling practices.

4. **Collaboration Between Agencies:** Collaboration between regulatory agencies, such as gaming commissions and financial authorities, to enhance oversight and enforcement of gambling regulations.

5. **Use of Technology and AI:** Leveraging technology and artificial intelligence to monitor gambling activities in real-time, detect suspicious behaviour, and ensure fair play. AI is also used to analyse betting patterns and identify potential problem gambling behaviour.

6. **Transparency Requirements:** Operators must use licensed software that reports revenue directly to regulatory authorities to ensure transparency and compliance. This includes detailed financial reporting and adherence to anti-money laundering regulations.

7. **Enforcement and Penalties:** Strict enforcement mechanisms and significant penalties for non-compliance ensure that operators adhere to regulatory standards. This includes fines, licence revocations, and other punitive measures to deter illegal activities.

These best practices provide a framework for managing the social, economic, and regulatory aspects of the gambling industry, ensuring a balanced approach that maximises benefits while mitigating potential harms.

6. Legal and Compliance Framework

The gambling sector in Rwanda is governed by Law N° 58/2011 of 31/12/2011, which regulates gambling activities. This law establishes the procedures for licensing, monitoring, and regulating various categories of gambling available in the Rwandan market, including lotteries, casino games, slot machines, sports betting, and internet gaming.

This primary law is complemented by several legal instruments:

1. **Prime Minister's Order N° 028/03 Of 28/06/2024** Determining the Regulatory Authority for Gaming Activities. This order designated the Rwanda Development Board as the regulatory authority with the responsibility to regulate gaming activities.

2. **Ministerial Order N°01/013 of 20/06/2013.** This order specifies the procedures for obtaining a gaming licence and the relevant fees, setting the groundwork for licensing and regulatory practices. It enabled the Ministry in charge of trade and industry to begin issuing gaming licences to companies starting from 17/10/2013.

3. **Law Nº 29/2012 of 27/07/2012.** Initially established the taxation framework for gaming activities, applying a 13% tax on gross gaming revenue and a 15% withholding tax on players' winnings. This law has since been superseded by Law Nº 027/2022 of 20/10/2022, which updated the regulations on gaming taxes.

4. **Ministerial Order n° 001/MINICOM/2023 of 31/03/2023** relating to regulations determining administrative sanctions applicable to gaming operators. This order sets administrative sanctions applicable to gambling operators, ensuring compliance and integrity within the gambling industry.

5. **Law Nº 058/2021 of 13/10/2021 relating to the protection of personal data and privacy.** This Law protects personal data and privacy of individuals, which is crucial for safeguarding the sensitive information of gamblers and operators.

6. **Law Nº 75/2019 of 29/01/2020** on Prevention and Punishment of Money Laundering, Financing of Terrorism, and Financing of Proliferation of Weapons of Mass Destruction. This Law provides a framework for preventing and punishing money laundering and the financing of terrorism, essential for maintaining the financial integrity of the gambling industry.

7. **Prime Minister's Order N° 034/01 of 13/01/2020** related to the Community-Based Health Insurance Scheme subsidies. This order highlights the government's commitment to using gambling revenue for public welfare programs.

Despite these regulations, the current legal framework has several shortcomings, including insufficient oversight of gaming operators, challenges in addressing gaming addiction, and a lack of effective monitoring tools. Additionally, there is confusion regarding the scope of lottery games, limited control over illegal slot machines, and difficulties in standardising casino equipment. The high risk of money laundering in casinos and issues with operators not paying winnings to clients further highlight the need for comprehensive legal reform.

From 2011 to July 2024, the Ministry in Charge of Trade was responsible for all aspects of gambling regulation and policy implementation in Rwanda. In July 2024, a Prime Minister's order determined the transfer of regulatory responsibilities of the gambling sector from the Ministry in Charge of Trade to the Rwanda Development Board.

Following the transfer of responsibilities to RDB, a new policy orientation has been established, prompting a comprehensive review and enhancement of existing legal instruments. This review will address gaps, update outdated provisions, and add necessary regulations to cover emerging gambling activities, ensuring thorough oversight.

The current gaming law provides for the establishment of a dedicated regulatory authority which should be created to assume these functions. This regulatory body will be responsible for:

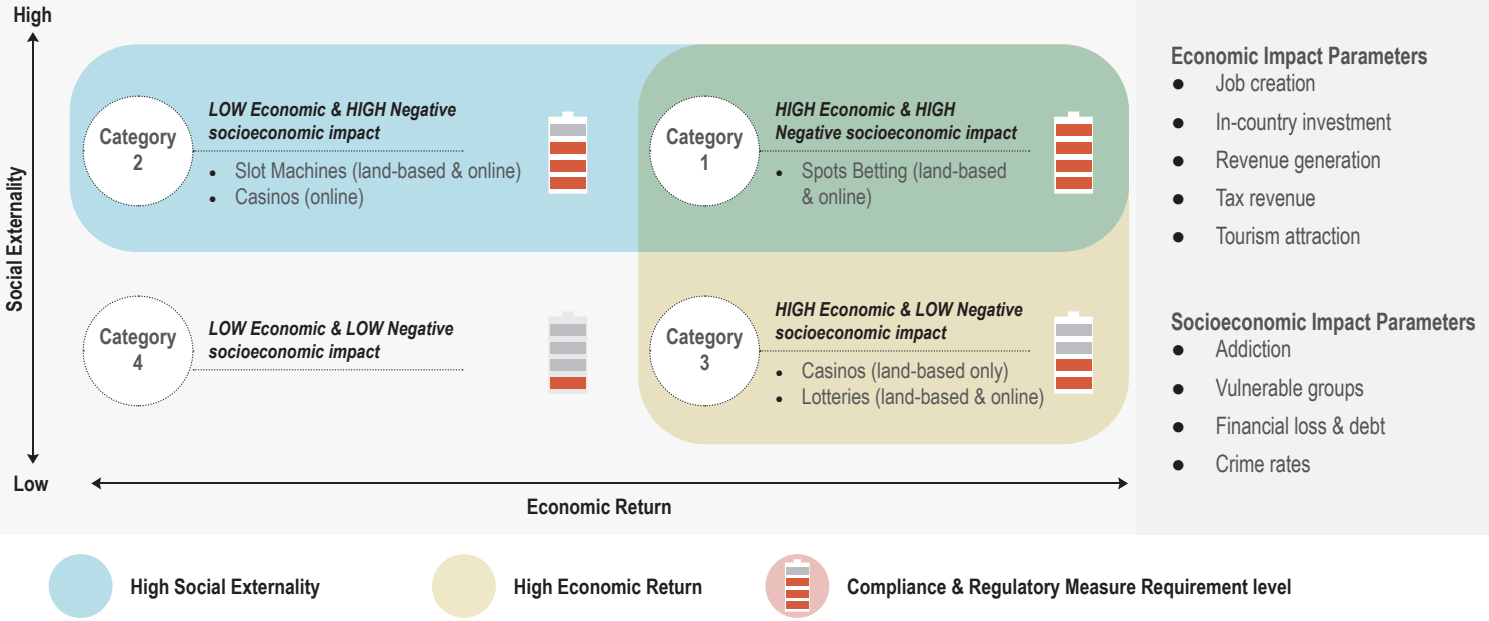
- **Regulating and monitoring the gambling industry;**
- **Licensing operators and permitting premises;**
- **Acting as the custodian of the National Lottery;**
- **Ensuring compliance with regulatory standards;**
- **Maintaining a national registry of gambling machines and devices.**

Regarding the National Lottery, a tripartite agreement between the Ministry of Sports, the Institution in Charge of Investment Promotion, and the operator currently governs its operation. However, this arrangement lacks clear government ownership and oversight. As part of the reforms, the ownership and regulatory authority of the National Lottery is transferred to the new regulator to ensure better governance and accountability.

The National Lottery will be managed with a clear focus on public interest, channelling proceeds towards social causes such as health, sports, and culture, as determined by the National Lottery & Gambling Commission. The National Lottery is designed to provide a low-risk, low-addiction gambling option that serves as a socially responsible alternative to private gambling ventures. Its objective is not to maximize profit but to offer a moderate, regulated outlet for gambling, with proceeds benefiting national priorities.

7. Policy Orientation and Interventions

The policy interventions put forward in this paper are supported by a framework of the two guiding components: economic benefit maximisation and social harm minimization. Based on this, the policy identifies four distinct categories: high negative socioeconomic impact with low economic impact; high negative socio-economic impact with high economic impact; low negative socioeconomic impact with high economic impact; and low negative socioeconomic impact with low economic impact.



This matrix provides a strategic analysis of different gambling activities by assessing their economic and social impacts. The activities are categorised based on their economic return and social impact, with corresponding regulatory and compliance measures to balance benefits and mitigate harms.

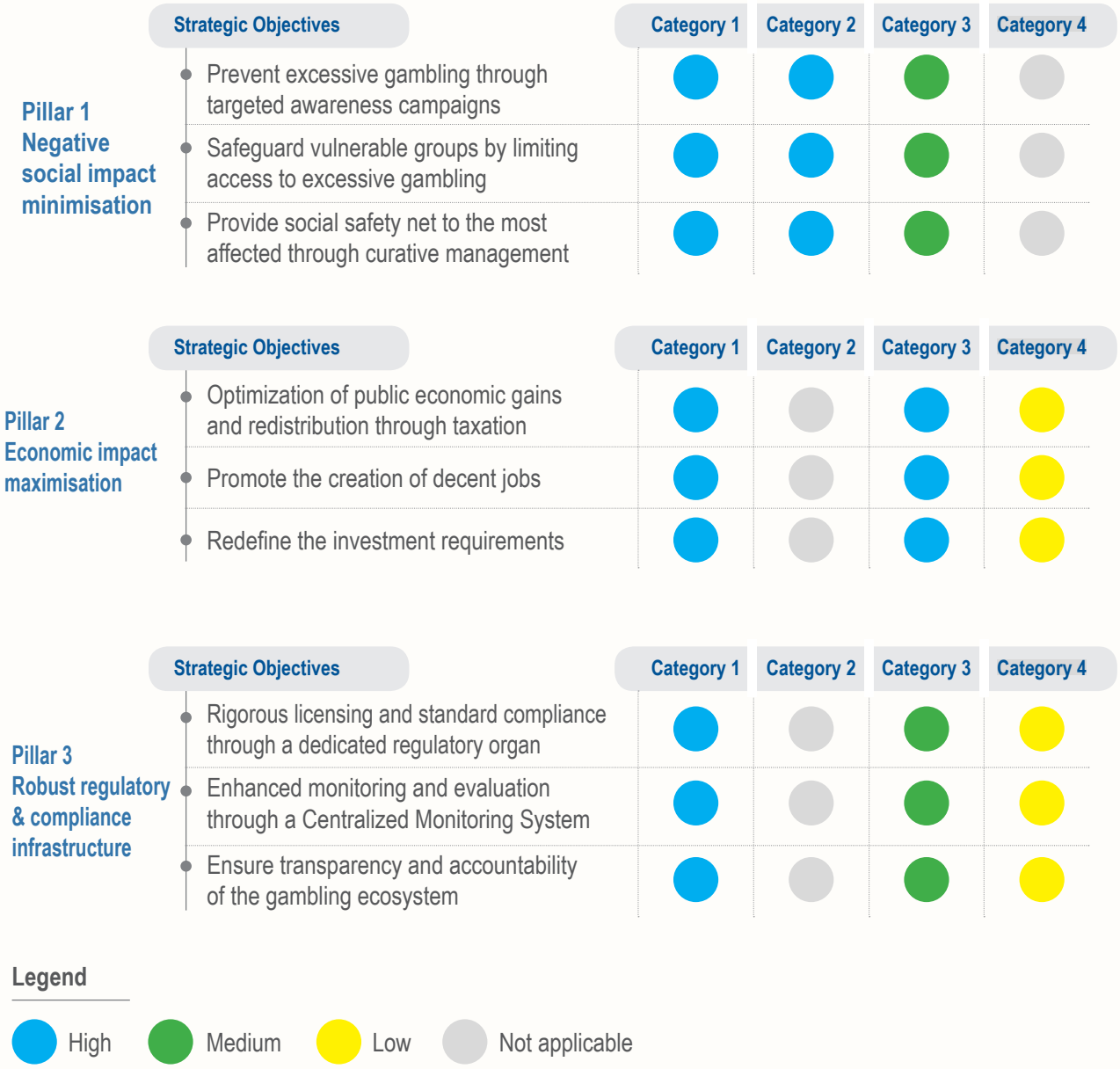
Category 1: High Economic with High Negative Socio-economic Impact: for gambling activities that have high economic contributions but significant social risks, such as physical sports betting and online sports betting, the emphasis is on strict regulation, tax revenue capturing and harm reduction. These activities will be subjected to stringent regulatory and compliance requirements to ensure that social impacts are minimised while maximising public economic benefits. This approach involves robust oversight, comprehensive harm reduction programs, and continuous monitoring to address issues such as addiction, financial loss, and crime rates. Category 1 activities shall be subjected to high tax rates.

Category 2: Low Economic with High Negative Socio-economic Impact: Gambling activities with limited economic contribution to the public and significant negative social impact, such as online casinos, slot machines, and online slot machines, will be subject to immediate elimination. Slot machines are particularly prone to system manipulation and disproportionately target lower-income populations, exacerbating social inequalities. Furthermore, online casinos are often operated by third-party entities, do not generate local employment, and their servers are frequently hosted outside Rwanda, thereby offering minimal economic benefit to the country. The decision to eliminate these activities aligns with the policy's objective to protect vulnerable groups and prioritise gambling forms that positively contribute to the national economy.

Category 3: High Economic with Low Negative Socio-economic Impact: for gambling activities that offer substantial economic benefits with lower social harms to Rwandan citizens, such as casinos and lotteries, promotion is balanced with necessary safeguards. These activities will be facilitated based on their investment capital and the indirect impact they have on the overall economy, measured through economic parameters such as job creation, revenue generation, and tourism attraction. The primary emphasis here is on increasing licensing for qualified operators, supported by robust guidelines. Ensuring these activities adhere to responsible gambling practices are crucial to maintaining a balance between economic growth and social responsibility. Category 3 activities shall be subjected to medium-low tax rates.

Category 4: Low Economic with Low Negative Socio-economic Impact: gambling activities with minimal impacts on both economic and social fronts are subject to minimal regulation and monitoring. These activities will require less investment in regulatory compliance and social welfare interventions, allowing resources to be focused on higher priority areas. This approach ensures that regulatory efforts are proportional to the risks and benefits presented by these activities. Category 4 activities shall be subjected to low gambling taxes.

By categorising gambling activities in this matrix, the policy aims to strategically manage the gambling sector, ensuring that economic benefits are maximised while social harms are effectively mitigated. To this end this policy is categorised into three pillars under which specific policy interventions are put forward. The table below illustrates the policy recommendations, translated across the different categories which will then determine the type of treatment for each of the gambling activities.



Through this strategic framework, we aim to foster a sustainable and responsible gambling industry that maximises general economic benefits while protecting public health and social well-being. The following sections detail specific policy interventions under each pillar designed to operationalize this approach, ensuring a balanced, fair regulatory environment.

7.1 Pillar 1 Negative Socioeconomic Impact Minimisation

Strategic objectives:

1. **Prevent excessive gambling through targeted awareness campaigns;**
2. **Safeguard vulnerable groups by limiting access to excessive gambling activities;**
3. **Provide social safety net to the most affected through curative management.**

Problem Statement:

Gambling activities are presenting significant social and health problems that have been growing exponentially in recent years. Without proper preventative and regulatory measures gambling can have adverse direct and indirect effects on the target population.

An assessment conducted in the City of Kigali in 2020 highlights the severity of the problem. This assessment, conducted on a sample of 60 gambling players across the City of Kigali, revealed that over 70% of respondents meet at least five characteristics of gambling disorder. These include repetitive returns to make up for previous losses, feeling nervous and irritable when attempting to stop or control gambling, and numerous unsuccessful attempts to stop or reduce gambling. Other characteristics include a persistent need to increase betting amounts to achieve the same level of arousal and lying to relatives or friends about the extent of gambling activities.

The public health and economic implications of these examples are severe. These results highlight the urgent need for comprehensive policies and interventions to prevent and treat the adverse effects of gambling in Rwanda. While the proposed interventions below consist of both cross cutting and targeted intervention, the policy orientation framework depicts that specific focus for social impact minimization efforts should be given to those gambling activities under category 1 and 2 as those are the ones with high negative social impact.

Policy strategies and interventions

Strategic Objective 1: Prevent excessive gambling through targeted awareness campaigns

Intervention 1: Implement educational programs in schools aimed at youth to prevent early engagement in gambling activities. These campaigns will focus on raising awareness about the risks of gambling and informing students about available support services.

Intervention 2: Launch a comprehensive public awareness campaign both through media channels and community outreach initiatives targeting marketplaces, busy trading centres and health facilities. This initiative will educate the public on the harms of gambling, promote responsible gambling behaviours, and inform about available support services.

Intervention 3: The Ministry in charge of health should develop self-assessment tools and educate the population on their use to prevent addictive gambling behaviours. These tools should be available both through government platforms and online gambling sites. Additionally, gambling risk assessments should be incorporated into routine health check-ups and mental health screenings to enable early detection, treatment initiation, and continuous follow-up.

Strategic Objective 2: Safeguard vulnerable groups by limiting access to excessive gambling activities

Intervention 1: Enforce strict age and identity verification processes to prevent underage and excessive gambling.

Intervention 2: Mandate responsible gambling measures such as self-exclusion programs and mandatory breaks for players.

Intervention 3: Set betting and loss limits to protect players from significant financial harm.

Intervention 4: Designate specific zones for gambling establishments, ensuring a minimum distance from residential areas, schools, health facilities, religious institutions, market spaces, sporting facilities, and from one establishment to another.

Intervention 5: Prohibit promotional activities that encourage excessive gambling, such as offering free credits or bonuses.

Intervention 6: Require all gambling advertising to include mandatory responsible gambling messages and to be pre-approved by the regulatory organ. Media channels, such as broadcasting agencies, must pre-screen these messages. An excise duty on advertising shall apply.

Intervention 7: Mandate that Category 3 gambling establishments, particularly casinos co-located with other businesses, have a separate entrance to clearly distinguish and control access to the gambling area.

Intervention 8: Restrict access to financial facilities, such as ATMs and mobile money agencies, on the premises or within proximity for activities under Category 1.

Strategic Objective 3: Provide a social safety net to the most affected through curative management.

Intervention 1: The Ministry in charge of health should outline various treatment options and support programs for the adverse effects of gambling. These programs should be implemented using an integrated healthcare approach at all levels of the healthcare system, ensuring comprehensive care for those affected by gambling.

Intervention 2: Develop treatment methods for pathological gambling encompassing psychoanalytic, psychodynamic, behavioural, cognitive, pharmacological, addiction-based, and multimodal approaches, as well as self-help strategies. These methods should be combined in treatment programs or counselling settings, with options such as family therapy, group therapy, and pharmacotherapy readily available to provide comprehensive support.

7.2. Pillar 2 Economic Impact Maximisation

Strategic objectives:

1. **Revise the investment requirements to attract quality and impactful investments;**
2. **Optimise economic gains and ensure equitable redistribution.**

Problem Statement:

The gambling industry is a vibrant and lucrative sector globally, generating significant revenues for private investors and governments through job creation and tax revenue. Without proper compliance and regulatory measures, Rwanda cannot reap the economic benefits presented by the industry.

The Rwanda Revenue Authority (RRA) report shows that gambling operators generated more than Frw 21 billion revenue in 2023 contributing only around Frw 2.3 billion in gaming tax, generating around Frw 1.2 billion from tax on wage and Rwanda Social Security Board (RSSB) of which three companies account for more than 60%. Overall, the number of stakes in 2023 was around Frw 252 billion, with winnings equivalent to Frw 230.8 billion with 3 companies taking around 80% of this revenue. This shows that gambling companies are getting a large part and need to be carefully taxed for redistribution.

This current level of contribution of the gambling industry is insignificant compared to other economic sectors, this can primarily be attributed to the current tax policies and regulatory frameworks. The existing frameworks do not maximise revenue collection, discourage excessive shop openings, and limit the number of operators. Private operators must be subject to stringent government regulations and financial controls if we are to reap the benefits of the industry.

Interventions under this pillar focus on maximising the economic benefit of the gambling industry. While the interventions are both cross cutting and targeted, priority is given to interventions for activities under Category 1 and 3 as these are the ones that have the potential to make significant contributions to the economy.

Policy strategies and interventions

Strategic Objective 1: Revise the investment requirements to attract quality and impactful investments

Intervention 1: The Regulatory Authority will establish a minimum investment threshold for each gambling category, tailored to the market size and economic impact.

Intervention 2: The agency responsible for investment promotion will orient and facilitate reputable investors, focusing on opportunities that create decent jobs and enhance high-end tourism offerings.

Intervention 3: Ensure that gambling operators are not eligible for fiscal investment incentives provided under the Investment Code, prioritising genuine economic contributions, and ensuring a level playing field.

Intervention 4: Introduce competitive licensing bidding procedures to attract and select high-quality operators, ensuring rigorous standards and substantial economic benefits.

Intervention 5: Ensure the availability of skilled professionals to facilitate knowledge transfer in regulatory, operational, technical, and support roles within the gambling sector.

Strategic Objective 2: Optimise public economic gains and ensure equitable redistribution

Optimise public economic gains and ensure equitable redistribution
The proposed tax reform for the gambling sector in Rwanda seeks to establish a simplified and robust tax structure that ensures sufficient revenue generation to support essential social causes. This reform is designed to impose a streamlined and higher tax rate on the sector, ensuring it contributes meaningfully to the sustainability of the regulatory body and to funding key public and social programs. By aligning the taxation framework with national development priorities, the reform will enhance the sector's role in supporting public goods, such as healthcare, education, and other critical social initiatives, while promoting responsible industry growth.

Intervention 1: Reconsider tax rates and redefine the tax base to strengthen revenue generation and ensure effective compliance.

Intervention 2: Introduce a variable excise duty on gambling activities. This duty should be levied on the amount wagered by the player to deter continuous gambling. The average effective tax rate should be comparable to those applied to other harmful products, such as tobacco, to further discourage excessive gambling.

Intervention 3: Apply tax policies, including turnover-based tax on the gambling operator's total revenue as a compulsory social contribution to increase revenues and mitigate the negative externalities of gambling.

Intervention 4: Introduce a licensing and premise permitting pricing framework that varies by gambling activity. Higher fees shall apply for activities in Category 1 and 3 to limit operators.

Intervention 5: Set and enforce measures for minimum entry requirements, such as entry fees to control and monitor the clientele accessing casino establishments.

Intervention 6: Integrate relevant regulatory systems, such as the Electronic Billing Machine (EBM) system, to all gambling operators to ensure compliance and maximise revenue capturing.

Intervention 7: Ensure operators comply with labour protection guidelines set by the Ministry in Charge of Employment, focusing on fair treatment, safe working conditions, and contract enforcement.

7.3. Pillar 3 Robust Regulatory and Compliance Infrastructure

Strategic objectives:

1. **Rigorous licensing and standard compliance through a dedicated regulatory authority;**
2. **Enhanced monitoring and evaluation through a Centralised Monitoring System;**
3. **Ensure transparency and accountability of the gambling ecosystem.**

Problem Statement:

The gambling industry in Rwanda is facing critical regulatory and operational deficiencies that undermine its potential benefits and pose significant risks to society. Gambling establishments operate without restrictions on their locations, often found near schools and hospitals, which exposes vulnerable populations and increases the risk of addiction.

The current regulatory framework lacks stringent oversight, with inadequate inspection and compliance measures. There are no enforced standards for the quality and fairness of gambling devices, particularly slot machines, allowing potential manipulation of systems and algorithms to disadvantage players. The absence of a centralised monitoring system further hampers the ability to consistently enforce regulations and ensure transparency across all gambling operations.

Additionally, there is a lack of comprehensive control measures to manage gambling frequency and duration, leading to heightened risks of addiction and financial distress among players. The existing licensing system is ineffective, failing to maximise revenue collection and allowing the unchecked proliferation of gambling establishments. Compared to more stringent regulatory models in other countries, Rwanda's current approach is not effective in managing industry growth and ensuring compliance.

Addressing these challenges requires a robust regulatory and compliance infrastructure. This includes implementing strict location restrictions, enhancing oversight with rigorous inspections, establishing a centralised monitoring system, and introducing comprehensive controls to prevent excessive gambling. Strengthening the licensing framework is crucial to ensure transparency, fairness, and positive economic contributions while mitigating the social impacts of gambling.

Policy strategies and interventions

Strategic Objective 1: Rigorous licensing and standard compliance through a dedicated regulatory organ

Intervention 1: Conduct comprehensive reviews of existing legal instruments to inform the development of a comprehensive regulatory framework.

Intervention 2: Establish a robust Regulatory Authority to oversee all gambling activities in Rwanda with Client Charter developed. Before the establishment of a standalone entity, a National Lottery & Gambling Commission will be created as the regulatory organ under RDB.

Intervention 3: Create a dedicated structure within the regulatory organ to act as the custodian of the National Lottery. This entity will ensure effective oversight and coordination, establish comprehensive regulations governing the National Lottery, and ensure the clarity, compliance, and effective allocation of proceeds to public and charitable projects.

Intervention 4: Develop and enforce specific criteria for licensing and premise permits, including safety measures, ethical and technical standards, and environment and social impact assessments (ESIA). In particular, impose a cap on the number of licences allowed per gambling activity.

Intervention 5: Implement a comprehensive digital transformation of the licensing and permitting processes for gambling regulations. Ensure seamless integration of these services into the RDB One Stop Centre portal to enhance efficiency and accessibility.

Intervention 6: Ensure that the intellectual property and trademarks of the National Lottery remain the property of the Government of Rwanda (GoR), protected under robust legal provisions.

Intervention 7: Conduct a comprehensive inventory assessment to identify unlicensed operators as well as licensed operators engaging in unauthorized activities beyond their permitted scope. Implement stringent measures to prohibit unlicensed operators and provide a pathway for them to obtain proper licensing to ensure full regulatory compliance.

Intervention 8: Restrict franchising and sublicensing to prevent uncontrolled expansion, ensuring direct licensing and adherence to ethical standards. Regular audits will ensure system fairness and compliance.

Strategic Objective 2: Enhanced monitoring and evaluation through a Centralised Monitoring System

Intervention 1: Implement real-time centralised monitoring systems that are integrated with government databases and relevant systems of gambling operator'sto ensure transparency and fairness in gambling operations.

Intervention 2: Control gambling frequency and duration to prevent addiction by imposing strict operational hours of activities under Category 1 and 2 to limit accessibility.

Intervention 3: Utilise blockchain and AI technologies to manage the licensing process, track the location, compliance status, and renewal dates of licensed establishments, ensuring robust oversight and accountability.

Intervention 4: Integrate the Centralised Monitoring System with other national databases and systems, such as the National Identification Agency (NIDA) digital national ID, to allow for cross-referencing of gamblers' profiles. This will enable the identification and exclusion of individuals flagged for problem gambling, criminal activity, or other risk factors, ensuring a safer and more responsible gambling environment.

Intervention 5: Implement stringent controls on system calibration to ensure fair probability of winning. Regular audits will verify compliance with fair gaming standards.

Strategic Objective 3: Ensure transparency and accountability of the gambling ecosystem

Intervention 1: Conduct regular and comprehensive inspections and audits of gambling operations to ensure compliance with technical standards and legal requirements.

Intervention 2: Implement robust data protection measures to safeguard gamblers' personal and financial information.

Intervention 3: Enforce stringent measures to ensure activities under Category 1 and 3 comply with anti-money laundering (AML) regulations, including mandatory reporting of suspicious transactions and thorough background checks on high-value patrons.

Intervention 4: Establish and enforce guidelines on the types of currency allowed for transactions, in particular under Category 1 and 3, to ensure compliance with national financial regulations.

Intervention 5: Impose severe penalties for non-compliance, including fines, suspension, or revocation of licences, to ensure adherence to regulations and maintain the integrity of the gambling ecosystem, including but not limited to gambling operators.

Intervention 6: Forge partnerships with technology enablers such as payment gateways and mobile money services, to monitor gambling-related transactions, to enhance transparency and accountability in the gambling ecosystem.

Intervention 7: Transition towards a fully digital payment system across the gambling sector, with the objective of achieving 100% digital transactions. This shift will enhance financial transparency, reduce the risks associated with cash transactions, and facilitate more efficient monitoring and reporting of gambling-related financial activities.

Intervention 8: Strengthen Credit Reporting Mechanisms by mandating licensed gambling operators to report credit-related information for gamblers engaged in significant transactions to credit bureaus. Operators must comply with reporting standards in line with financial sector regulations to mitigate any potential risks and uphold consumer protection.

Intervention 9: Prevent manipulation by unlicensed online gambling entities by implementing strict legal measures to prevent licensed financial service providers, such as Mobile Money and payment aggregators, from being influenced or manipulated by unlicensed online gambling operators. Establish monitoring systems to identify any indirect collaborations or financial transactions with unlicensed gambling entities.

8. Conclusion

The Rwanda Gambling Policy presents a well-rounded framework aimed at regulating the gambling sector to maximise economic benefits while safeguarding social welfare. The creation of a dedicated National Lottery & Gambling Commission and in the future, a standalone Gambling Regulatory Authority, along with the enforcement of rigorous guidelines, will reduce illegal activities, enhance compliance, and ensure the protection of vulnerable populations. Over the next decade, Rwanda's gambling industry is expected to undergo a significant transformation, supported by regulatory reforms and technological innovations.

By 2027, the integration of AI and blockchain technologies will strengthen real-time monitoring and transparency, while revenues from the sector are projected to grow at an annual rate of 5-7%, contributing significantly to public initiatives such as healthcare and education. Public awareness campaigns will address social challenges, with a projected 60% reduction in gambling addiction rates by 2030.

Looking ahead, Rwanda aspires to become a model for responsible gambling regulations. The combination of sustained regulatory efforts, stakeholder engagement, and global best practices will ensure a thriving gambling industry that promotes general economic growth while prioritising public health and social well-being. This policy marks a critical milestone in achieving a balanced, sustainable, and equitable gambling environment for the nation.

RDB | RWANDA DEVELOPMENT BOARD

RDB BUILDING
1 KG 9 Ave, Kigali, Rwanda
P.O.Box 6239, Kigali, Rwanda
info@rdb.rw | www.rdb.rw

RDBrwanda