

## Technology Transfer

Technology transfer is an essential element of the capacitation of the state take over the operation of the National Lottery and involves the transfer or licensing of lottery technology, software, hardware and other lottery system components to the state. Applicants should provide a detailed plan for the transfer of technology and infrastructure to the state, which should be designed to ensure that the state can operate the National Lottery independently at the conclusion of the Licence Period. This plan should include a plan for providing technical support

and maintenance services to the state after the transfer of technology and infrastructure is complete. Applicants should also provide a plan for ensuring the security and integrity of the National Lottery during the technology transfer process.

- 18.2.1.2. Applicants, in structuring the state Equity ownership of the state in the Licensee under **Paragraph 19.1 (Organisation)**, must propose innovative ways in which such state Equity ownership may be applied to further the following funding objectives of the State operated National Lottery and National Sports Pool:
  - 18.2.1.2.1. the intellectual property acquisition and development costs, including (i) the costs of developing or acquiring central gaming system software; (ii) interactive software for interactive games; and (iii) enterprise resource planning software for internal operational purposes;
  - 18.2.1.2.2. the research and development costs to develop the technology and take the project to successful lottery system operation;
  - 18.2.1.2.3. the costs required to establish and set up the lottery operation, including the technical and hardware/ terminals required on a national basis.
- 18.2.1.3. Applicants are encouraged to demonstrate ways in which the rights to an existing generic lottery system developed by a specialist lottery system developer, duly configured for local games and operations, may be acquired and transferred to the state at the end of the Licence Period. This may include, without limitation, the incorporation of a South African state-owned company which will, on commercial terms, acquire the rights to use, or own, the intellectual property rights to such a lottery system.
- 18.2.1.4. Where the Applicant proposes to outsource any system development, maintenance or operational functions, consideration should be given to ways in which the localisation and supplier development targets under **Chapter 10 (Localisation and Supplier Development)** can be advanced.