



HOUSE OF REPRESENTATIVES
H.B. NO. **4647**

Introduced by: **Cong. Eugene Michael B. de Vera**
ABS Partylist

EXPLANATORY NOTE

Republic Act 1169 (RA 1169) was enacted into law on June 18, 1954, which provides that the Philippine Charity Sweepstakes Office (PCSO) shall be the principal government agency for raising and providing funds for health programs, medical assistance and services, and charities of national character. Then, in September 1979, Batas Pambansa Blg. 42 (BP 42) was enacted into law amending the charter of PCSO.

Under its amended charter, the PCSO has the authority to hold and conduct lotteries and similar activities to generate funds. It introduced different kinds of lottery like, Instant Sweepstakes, Small Town Lottery or STL, On-Line Lottery, Doble Panalo and more.

PCSO is the recognized instrument of the Government in helping the underprivileged. Its vanguard created different program such as Individual Medical Assistance Program, Institutional Partnership Program, Calamity Assistance Program, AFP/PNP Health Facilities' Capability Building Project, Auxiliary Ambulance Service, among others.

In order to maintain the above-mentioned projects, this bill seeks to expand the PCSO's power in regulating licenses and permits to operate. It also aims to engage in investments, programs, projects, and activities involving lotteries and gaming, either by itself or in collaboration, association or joint venture with any person, company, or entity, whether domestic or foreign, for the purpose of providing for continuing sources of funds for health programs. It further seeks that the board be given the power to review and revise the breakdown of sharing allocation of the gross receipts.

This bill amends the mandate of the PCSO's charter in order to adjust in the situation of the present time. Moreover, it guarantees that thru engaging in investments, programs and others, it can multiply the sources of funds for the lasting implementation of its charity programs.

The approval of this bill is earnestly sought for.



EUGENE MICHAEL B. DE VERA

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**AN ACT AMENDING REPUBLIC ACT NO. 1169, AS AMENDED BY BATAS
PAMBANSA BLG. 2 AND PRESIDENTIAL DECREE NO. 1157, OTHERWISE
KNOWN AS "AN ACT PROVIDING FOR CHARITY SWEEPSTAKES, HORSE
RACES, AND LOTTERIES AND FOR OTHER PURPOSES**

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

SECTION 1. Section 1 of Republic Act 1169 is hereby amended to read as follows:

"SECTION 1. The Philippine Charity Sweepstakes Office. — The Philippine Charity
Sweepstakes Office, hereinafter designated the Office, shall be the principal government
agency for raising and providing for funds for health programs, medical assistance and
services, and charities of national character, and as such shall have the general powers
conferred in section thirteen of Act Numbered One thousand four hundred fifty-nine, as
amended, and shall have the authority:

- A. To hold and conduct charity sweepstakes races, lotteries, and other similar activities,
in such frequency and manner, as shall be determined, and subject to such rules and
regulations as shall be promulgated by the Board of Directors.
- B. TO ISSUE LICENSES AND PERMITS TO OPERATE TO PRIVATE
ORGANIZATIONS, ESTABLISHMENTS AND CORPORATIONS IN
CONDUCTING LOTTERIES, AS WELL AS LICENSES TO MANUFACTURERS,
SELLERS AND DISTRIBUTORS OF GAMING PARAPHERNALIA SUBJECT TO
THE RULES AND REGULATIONS DETERMINED BY THE PCSO;
- C. TO ENGAGE IN INVESTMENTS, PROGRAMS, PROJECTS, AND ACTIVITIES
INVOLVING LOTTERIES AND GAMING, EITHER BY ITSELF OR IN
COLLABORATION, ASSOCIATION OR JOINT VENTURE WITH ANY
PERSON, COMPANY, OR ENTITY, WHETHER DOMESTIC OR FOREIGN, FOR
THE PURPOSE OF PROVIDING FOR CONTINUING SOURCES OF FUNDS FOR
HEALTH PROGRAMS, INCLUDING THE EXPANSION OF EXISTING
PROGRAMS, MEDICAL ASSISTANCE AND SERVICES, AND/OR
CHARITABLE GRANTS, SUBJECT TO THE APPROVAL OF THE PRESIDENT;

D. To undertake any other activity that will enhance its funds generation operations and funds management capabilities, subject to the same limitations provided for in the preceding paragraph.

It shall have a Board of Directors, hereinafter designated the Board, composed of five members who shall be appointed, and whose compensation and term of office shall be fixed, by the President”

SECTION 2. Section 6 of RA 1169 is hereby amended to read as follows:

“SECTION 6. Allocation of Gross Receipts.— THE GROSS RECEIPTS SHALL BE ALLOCATED AS FOLLOWS, PROVIDED HOWEVER, THAT THE BOARD SHALL HAVE THE POWER TO REVIEW AND REVISE THE BREAKDOWN OF SHARING ALLOCATION OF THE GROSS RECEIPTS.

A. Fifty-five percent (55%) shall be set aside as a prize fund for the payment of prizes, including those for the owners, jockeys of running horses, and sellers of winning tickets.

Prizes not claimed by the public within one year from date of draw shall be considered forfeited, and shall form part of the charity fund for disposition as stated below.

B. Thirty percent (30%) shall be set aside as contributions to the charity fund from which the Board of Directors, in consultation with the OFFICE OF THE PRESIDENT [Ministry of Human Settlement] on identified priority programs, needs, and requirements in specific communities and with approval of the Office of the President, shall make payments or grants for health programs, including the expansion of existing ones, medical assistance and services and/or charities of national character, such as the Philippine National Red Cross, under such policies and subject to such rules and regulations as the Board may from time establish and promulgate. The Board may apply part of the contributions to the charity fund to approved investments of the Office pursuant to Section 1 (B) hereof, but in no case shall such application to investments exceed ten percent (10%) of the net receipts from the sale of sweepstakes tickets in any given year.

Any property acquired by an institution or organization with funds given to it under this Act shall not be sold or otherwise disposed of without the approval of the Office of the President (Prime Minister), and that in the event of its dissolution all such property shall be transferred to and shall automatically become the property of the Philippine Government.

C. Fifteen (15%) percent shall be set aside as contributions to the operating expenses and capital expenditures of the Office.

D. All balances of any funds in the Philippine Charity Sweepstakes Office shall revert to and form part of the charity fund provided for in paragraph (B), and shall be subject to disposition as above stated.

The disbursements of the allocation herein authorized shall be subject to the usual auditing rules and regulations.

SECTION. 3. Section 9 of RA 1169 is hereby amended to read as follows:

88 "SECTION 9. Powers and Functions of the Board of Directors. — The Board of Directors of
89 the Office shall have the following powers and functions:
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- 91 A. To adopt or amend such rules and regulations to implement the provisions of this Act.
92 B. TO ISSUE LICENSES AND PERMITS TO OPERATE TO PRIVATE
93 ORGANIZATIONS, ESTABLISHMENTS AND CORPORATIONS CONDUCTING
94 LOTTERIES, AS WELL AS LICENSES TO MANUFACTURERS, SELLERS AND
95 DISTRIBUTORS OF GAMING PARAPHERNALIA SUBJECT TO RULES AND
96 REGULATIONS DETERMINED BY THE COMMISSION;
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98 C. TO DETERMINE, REVIEW AND REVISE THE ALLOCATION OF GROSS
99 RECEIPTS IN SEC. 6 OF THIS ACT;
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101 D. [B.] Consistent with the purposes of this Act, to determine and approve the most
102 effective organizational framework for the Office and its staffing pattern; to fix the
103 salaries and determine the reasonable allowances, bonuses, and other incentives of its
104 officers and employees as may be recommended by the General Manager; and to
105 prescribe the manner of hiring and compensating on a contractual basis such sales and
106 other personnel as may be required for its operations, subject to pertinent civil service
107 and compensation laws.
108
109 E. [C.] To contract loans, credits, and indebtedness, whether domestic or foreign, on
110 such terms and conditions as it may deem appropriate for the accomplishment of its
111 purposes, subject to applicable laws, rules, and regulations.
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113 F. [D.] To promulgate rules and regulations for the operation of the Office and to do
114 such act or acts as may be necessary for the attainment of its purposes and
115 objectives."
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117 **SECTION 4. Separability Clause.** — If any part or provision of this Act shall be declared
118 unconstitutional or invalid, the other parts or provisions hereof which are not affected shall
119 continue in full force and effect.
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121 **SECTION 5. Repealing Clause.** — Republic Act No. 1169, as amended by *Batas Pambansa*
122 *Bilang 42* and Presidential Decree No. 1157, is hereby repealed. All laws, decrees, executive
123 orders, rules and regulations or parts thereof inconsistent with the provisions of this Act are
124 hereby repealed or modified accordingly.
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126 **SECTION 6. Effectivity.** — This Act shall take effect thirty (30) days after its publication in
127 the Official Gazette.
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129 Approved,