

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City



THIRTEENTH CONGRESS
First Regular Session

House Bill No. 4136

Introduced by **HONORABLE DANILO E. SUAREZ**

EXPLANATORY NOTE

Since its creation in 1977, the Philippine Amusement and Gaming Corporation (PAGCOR) has demonstrated its reliability as a source of income for the Government particularly for the funding of its social and infrastructure projects. Its operation has enabled the Government to identify the potential sources of additional revenue with the close scrutiny, strict regulation, supervision and control exercised by the latter over PAGCOR.

There is a need however to maximize the potential of PAGCOR to contribute to the national treasury. During these hard times when the government is saddled by the fiscal crisis and ballooning budget deficit, the need to generate more revenues for the government has become an urgent and imperative concern. The government needs more funds to pay for its foreign debt, to finance infrastructure projects and to promote delivery of basic services to the Filipino people.

This bill thus seeks to maximize the earning potential of PAGCOR by privatizing its corporate assets and its operations. Through this proposed legislative measure, it is expected that the government will benefit from the proceeds of the sale and the operations of all games of chance by a private corporation will bring in more revenues to the government owing to the taxes and fees that will be collected.

The approval of this bill is thus earnestly requested.


DANILO E. SUAREZ
Representative
Third District, Quezon

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AN ACT ABOLISHING THE PHILIPPINE AMUSEMENT AND GAMING CORPORATION, PRIVATIZING ITS CORPORATE ASSETS AND ITS OPERATIONS AND FOR OTHER PURPOSES

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SEC. 1. *Declaration of Policy.* – It is hereby declared the policy of the State to regulate the operation and conduct of games of chance and other related activities within the territorial jurisdiction of the Republic of the Philippines and to centralize and integrate the operate of these games of chance into one private corporation.

SEC. 2. *The Corporation* - To implement State policy and pursue the objectives set forth in the preceding section, the existing Philippine Amusement and Gaming Corporation, created under Presidential Decrees 1067-A, 1067-B, 1067-C and 1869, shall be abolished and its corporate assets and its franchise to operate and maintain gambling casinos, clubs and other recreation or amusement places and sports gaming pools within the territorial jurisdiction of the Republic of the Philippines shall be sold to a private corporation, hereinafter referred to as "Corporation".

SEC. 3. *Nature of the Corporation.* – The Corporation shall be a domestic corporation duly registered and established under the existing laws of the Republic of the Philippines or a joint venture of a foreign and domestic corporation, engaged in the business of games of chance and other related business and has an authorized capital stock of Fifty Billion Pesos (Php 50,000,000,000.00).

SEC. 4. *Selection of the Corporation.* A public bidding shall be conducted, pursuant to R.A. 9184, whereby three (3) qualified bidders shall be allowed to submit their respective bids. The amount of the minimum bid as well as the procedure in the manner of conducting the same shall be contained in the implementing rules and regulations that will be issued by the Department of Finance within thirty (30) days after the effectivity of this Act.

SEC. 5. *Regulatory Power.* – The Department of Finance shall exercise regulatory power over the Corporation in the operation and conduct of games of chance and other related activities within the territorial jurisdiction of the Republic of the Philippines.

SEC. 6. *Repealing Clause.* – All laws, presidential decrees, executive orders, other executive issuances, or parts thereof, which are inconsistent with this Act are hereby repealed, amended or modified accordingly.

SEC. 7. *Effectivity.* – This Act shall take effect fifteen days (15) days after its publication in at least two (2) newspapers of general circulation.

Approved,