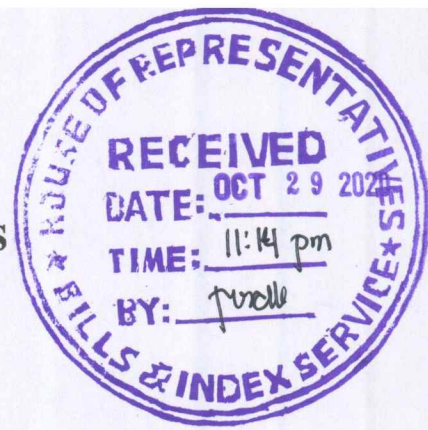


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

Second Regular Session
EIGHTEENTH CONGRESS

House Bill No. **7936**



Introduced by Rep. Manuel "Way Kurat" E. Zamora

EXPLANATORY NOTE

Cockfighting or "*sabong*" is a traditional recreational activity long-entrenched in Filipino culture, and considered as part of national heritage. Being recognized as part of Filipino culture, laws have been enacted to supervise and regulate cockfighting. In effect, the Cockfighting Law of 1974 established that cockfighting is "a popular, traditional and customary form of recreation and entertainment among Filipinos."

Over the years, cockfighting has evolved: from traditional pit fighting, it is now following the trends of online casinos, electronic games, and online sports betting, and "e-sabong" is the live-streaming of actual cockfighting events, where the collection of bets is wired electronically. Especially during this pandemic where social gatherings and mass assemblies are discouraged, bettors have resorted to this kind of gaming and recreation. In view of such, the game of cockfighting promises to be a viable source of government revenue and livelihood for Filipinos.

To harness the full potential of cockfighting as a vital revenue stream for both National Government and Local Government Units, the granting of legislative franchise is but proper, which shall include tax provisions, its terms and scope, and providing the regulating authority of the Games and Amusement Board (GAB) over the franchise.

1 Moreover, in Department of Justice (DOJ) Opinion No. 25
2 Series of 2006, the DOJ stated that the proposed operation of "Tele-
3 Sabong" requires an enactment of such a law by Congress granting
4 franchise to tele-sabong since the Local Government Code limits the
5 authority of the local *sanggunians* to the establishment, operation and
6 maintenance of cockpits and regulation of cockfighting and
7 commercial breeding of gamecocks. The proper authority over tele-
8 sabong thusly should be conferred by the legislature.
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10 In view of the foregoing, the approval of this measure is
11 earnestly sought.
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15 MANUEL "WAY KURAT" E. ZAMORA
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House Bill No. **7936**

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**AN ACT GRANTING ROOSTER GAMING
INCORPORATED A FRANCHISE TO BROADCAST LIVE
AND DATA-STREAMED COCKFIGHTING ACTIVITIES AND
DERBIES, THROUGH ONLINE OR OTHER ANALOGOUS
MEANS, ANYWHERE IN THE PHILIPPINES**

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

SECTION 1. *Name and Scope of Franchise.* – Subject to the provisions of the Constitution and the applicable laws, rules and regulations, there is hereby granted to Rooster Gaming Corporation, hereunder referred to as grantee, its successors or assignees, a franchise to broadcast live and data-streamed cockfighting activities and derbies, through cable, satellite, internet livestreaming, on-line or other analogous technologies, similar or modern means, held at the duly licensed cockpit arenas in the Philippines, as well as to construct, establish, operate and maintain on-cockpit and off-cockpit betting stations for the bettings on the result of the cockfights, either directly or by means of any mechanical, electrical and/or computerized totalizator, and to do and carry out all such acts, deeds and things as may be necessary to give effect to the foregoing.

SECTION 2. *Authority of the Local Government Unit.* - The establishment of off-cockpit betting stations anywhere in the country shall be subject to the approval or consent of the local government units where the off-cockpit betting station shall be established, and in

1 case of a municipality or component city, approval or consent of the
2 provincial government shall likewise be established. The grantee shall
3 secure from local government units and such other government
4 agencies concerned the necessary licenses and other permits for the
5 construction, establishment, operation and maintenance of its on-
6 cockpit and off-cockpit betting stations.
7

8 **SECTION 3.** *Authority of the Games and Amusement Board.* –
9 The cockfighting events and the data streamed cockfighting activities
10 and derbies to be conducted by the grantee shall be under the
11 supervision and regulation of the Games Amusement Board (GAB),
12 which shall enforce the laws, rules and regulations governing
13 cockfighting events.
14

15 **SECTION 4.** *Term of Franchise.* – This franchise shall be for a
16 term of twenty-five (25) years from the date of effectivity of this Act,
17 unless sooner revoked or cancelled.
18

19 **SECTION 5.** *Use of Computerized, Electrical and/or*
20 *Mechanical Devices, Equipment and Facilities.* – The grantee is
21 hereby authorized to do and carry out all such acts, deeds and things
22 as may be necessary for the effective conduct of the business under
23 this franchise, and to achieve an orderly, clean and honest
24 cockfighting events, and, in particular, to provide and operate any
25 mechanical, electrical and/or computerized devices, equipment and
26 facilities, including the following:
27

- 28 (a) Electric and/or computerized totalizator;
29 (b) Machines directly connected to a computer in a display
30 board for the sale of betting tickets including those sold in off-cockpit
31 betting stations;
32 (c) Modern sound system and loudspeaker facilities;
33 (d) Modern telecommunications and broadcast equipment and
34 facilities, whether at the grantee's off-cockpit betting stations, for
35 receiving and transmitting, whether live or otherwise, messages,
36 signals and pictures by any means now known, or which in the future
37 may be developed for the reception and transmission of messages,
38 signals and pictures relating to the betting system, the actual conduct
39 of cockfighting events, the announcements of winning numbers and
40 dividends paid or to be paid thereon, and any other form of

1 information relating to the conduct and promotion of cockfighting
2 events within or outside the Philippines;

3 (e) Continuous and back-up power supply, and such other
4 instruments, devices, equipment, facilities to the public; and

5 (f) Such other facilities, devices and instruments that will
6 ensure clean, honest and orderly betting on cockfighting events.

7
8 The GAB shall assign its auditors and inspectors to supervise
9 and regulate the placing of bets, the proper computation of dividends
10 and the distribution of wager funds.

11
12 **SECTION 6. *Offering, Taking or Arranging Bets for Cockfight***
13 ***Events.*** – The grantee or its duly authorized agent may offer, take or
14 arrange bets for cockfighting events conducted in a duly-licensed
15 cockpit arenas or outside the Philippines, in person or by any
16 electronic, on-line or other means of processing transactions,
17 anywhere in the Philippines, whether within or outside the place,
18 enclosure of the cockpit where the cockfight events are held, in on-
19 cockpit or off-cockpit betting stations, a day in advance of and/or
20 during the schedule cockfights held or conducted within the
21 Philippines. No other entity or person other than the grantee or its
22 duly authorized agents or licensees shall offer, take or arrange any
23 bets on any cockfighting events participating in any cockpit arenas
24 conducted by the same, or maintain or use a totalizator or any other
25 device, method or system to bet on any cockfights within its premises
26 or outside the same enclosure, in the course of cockfighting events
27 conducted and/or operated by the same grantee.

28
29 **SECTION 7. *Penalties.*** – Any person or persons found to have
30 violated the provisions of the aforementioned section shall be
31 punished by a fine of not less than Twenty thousand pesos
32 (P20,000.00) but not more than One hundred thousand pesos
33 (P100,000.00) or by imprisonment of an minimum of six months and
34 a maximum of one year, or both, at the discretion of the court. If the
35 offender is a corporation, partnership or association the criminal
36 liability shall devolve upon its president, managing partner or
37 manager responsible for such violation.
38

1 **SECTION 8. *Terms of Betting Tickets.*** – The grantee shall
2 publish and display prominently and in appropriate places the terms
3 and conditions regarding the sale of betting tickets.
4

5 **SECTION 9. *Tax Provision.*** – In consideration of the franchise
6 and rights herein granted, the grantee, its successors and/or assignees
7 shall pay to the national government a franchise tax equivalent to five
8 percent (5%) of its gross receipts less total number of payouts. The
9 said tax shall be paid monthly and be in lieu of any and all taxes,
10 except income tax, of any kind, nature and description levied,
11 established or collected by any authority whether city, municipality,
12 provincial or national, on its properties, whether real or personal, from
13 which taxes the grantee is hereby expressly exempted.
14

15 **SECTION 10. *Sale, Lease, Transfer, Grant of Usufruct, or***
16 ***Assignment of Franchise.*** – The grantee shall not sell, lease, transfer,
17 grant the usufruct of, nor assign this franchise or the rights and
18 privileges acquired hereunder to any person, firm, company,
19 corporation or other commercial or legal entity, nor merge with any
20 other corporation or entity, nor the controlling interest of the grantee
21 be transferred, simultaneously or contemporaneously, to any person,
22 firm, company, corporation, or entity without the approval of the
23 Congress of the Philippines. Congress shall be informed of any sale,
24 lease, transfer, grant of usufruct, or assignment of franchise or the
25 rights and privileges acquired thereunder, or of the merger or transfer
26 of the controlling interest of the grantee, within sixty (60) days after
27 the completion of the said transaction. Failure to report to Congress
28 such change of ownership shall render the franchise *ipso facto*
29 revoked. Any person or entity to which this franchise is sold,
30 transferred, or assigned shall be subject to the same conditions, terms,
31 restrictions, and limitations of this Act.
32

33 **SECTION 11. *Warranty in Favor of National and Local***
34 ***Governments.*** – The grantee shall hold the national, provincial and
35 municipal governments of the Philippines free from all claims,
36 liabilities, demands or actions arising out of accidents causing injury
37 to persons or damage to properties during the construction or
38 operation of the off-cockpit betting station of the grantee.
39

1 **SECTION 12. *Acceptance and Compliance.*** – Acceptance of
2 this franchise shall be given in writing within sixty (60) days after the
3 effectivity of this Act. Upon giving such acceptance, the grantee shall
4 exercise the privileges granted under this Act. Non-acceptance shall
5 render the franchise void.
6

7 **SECTION 13. *Reportorial Requirement.*** – The grantee shall
8 submit an annual report to the Congress of the Philippines, through
9 the Committee on Legislative Franchises of the House of
10 Representatives and the Committee on Public Services of the Senate,
11 on its compliance with the terms and conditions of the franchise and
12 on its operations on or before April 30 of every year during the term
13 of its franchise.
14

15 The annual report shall include an update on the roll-out,
16 development, operation and/or expansion of business; audited
17 financial statements; latest General Information Sheet officially
18 submitted to the Securities and Exchange Commission, if applicable;
19 and certification of the GAB on the status of its permits and
20 operations.
21

22 The reportorial compliance certificate issued by Congress shall
23 be required before any application for permit or certificate is accepted
24 by the GAB.
25

26 **SECTION 14. *Fine.*** – Failure of the grantee to submit the
27 requisite annual report to Congress shall be penalized by a fine of Five
28 Hundred Pesos (P500.00) per working day of non-compliance. The
29 fine shall be collected by the GAB from the delinquent franchise
30 grantee separate from the reportorial penalties imposed by the GAB, if
31 any, and shall be remitted to the Bureau of the Treasury.
32

33 **SECTION 15. *Equality Clause.*** – Any advantage, favor,
34 privilege, exemption or immunity granted under existing franchises,
35 or which may hereafter be granted, upon prior review and approval of
36 Congress, shall become part of this franchise and shall be accorded
37 immediately and unconditionally to the herein grantee: Provided,
38 however, That any advantage, favor, privilege, exemption or
39 immunity granted under this franchise shall also *ipso facto* become
40 part of existing and future franchises: Provided, further, that the

1 foregoing shall neither apply to nor affect the provisions concerning
2 territory covered by the franchise and the life span of the franchise.
3

4 **SECTION 16. *Separability Clause.*** If any of the sections or
5 provisions of this Act is held invalid, all other provisions not affected
6 thereby shall remain valid.
7

8 **SECTION 17. *Repealing and Non-Exclusivity Clause.*** – All
9 laws, decrees, orders, resolutions, instructions, rules and regulations,
10 and other issuances or parts thereof which are inconsistent with the
11 provisions of this Act are hereby repealed, amended, or modified
12 accordingly. This franchise shall be subject to amendment, alteration
13 or repeal by the Congress of the Philippines, when the public interest
14 so requires, and shall not be interpreted as an exclusive grant of the
15 privileges herein provided for.
16

17 **SECTION 18. *Effectivity.*** – This Act shall take effect fifteen
18 (15) days after its publication in the Official Gazette or in a newspaper
19 of general circulation in the Philippines.
20

21 Approved,