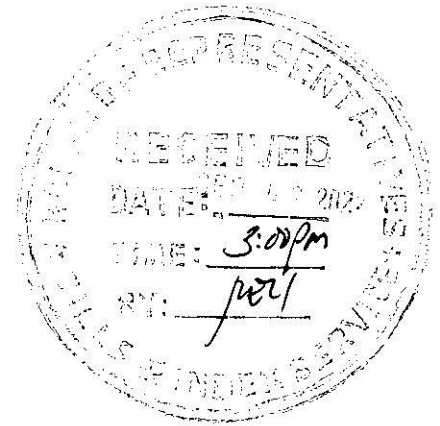




Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City, Metro Manila

**NINETEENTH CONGRESS**  
First Regular Session

HOUSE BILL NO. 4534



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**Introduced by Representative Lex Anthony Cris A. Colada**

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#### **EXPLANATORY NOTE**

The declaration of global pandemic brought about by Covid-19 has siphoned the government coffers and ballooned the budget deficit. This is to urgently address and respond the existing health crisis, and to revive and recover the economic adverse effect of the said pandemic. As pronounced by the current administration, we need to raise revenue not only through new tax impositions but through administrative reforms and maximizing revenues through privatization of government assets.

One of the avenues sought for to raise and maximize revenues is the privatization of government gambling assets such that of the Philippine Amusement and Gaming Corporation (PAGCOR). Presidential Decree (PD) No. 1067-A was enacted on January 1, 1977 creating the PAGCOR to operate and regulate all games of chance not otherwise authorized by existing franchises or permitted by laws. At that time, regulation and operation of games of chance may efficiency be implemented by the government with the aim of generating revenues therefrom. From its creation, PAGCOR's corporate life was extended for another twenty-five (25) years by virtue of Republic Act No. 9487.

PAGCOR has a dual role. First is to regulate. Second is to operate gambling and gaming activities.

It has been recognized that gaming revenues has been consistently increasing contributing substantial amount to the government funds which are allotted for different socio-civic development programs and projects. However, this representation firmly stands that such revenues may still be maximized by privatizing the gaming operations of PAGCOR.

This bill seeks to address the conflicting issues and roles. To promote a level-playing field in the gaming industry and avoid conflict of interest, PAGCOR must

concentrate in its regulating roles. The government shall now allow private entities to operate gambling and gaming activities.

In view of the foregoing, passage of this bill is earnestly sought for.



**LEX ANTHONY CRIS A. COLADA**  
AAMBIS-OWA, Representative



Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
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**AN ACT**  
**AMENDING PRESIDENTIAL DECREE NO. 1869 AS AMENDED BY**  
**REPUBLIC ACT NO. 9487. OTHERWISE KNOWN AS**  
**THE PAGCOR CHARTER**

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

SECTION 1. - Section 1, Title 1 of Presidential Decree No. 1869 is hereby amended to read as follows:

Section 1. - Declaration of Policy. It is hereby declared to be the policy of the State to centralize and integrate all games of chance, GAMES OF CARDS AND GAMES OF NUMBERS not heretofore authorized by existing franchises, licenses or otherwise permitted by law in order to attain the following objectives:

- (a) To centralize, CONSOLIDATE and integrate the right and authority to operate and conduct REGULATE AND LICENSE THE EFFICIENT OPERATION AND CONDUCT OF ALL games of chance, GAMES OF CARDS AND GAMES OF NUMBERS into one corporate entity to be controlled, administered and supervised by the Government:
- (b) [To establish and operate clubs and casinos, for amusement and recreation, including sports gaming pools (basketball, football, lotteries, etc.) and such other forms of amusement and recreation including games of chance, which may be allowed by law within the territorial jurisdiction of the Philippines and which will: (1) generate sources of additional revenue to fund infrastructure

and socio-civic projects, such as flood control programs, beautification, sewerage and sewage projects, Tulungan ng Bayan Centers, Nutritional Programs, Population Control and such other essential public services: (2) create recreation and integrated facilities which will expand and improve the country's existing tourist attractions; and (3) minimize, if not totally eradicate, the evils, malpractices and corruptions that are normally prevalent in the conduct and operation of gambling clubs and casinos without direct government involvement.]

TO SERVE AS FRAMEWORK FOR OPERATING, AUTHORIZING, LICENSING, AND REGULATING GAMBLING AND GAMING WITHIN THE TERRITORIAL JURISDICTION OF REPUBLIC OF THE PHILIPPINES:

(c) TO ENSURE THAT GAMBLING AND GAMING ARE UNDERTAKEN IN A SOCIALLY RESPONSIBLE MANNER:

(d) TO ENSURE THAT GAMBLING AND GAMING ARE UNDERTAKEN IN THE BEST INTERESTS OF THE PUBLIC. AND TO MINIMIZE THE OPPORTUNITIES THAT GIVE RISE TO PROBLEM GAMBLING, CRIME, CORRUPTION, MALPRACTICES AND SOCIAL DISRUPTION:

(e) TO ENSURE THE PROTECTION OF VULNERABLE PERSONS, SUCH AS MINORS AND PROBLEM GAMBLERS, FROM RISKS TO THEIR WELL-BEING ARISING FROM GAMBLING OR GAMING:

(f) TO ENSURE THAT GAMBLING AND GAMING WILL NOT BE USED FOR CRIMINAL OR ILLEGAL ACTIVITY;

(g) EXPAND AND IMPROVE THE COUNTRY'S TOURIST ATTRACTIONS BY ESTABLISHING RECREATION AND INTEGRATED FACILITIES: AND,

(h) TO LICENSE GAMBLING CASINOS, GAMING CLUBS, LEISURE RESORTS AND OTHER SIMILAR RECREATION OR AMUSEMENT PLACES, SPORTS BOOKS, GAMING POOLS, STUDIOS, ONLINE OR INTERNET GAMING WEBSITES AND ALL OTHER FORMS OF GAMING PREMISES OFFERING ALL FORMS OF GAMING OR GAMBLING ACTIVITIES, EXISTING OR NEWLY CONCEIVED WITHIN THE TERRITORIAL JURISDICTION OF THE PHILIPPINES.

SECTION 2. - Section 2. Title II of Presidential Decree No. 1869 is hereby amended to read as follows:

*Section 2. Creation and Purpose* - To implement this state policy and pursue the objectives set forth in the preceding section, there is hereby created a body corporate to be known as the Philippine Amusement and Gaming Corporation, hereinafter referred to as the "Corporation", which shall have its principal office in

Metropolitan Manila. The Corporation may establish such offices, agencies, subsidiaries, or branches in the Philippines as its operations would require and its Board of Directors may determine. THE CORPORATION IS HEREBY GIVEN THE AUTHORITY TO:

(a) OPERATE, LICENSE AND REGULATE GAMBLING CASINOS, GAMING CLUBS AND OTHER SIMILAR RECREATION OR AMUSEMENT PLACES, GAMING POOLS AND SPORTS-BOOKS:

(b) OPERATE, LICENSE AND REGULATE GAMING INCLUDING ONLINE/INTERNET GAMING WHETHER ON LAND, WATER OR AIR AUTHORIZED BY THIS ACT OR REGULATIONS: AND

(c) REGISTER, LICENSE, AND REGULATE ALLIED BUSINESSES AUTHORIZED BY THIS ACT OR REGULATIONS.

SECTION 3. Section 6, Title II of Presidential Decree No. 1869 is hereby amended to read as follows:

Section 6. - Board of Directors. The Corporation shall CONTINUE TO be governed and its activities directed, controlled, and managed by its Board of Directors composed of five (5) members, (three (3) of whom shall come from the Government sector and shall be appointed by the President, while the other two (2) shall be from the private sector, [who own at least one (1) share of stock in the Corporation and who shall be elected by the stockholders of the corporation in the annual general meeting or in a special meeting called for such purpose] TO BE APPOINTED BY THE PRESIDENT OF THE REPUBLIC OF THE PHILIPPINES

Each Director shall serve for a term of one (1) year and until his/HER successor shall have been duly appointed and qualified.

SECTION 4. - Section 7, Title II of Presidential Decree No. 1869 is hereby amended to read as follows:

Section 7. Powers, Functions and Duties of the Board of Directors. - The Board shall have the following powers, functions, and duties:

- a) To allocate and distribute, with the approval of the Office of the President of the Philippines, the earnings of the Corporation earmarked to finance (infrastructure and socio-civic projects] SOCIO-ECONOMIC DEVELOPMENT PROJECTS:
- b) To designate the commercial bank that shall act as the depository bank of the Corporation and/or trustee of the funds of the Corporation;

- c) To prepare and approve at the beginning of each calendar year the budget that may be necessary under any franchise granted to it, to insure the smooth operation of the Corporation; and to evaluate and approve budgets submitted to it by other corporations or entities with which it might have any existing contractual arrangement;
- d) To submit to the Office of the President of the Philippines before the end of February each year a list of all the (infrastructure and/or socio- civic] SOCIO-ECONOMIC DEVELOPMENT PROJECTS that have been financed from the Corporation's earnings, and to submit periodic or other reports as may be required of it from time to time; and
- e) TO PROMULGATE PERSONNEL POLICIES WITH THE APPROVAL OF THE OFFICE OF THE PRESIDENT: AND,
- f) To perform such other powers, functions and duties as may be directed and authorized by the President of the Philippines or as may be necessary or proper for the accomplishment of its purposes and objectives.

SECTION 5. - Section 10, Title IV of Presidential Decree No. 1869. As amended by Republic Act 9487, is hereby further amended to read as follows:

Section 10. Nature and Term of Franchise. - Subject to the terms and conditions established in this Decree, the Corporation is hereby granted [from the expiration of its original term on July 11, 2008 another period of twenty-five years, renewable for another twenty-five years.] FOR PERIOD OF TWENTY-FIVE (25) YEARS, RENEWABLE FOR ANOTHER TWENTY FIVE (25) YEARS THE rights and privileges and authority to operate, [and] license AND REGULATE gambling casinos, gaming clubs, land other similar recreation or amusement places, gaming pools, i.e. basketball, football, bingo, etc. except jai-alai] LEISURE RESORTS AND OTHER SIMILAR RECREATION OR AMUSEMENT PLACES. SPORTS BOOKS, GAMING POOLS, STUDIOS, ONLINE OR INTERNET GAMING WEBSITES AND ALL OTHER FORMS OF GAMING PREMISES OFFERING ALL FORMS OF GAMING OR GAMBLING ACTIVITIES, EXISTING OR NEWLY-CONCEIVED. whether on land, sea or air within the territorial jurisdiction of the Philippines. THE FOREGOING SHALL BE WITHOUT LIMITATION AS TO THE TECHNOLOGY UTILIZED IN PRODUCING OR PLAYING SUCH FORMS OF GAMBLING OR GAMING. Provided, That the corporation AND THE LICENSEE shall obtain the consent of the local government unit that has territorial jurisdiction over the area chosen as the site for any of (its] THE gaming operations OF THE LICENSEE. THE PRESIDENT SHALL PROMULGATE THE NECESSARY RULES FOR OBTAINING THE CONSENT OF THE LGU

WHEN THE GAMING PREMISES ARE LOCATED INSIDE ECONOMIC ZONES, THE ENDORSEMENT FROM THE ECONOMIC ZONE AUTHORITY SHALL BE IN LIEU OF THE

CONSENT OF THE LGU. THE RULES IN OBTAINING THE ENDORSEMENT ECONOMIC ZONES AUTHORITY SHALL FOLLOW THE RULES IN OBTAINING THE CONSENT OF THE LGU AS FAR AS APPLICABLE

The operation of slot machines and other gambling paraphernalia and equipment, shall not be allowed in establishments open or accessible to the general public unless the site of these operations are three-star hotels and resorts accredited by the Department of Tourism authorized by the corporation and by the local government unit concerned.

The authority and power of the PAGCOR to authorize, license and regulate games of chance, games of cards and games of numbers shall not extend to: (1) games of chance authorized, licensed and regulated or to be authorized, licensed and regulated by, in, and under existing franchises or other regulatory bodies; ((2) games of chance, games of cards and games of numbers authorized, licensed, regulated by, in, and under special laws such as Republic Act No. 7922:| and l(3)1 (2) games of chance, games of cards and games of numbers like cockfighting, authorized, licensed and regulated by local government units. The conduct of such games of chance, games of cards and games of numbers covered by existing franchises, regulatory bodies or special laws, to the extent of the jurisdiction and powers granted under such franchises and special laws, shall be outside the licensing authority and regulatory powers of the PAGCOR.

SECTION 6. - Section 12, Title IV of Presidential Decree No. 1869 is hereby amended to read as follows;

Section 12. - Socio-Economic Development Fund. After deducting five percent (5%) as Franchise Tax J ON THE GROSS GAMING REVENUE (GGR) OF PAGCOR, the 50% share of the Government in the aggregate gros earnings off the Corporation's GROSS GAMING REVENUE (GGR) (from this franchise] shall immediately be set aside land allocated to fund the following infrastructure and socio-civil projects within the Metropolitan Manila area | FOR THE SOCIO-ECONOMIC DEVELOPMENT FUND TO OF TREASURY

- [a. Flood Control
- b. xxx
- c. xxx
- d. xxx
- e. xxx
- f. xxx
- g. xxx ]

[In addition to the priority infrastructure and socio-civic projects within the Metropolitan Manila specifically enumerated above, the share of the Government in the aggregate may also be appropriated and allocated to fund and finance infrastructure and/or socio-civic projects throughout the Philippines as may be directed and authorized by the Office of the President of the Philippines ]

THE MANDATORY EARMARKED CONTRIBUTIONS OF THE CORPORATION UNDER THE FOLLOWING LAWS SHALL CONTINUE UNLESS ALREADY COMPLETED: (1) PHILIPPINE SPORTS COMMISSION UNDER RA NO. 6847: (2) BOARD OF CLAIMS UNDER RA NO. 7309: (3) DIVIDEND LAW OR RA NO 7656: (4) DANGEROUS DRUGS BOARD UNDER RA NO. 9165: (5).NATIONAL ATHLETES AND COACHES BENEFITS AND INCENTIVES UNDER RA NO. 10699: (6) RENEWABLE ENERGY TRUST FUND UNDER RA NO. 9513: (7) NATIONAL ENDOWMENT FUND FOR THE CULTURE AND THE ARTS UNDER RA NO. 10066: AND (8) EARLY CHILDHOOD CARE AND DEVELOPMENT UNDER RA NO. 10410.

IN ADDITION THERETO, THE REVISED ARMED FORCES OF THE PHILIPPINES (AFP) MODERNIZATION PROGRAM UNDER REPUBLIC ACT NO. 10349 SHALL ALSO BE ENTITLED TO A FIVE PERCENT (5%) SHARE IN THE GROSS GAMING REVENUES OF PAGCOR LESS THE FRANCHISE TAX AND FIFTY PERCENT (50%) GOVERNMENT SHARE

PROVIDED. THAT LOCAL GOVERNMENT UNITS HOSTING LICENSED GAMBLING CASINOS SHALL BE ENTITLED TO A SHARE OF THE NET INCOME OF THE CORPORATION IN THE AMOUNT TO BE DETERMINED AND FIXED BY THE BOARD AFTER TAKING INTO CONSIDERATION THE INCOME DERIVED FROM SAID CASINOS AND THE DEVELOPMENT PROJECTS TO BE FUNDED.

SECTION 7. - Section 13, Title IV of Presidential Decree 1869 shall be amended to read as follows;

*Section 13. Exemptions. –*

(1) xxx

(2) Income and Other Taxes. –

(a) Franchise Tax – [Franchise Holder: No tax of any kind or form, income or otherwise, as well as fees, charges or levies of whatever nature, whether National or Local, shall be assessed and collected under this Franchise from the Corporation; nor shall any form of tax or charge attach in any way to the earnings of the Corporation, except a Franchise Tax of five (5%) percent of the gross revenue or earnings derived by the Corporation from its operation under this Franchise. Such tax shall be due and payable quarterly to the National Government and shall be in lieu of all kinds of taxes, levies, fees or assessments of any kind, nature or description, levied, established or collected by any municipal, provincial, or national government authority.] EXCEPT FOR A FRANCHISE TAX OF FIVE PERCENT (5%) OF ITS GROSS GAMING REVENUE AND AS PROVIDED UNDER THIS ACT. PAGCOR AND ITS LICENSED OPERATORS SHALL BE EXEMPTED FROM ALL KINDS OF TAXES, LEVIES FEES, ASSESSMENTS OR CHARGES, OF ANY KIND. NATURE OR DESCRIPTION. LEVIED. ESTABLISHED. OR

COLLECTED BY ANY CITY. MUNICIPAL. PROVINCIAL OR NATIONAL GOVERNMENT AUTHORITY

THE INCOME OF LICENSED GAMING PERSONNEL AND LICENSED SUPPLIERS SHALL BE TAXABLE UNDER THE RELEVANT TAX LAWS AND TAX REGULATIONS. EXCEPT FOR INCOME OF LICENSED SUPPLIERS FROM CONTRACTS WITH THE CORPORATION.

PAGCOR'S AND LICENSED OPERATOR'S GAMING PREMISES INSIDE ECONOMIC ZONES SHALL BE SUBJECT TO TAX ON GROSS GAMING REVENUE AT THE PREFERENTIAL RATE PROVIDED IN THE ECONOMIC ZONE LAW IN LIEU OF THE 5% FRANCHISE TAX ON GROSS GAMING REVENUE. OTHER TAXES, FEES, CHARGES, OR LEVIES, NATIONAL OR LOCAL PROVIDED, THAT THE ECONOMIC ZONE AUTHORITY MAY IMPOSE REASONABLE FEES FOR ACTUAL SERVICES RENDERED TO THE GAMING PREMISES IN ACCORDANCE WITH ADMINISTRATIVE ORDER NUMBER 31 SERIES OF 2012 AND JOINT DOF, DBM. NEDA CIRCULAR NUMBER 01 - 13 OR ITS AMENDMENTS

(b) Others: xxx

The fee or remuneration of [foreign] entertainers contracted by the Corporation or LICENSED operator in pursuance of this provision shall be free from any tax.

(3.) xxx

(4) xxx

SECTION 8. - Section 14, Title IV of Presidential Decree 1869 is hereby amended to read as follows:

Section 14. - Other Conditions. --

(1) Place. - The Corporation AND THE LICENSED operator shall conduct the gambling activities or games of chance on land, water or AIR within the territorial jurisdiction of the Republic of the Philippines. When conducted on water. the Corporation AND THE LICENSED OPERATOR shall have the right to dock the floating casino(s) OR CRUISE SHIPS in any part of the Philippines where MARINE vessels/boats are authorized to dock the floating casinos| under the customs and maritime laws. AND WITH THE CONSENT OF THE LGU. WHILE THE VESSEL IS IN TRANSIT. SECURING THE CONSENT FOR THE GAMING BEING CONDUCTED FROM THE LGUS EXERCISING JURISDICTION OVER THE WATERS IT TRAVERSING SHALL BE DISPENSED WITH.

(2) xxx

(3) xxx

(4) Persons not allowed to play –

(a) Government officials [connected directly with the operation of the Government or any of its agencies]:

(b) Members of the Armed Forces of the Philippines, [including Army, Navy, Air Force or Constabulary THE PHILIPPINE NATIONAL POLICE, AND OTHER UNIFORMED PERSONNEL; AND,

(c) Persons under 21 years of age or students of any school, college or university in the Philippines.

From these are excepted the personnel employed by the casinos, special guests, or those who at the discretion of the Management may be allowed to stay in the premises.

(5) Operation of related services. - The Corporation is authorized to operate such necessary and related services (. ) shows and entertainment]. Any income that may be realized from these related services shall not be included as part of the income of the corporation for the purpose of applying the franchise tax, but the same shall be considered as a separate income of the Corporation and shall be subject to income tax.

(6) NATURE OF LICENSE ISSUED BY PAGCOR. – ANY LICENSE GRANTED UNDER THIS ACT IS A MERE PRIVILEGE AND NOT A VESTED RIGHT.

SUCH LICENSE MAY BE SUSPENDED OR CANCELLED AT ANY TIME UPON ORDER OF THE BOARD FOR GROUNDS PROVIDED UNDER THIS ACT OR REGULATIONS.

NO NEW CONTRACT, LICENSE, GRANT OF AUTHORITY. AUTHORITY TO OPERATE. AND ANY SIMILAR DOCUMENT SHALL BE CO TERMINUS WITH PAGCOR'S EXISTENCE OR FRANCHISE AND ANY RENEWAL THEREOF OR FOR AN INDEFINITE PERIOD.

LICENSED OPERATORS SHALL BE DIRECTLY HARLE FOR ANY COMPLAINT OR LIABILITY THAT MAY ARISE FROM THEIR TRANSACTIONS WITH THEIR PLAYERS AND THE PUBLIC.

ANY LICENSE ISSUED UNDER THIS ACT OR REGULATIONS SHOULD NOT BE TRANSFERRED TO ANY PERSON, WITHOUT PRIOR CONSENT OF THE BOARD AND ONLY IF THE TRANSFEREE MEETS THE REQUIREMENTS OF THIS ACT AND REGULATIONS

THE BOARD MAY IMPOSE ADDITIONAL CONDITIONS FOR THE TRANSFER TO ENSURE THAT THE TRANSFEREE WILL COMPLY WITH THE OBLIGATIONS OF THE ORIGINAL LICENSEE.

(7) INVESTIGATION OF APPLICANT: - UPON RECEIPT OF AN APPLICATION FOR A LICENSE, THE BOARD SHALL CAUSE SUCH INVESTIGATIONS AND INQUIRIES AS ARE NECESSARY TO ENABLE IT TO CONSIDER THE APPLICATION PROPERLY.

THE INVESTIGATION SHOULD BE EXHAUSTIVE, EXACTING, AND INTRUSIVE SO AS TO ENSURE THAT GAMING IS KEPT FREE OF CORRUPT OR CRIMINAL INFLUENCE.

THE INVESTIGATION SHALL EXTEND TO ANY ASSOCIATE AND RELATIVE OF THE APPLICANT: SO AS TO ENABLE IT TO CONSIDER THE APPLICATION THOROUGHLY.

ALL EXPENSES FOR THE INVESTIGATIONS SHALL BE FOR THE ACCOUNT OF THE LICENSEE.

(8) SUSPENSION AND CANCELLATION OF LICENSE. THE BOARD MAY SUSPEND OR CANCEL A LICENSE ISSUED UNDER THIS ACT OR REGULATIONS IF ANY OF THE FOLLOWING OCCURS.

- (A) THE LICENSEE IS NOT, OR IS NO LONGER, IN THE EVALUATION OF THE BOARD A SUITABLE PERSON TO HOLD THE LICENSE;
- (B) THE LICENSEE IS CONVICTED OF ANY SERIOUS OFFENSE UNDER ANY LAW, EVEN IF THE CONVICTION IS IN THE MEAN TIME UNDER APPEAL OR THE LICENSEE WAS ABLE TO SECURE REDUCTION OR COMMUTATION OF SENTENCE, BY MEANS ALLOWED BY LAW OR PAROLED AN OFFENSE IS SERIOUS FOR PURPOSES OF THIS ACT AND REGULATIONS IF IT IS PUNISHABLE BY IMPRISONMENT OF AT LEAST FOUR (4) YEARS, REGARDLESS OF THE ACTUAL PENALTY IMPOSED;
- (C) THE LICENSEE CONTRAVENES A CONDITION OF THE LICENSE;
- (D) THE LICENSEE FAILS TO DISCHARGE HIS FINANCIAL COMMITMENTS UNDER THIS ACT OR REGULATIONS;
- (E) THE LICENSEE IS BANKRUPT OR UNDER REHABILITATION;
- (F) THE LICENSEE OBTAINED THE LICENSE BY A MATERIALLY FALSE OR MISLEADING REPRESENTATION OR IN SOME OTHER IMPROPER WAY; OR
- (G) THE LICENSE IS REQUIRED TO BE SUSPENDED TO ENSURE THAT THE PUBLIC INTEREST IS NOT AFFECTED IN AN ADVERSE AND MATERIAL WAY, OR THE INTEGRITY OF THE CONDUCT OF GAMING IS NOT JEOPARDIZED IN ANY WAY.

A SUSPENSION OR CANCELLATION UNDER THIS SECTION SHALL BE BY WRITTEN NOTICE GIVEN TO THE LICENSEE AND SHALL TAKE EFFECT UPON RECEIPT OR TENDER IF THE LICENSEE REFUSES RECEIPT OR OTHERWISE CANNOT BE SERVED NOTICE.

(9) PREVENTION OF MONEY LAUNDERING THE CORPORATION AS THE SUPERVISING AUTHORITY OVER THE GAMING INDUSTRY SHALL IMPLEMENT REGULATIONS TO COMBAT MONEY LAUNDERING (ML) AND TERRORIST FINANCING (TF) IN THE INDUSTRY PURSUANT TO REPUBLIC ACT NO. 9160 AS AMENDED, AND REPUBLIC ACT NO, 10168

THE BOARD MUST DEVELOP REGULATIONS TO MINIMIZE THE RISKS OF ML AND TF, WHICH SHOULD INCLUDE:

- (a) CUSTOMER DUE DILIGENCE PROCEDURES;
- (b) RECORDS TO BE KEPT OF SUSPICIOUS TRANSACTIONS;
- (c) REGULAR TRAINING ON MINIMIZING THE RISKS OF ML AND TF;
- (d) ACQUIRING INFORMATION ON ACTIVITIES, TECHNOLOGY, AND OTHER DEVELOPMENTS THAT INCREASE THE RISKS OF ML AND TF
- (e) ISSUANCE OF REGULATING ORDERS AGAINST LICENSEES WHICH HAVE INADEQUATE ML OR TF PROCEDURES;
- (f) AUDIT OF LICENSEES' PROCEDURES TO ENSURE COMPLIANCE WITH THE REGULATIONS;
- (g) COOPERATION WITH LAW ENFORCEMENT AUTHORITIES FOR THE PREVENTION OR PROSECUTION OF ML AND TF;
- (h) STRICT REGULATION ON FOREIGN JUNKET PROGRAMS AND TRANSACTIONS: AND
- (i) OTHER MATTERS THAT WILL MINIMIZE THE RISKS OF ML AND TF IN GAMING.

SECTION 9. The transitory provisions on Title VII of Presidential Decree No. 1869 is hereby amended and repealed and in lieu thereof, insert the following new Sections, to wit:

SECTION 17. DEFINITION OF TERMS, IN THIS ACT THE FOLLOWING TERMS ARE DEFINED:

- A. "CHEATING" MEANS IMPROVING THE CHANCES OF WINNING IN GAMING OR OF ALTERING ITS OUTCOME BY DECEPTION, INTERFERENCE, OR MANIPULATION OF A GAME OF CHANCE. WITH THE USE OF ANY EQUIPMENT, OR ANY PERSON FACILITATING GAMING, INCLUDING BUT NOT LIMITED TO:
  - (a) ALTERING THE AMOUNT OF A PRIZE OR FREQUENCY THE PRIZE IS AWARDED;
  - (b) ALTERING THE AMOUNT OF THE WAGER;
  - (c) ALTERING THE AMOUNT OF THE CREDIT;
  - (d) MANIPULATING ANY COMPONENT OF A GAMING DEVICE IN A MANNER CONTRARY TO THE DESIGNED AND NORMAL OPERATIONAL PURPOSE FOR THE COMPONENT;

(e) ( )ATTEMPTS AND CONSPIRACY TO CHEAT

B. "ENGAGING IN GAMING" OR "ENGAGING IN GAMBLING" MEANS TO DO IN ANY MANNER DIRECTLY OR INDIRECTLY TAKE PART IN GAMING WHETHER ON AIR. LAND OR WATER INCLUDING BUT NOT LIMITED TO

- (a) BEING A PATRON IN GAMING;
- (b) ALLOWING ANY FORM OF GAMING IN ANY PLACE BUILDING. VESSEL, OR OTHER MEANS OF TRANSPORTATION OWNED OR CONTROLLED BY HER/ HIM;
- (c) ACTING AS FINANCIER, MAINTAINER, MANAGER, OR OPERATOR OF GAMING;
- (d) ACTING IN THE INTEREST OF THE FINANCIER. MAINTAINER, MANAGER, OR OPERATOR OF GAMING. SUCH AS. BUT NOT LIMITED TO, AN ACCOUNTANT, CASHIER. CHECKER GUARD, RUNNER, DEALER, USHER, WATCHER, OR ANY OTHER OFFICIAL OR EMPLOYEE IN GAMING;
- (e) COLLECTING, SOLICITING, OR PRODUCING WAGERS IN BEHALF OF A GAMING OPERATOR;
- (f) POSSESSING ANY LÖTTERY LIST, PAPER, OR OTHER MATTER CONTAINING LETTERS, FIGURES, SIGNS, OR SYMBOLS PERTAINING TO OR IN ANY MANNER USED IN GAMING;
- (g) PROVIDING ANY OTHER FORM OF SUPPORT OR SERVICE TO FACILITATE THE CONDUCT OF GAMING.

C. "GAME OF CHANCE" IS THAT WHICH DEPENDS MORE ON CHANCE OR HAZARD THAN ON SKILL OR ABILITY IN CASE OF DOUBT A GAME IS DEEMED TO BE ONE OF CHANCE.

THE FOREGOING SHALL BE WITHOUT LIMITATION AS TO THE TECHNOLOGY EMPLOYED IN THE PLAYING OF SUCH GAME OF CHANCE.

D. "GAMING OR GAMBLING" IS THE PLAYING OF GAMES OF CHANCE OR ANY ACTIVITY WHETHER ON AIR. LAND, OR WATER WHICH HAVE ALL THE FOLLOWING ELEMENTS:

- (a) MAKING OF WAGERS CONSISTING OF MONEY, ARTICLES OF VALUE, OR REPRESENTATIVE OF VALUE;
- (b) FOR A POSSIBILITY OF WINNING A PRIZE CONS/STING OF MONEY, ARTICLES OF VALUE, OR REPRESENTATIVE OF VALUE; AND
- (c) WHERE WINNING THE PRIZE IS DETERMINED BY A GAME OF CHANCE

THE FOREGOING SHALL BE WITHOUT LIMITATION AS TO THE TECHNOLOGY UTILIZED OR THE MEANS TO TRANSMIT A BET OR WAGER IN THE GAME OF CHANCE ACTIVITY, OR ANY ELEMENT

IT INCLUDES, BUT IS NOT LIMITED TO:

- (a) ANY GAME USING DICE;
- (b) BLACK JACK; LUCKY NINE; POKER AND ITS DERIVATIVES; MONTE; BACCARAT: CUAJAO: PANGGUINGUE AND OTHER CARD GAMES; PAIK OUE; HIGH AND LOW;
- (c) MAHJONG. DOMINO, AND OTHER GAMES USING PLASTIC TILES AND THE LIKES;
- (d) SLOT MACHINES, ROULETTE, PINBALL, COLORED GAMES AND OTHER SIMILAR MECHANICAL OR ELECTRICAL CONTRAPTIONS AND DEVICES;
- (e) BETTING ON THE OUTCOME OF GAMES OR CONTESTS OF SKILL SUCH AS: BASKETBALL BOXING, VOLLEYBALL, BOWLING. PINGPONG AND OTHER FORMS OF INDIVIDUAL OR TEAM CONTESTS; DOG RACING, HORSE RACING, BOAT RACING, CAR RACING AND OTHER FORMS OF RACES; AND,
- (f) ANY OTHER GAME OR SCHEME, WHETHER UPON CHANCE OR SKILL, WHEREIN WAGERS CONSISTING OF MONEY, ARTICLES OF VALUE OR REPRESENTATIVE OF VALUE ARE AT STAKE OR MADE.

THE FOREGOING SHALL BE WITHOUT LIMITATION AS TO THE TECHNOLOGY UTILIZED IN SUCH ACTIVITIES.

- E. "GAMING MACHINE" OR "GAMING DEVICE" MEANS ANY MECHANICAL OR ELECTRICAL CONTRAPTIONS AND DEVICES WHICH FUNCTIONS SUCH THAT IT MAY BE USED FOR THE PURPOSE OF PLAYING A GAME OF CHANCE, THE TERM ALSO INCLUDES PARTS, PARAPHERNALIA, SOFTWARE, AND ANY OTHER COMPONENT USED FOR THEIR OPERATION.

THE FOREGOING SHALL BE WITHOUT LIMITATION AS TO THE TECHNOLOGY UTILIZED BY SUCH MACHINE OR DEVICE

- F. "GAMING PREMISES" REFER TO PLACES OR SITES USED FOR THE PURPOSE OF GAMING OR GAMBLING.
- G. "INTERNET GAMING" "INTERACTIVE GAMING". "ONLINE GAMING". "REMOTE GAMING" OR OTHER TERMS OF SIMILAR IMPORT MEANS GAMING IN WHICH PERSONS PARTICIPATE IN GAMING BY THE USE OF REMOTE COMMUNICATION TECHNOLOGY.

INTERNET GAMING WITH AT LEAST ONE OF ITS ELEMENTS IN THE PHILIPPINES SHALL BE TREATED AS AN ENTIRE SYSTEM ALTHOUGH THE OTHER ELEMENTS ARE FOUND IN OTHER COUNTRIES AND SHALL INCLUDE INTERNET GAMING WITH ALL ITS ELEMENTS OUTSIDE THE PHILIPPINES BUT SOLICIT OR ACCEPT BETS FROM PERSONS INSIDE THE PHILIPPINES.

THE FOREGOING SHALL BE WITHOUT LIMITATION AS TO THE TECHNOLOGY UTILIZED IN SUCH ACTIVITY.

H. "REMOTE COMMUNICATION" MEANS COMMUNICATION USING THE INTERNET, TELEPHONE, TELEVISION, RADIO, OR ANY OTHER KIND OF ELECTRONIC OR OTHER TECHNOLOGY FOR FACILITATING COMMUNICATION

SECTION 18. - ILLEGAL GAMBLING. - IT IS AN OFFENSE FOR ANY PERSON TO ENGAGE IN GAMING OR GAMBLING ACTIVITIES WITHOUT BEING AUTHORIZED UNDER THIS ACT. OR BY ANY REGULATIONS OR OTHER PERTINENT LAWS

SECTION 19. MISREPRESENTING THE SEAL OF THE BOARD OR PAGCOR. - IT IS AN OFFENSE FOR ANY PERSON TO USE SYMBOL OR REPRESENTATION IDENTICAL WITH THAT OF THE BOARD OR PAGCOR. OR WHICH SO RESEMBLES THE BOARD'S OR PAGCOR'S SYMBOL OR REPRESENTATION AS TO DECEIVE OR CAUSE CONFUSION. OR LIKELY TO DECEIVED OR TO CAUSE CONFUSION WITH THE USE OF SUCH SYMBOL OR REPRESENTATION

SECTION 20. UNAUTHORIZED DISCLOSURE OF CUSTOMER IDENTITY. - IT IS AN OFFENSE FOR ANY PERSON WHO POSSESSES RECORDS OF CUSTOMER INFORMATION, TO KNOWINGLY RELEASE. DISSEMINATE. OR OTHERWISE MAKE OR COPY THE RECORDS OR ANY INFORMATION CONTAINED THEREIN AVAILABLE TO OR DISCUSS WITH ANY PERSON NOT ENTITLED TO SUCH INFORMATION UNDER THIS ACT OR ITS REGULATIONS

SECTION 21. - CHEATING. - IT IS AN OFFENSE FOR ANY PERSON TO DO ANY OF THE FOLLOWING.

- (A) CHEAT AT GAMING;
- (B) DO ANYTHING FOR THE PURPOSE OF ASSISTING ANOTHER TO CHEAT AT GAMING

IT IS IMMATERIAL WHETHER A PERSON WHO CHEATS ACTUALLY IMPROVED HIS CHANCE OF WINNING OR ACTUALLY WINS ANYTHING

THE FOLLOWING FRAUDULENT ACTS SHALL ALSO BE CONSIDERED CHEATING:

- (a) ALTERING OR MISREPRESENTING THE OUTCOME OF A GAME OF CHANCE OR ANY EVENT ON WHICH WAGERS HAVE BEEN MADE. WHEN THE OUTCOME IS MADE SURE BUT BEFORE IT IS REVEALED;
- (b) PLACING OR CHANGING A BET OR TO DETERMINE THE COURSE OF PLAY AFTER ACOUIRING KNOWLEDGE OF THE OUTCOME OF THE GAME OF CHANCE OR ANY EVENT THAT AFFECTS THE OUTCOME OF THE GAME OF CHANCE OR WHICH IS THE SUBJECT OF THE BET OR TO AID ANYONE IN ACQUIRING SUCH KNOWLEDGE FOR THE PURPOSE OF PLACING OR CHANGING OR DETERMINING THE COURSE OF PLAY CONTINGENT UPON THAT EVENT OR OUTCOME.

- (c) CLAIMING MONEY OR ANYTHING OF VALUE IN OR FROM A GAME OF CHANCE. WITHOUT HAVING MADE A WAGER OR TO CLAIM. COLLECT OR TAKE AN AMOUNT GREATER THAN THE AMOUNT WON
- (d) INDUCING ANOTHER TO PLAY AT ANY PLACE WHERE GAMES OF CHANCE IS BEING OPERATED IN VIOLATION OF THE PROVISIONS OF THIS ACT OR REGULATIONS
- (e) OFFERING ANYTHING OF VALUE TO ANYONE FOR THE PURPOSE OF INFLUENCING THE OUTCOME OF AN GAME OF CHANCE. EVENT. OR CONTEST UPON WHICH A WAGERS ARE MADE

SECTION 22. - TAMPERING WITH GAMING DEVICE. - IT IS AN OFFENSE FOR ANY PERSON

- (a) TO MANIPULATE ANY GAMING DEVICE OR ANY COMPONENT OF GAMING DEVICE. IN MANNER CONTRARY TO THE DESIGN AND NORMAL OPERATIONAL PURPOSE OF THE DEVICE OR COMPONENT WITHOUT ANY LICENSE OR AUTHORITY UNDER THIS ACT OR REGULATIONS
- (b) TO MARK, ALTER OR OTHERWISE MODIFY ANY GAMING DEVICE IN MANNER THAT AFFECTS THE RESULT OF A WAGER BY DETERMINING WIN OR LOSS OR ALTERS THE NORMAL CRITERIA OF RANDOM SELECTION THAT AFFECTS THE OPERATION OF A GAME OR THAT DETERMINES THE OUTCOME OF A GAME
- (c) TO USE COUNTERFEIT OR UNAPPROVED CARDS. CHIPS. CURRENCIES. TICKETS. TOKENS. AND OTHER PARAPHERNALIA IN GAMING. THIS INCLUDES POSSESSION OF THE EQUIPMENT. PRODUCTS. AND MATERIALS THAT ARE INTENDED FOR USE OR DESIGNED FOR USE IN MANUFACTURING, PRODUCING, FABRICATING, PREPARING, TESTING, ANALYZING, PACKAGING, STORING OR CONCEALING SUCH COUNTERFEIT PARAPHERNALIA
- (d) TO HAVE ON HIS PERSON OR IN POSSESSION WITHIN A GAMING ESTABLISHMENT ANY DEVICE WHICH IS DESIGNED OR SUITABLE FOR THE PURPOSE OF CHEATING IN GAMING;
- (e) OTHER THAN A DULY AUTHORIZED EMPLOYEE OF LICENSED OPERATOR. TO HAVE ON HIS PERSON OR IN HIS POSSESSION WITHIN A LICENSED PREMISES ANY KEY OR DEVICE DESIGNED FOR THE PURPOSE OF. OR SUITABLE FOR OPENING. ENTERING OR AFFECTING THE OPERATION OF ANY GAME OF CHANCE. DROPBOX OR ANY ELECTRONIC OF MECHANICAL DEVICE CONNECTED TO THE GAME OF CHANCE OR DROPBOX OR FOR REMOVING MONEY OR OTHER CONTENTS FROM THEM.
- (f) AT A LICENSED GAMING PREMISES TO USE ANY DEVICE TO (a) PREDICT THE OUTCOME OF THE GAME: TRACK OF THE CARDS PLAYED; (b) ANALYZE THE PROBABILITY OF THE OCCURRENCE OF AN EVENT RELATING TO THE GAME OF CHANCE: OR (c) ANALYZE THE STRATEGY FOR PLAYING OR BETTING TO BE USED IN THE GAME OF CHANCE.

SECTION 23. - PENALTIES. ANY PERSON CONVICTED FOR AN OFFENSE UNDER THIS ACT SHALL SUFFER THE PENALTY OF IMPRISONMENT OF NOT LESS THAN SIX (6) YEARS BUT NOT MORE THAN TWELVE (12) YEARS AND/OR A FINE OF ONE HUNDRED THOUSAND

PESOS (P100,000.00) TO ONE MILLION PESOS (P1,000,000.00) BUT IN NO CASE SHALL IT BE LOWER THAN TRIPLE THE AMOUNT OF MONEY OR VALUE INVOLVED IN THE OFFENSE.

SECTION 10. SUNSET PROVISION. WITHIN ONE (1) YEAR AFTER THE EFFECTIVELY OF THIS ACT. THE CORPORATION SHALL BEGIN TO DIVEST ITSELF OF ITS AUTHORITY OF ENGAGING AND OPERATING ON ITS OWN CASINOS WHICH DIRECTLY COMPETE WITH THE PRIVATE SECTOR BY SELLING IN WHOLE OR IN PART THE CASINO OPERATION IN PLACES WHERE THE CORPORATION OPERATES WITH THE END IN VIEW THAT THREE (3) YEARS THEREAFTER. THE CORPORATION'S ROLE IN THE CASINO OPERATIONS SHALL BE PURELY REGULATORY; PROVIDED, THAT. THE INTER-AGENCY PRIVATIZATION COUNCIL AND THE PRIVATIZATION MANAGEMENT OFFICE ESTABLISHED UNDER EXECUTIVE ORDER NO. 323. SERIES OF 2001 IN COORDINATION WITH THE CORPORATION SHALL PRIVATIZE AND DISPOSE IN ACCORDANCE WITH THE PROVISIONS OF THIS ACT AND OTHER PERTINENT LAWS ALL THE ASSETS OF THE CORPORATION RELATED TO ITS GAMBLING AND GAMING OPERATIONS. A COMPLETE AND THOROUGH ACCOUNTING AND INVENTORY OF SAID ASSETS TO DETERMINE ITS AMOUNT AND VALUE AND ENSURE THAT THE GOVERNMENT WILL GET THE BEST PRICE SHALL BE MADE AS SOON AS POSSIBLE AFTER THE PASSAGE OF THIS ACT. THE PROCEEDS OF SUCH SALE. EXCEPT THE ADMINISTRATIVE AND OPERATIONAL EXPENSES SHALL BE REMITTED TO THE BUREAU OF TREASURY FOR APPROPRIATION BY CONGRESS.; PROVIDED, FURTHER, THAT ALL OFFICERS AND EMPLOYEES SEPARATED FROM THE SERVICE AS RESULT OF THE PRIVATIZATION, IF ENTITLED THERETO, SHALL BE PAID A SEPARATION PAY AND OTHER BENEFITS IN ACCORDANCE WITH EXISTING LAWS, RULES AND REGULATIONS WHICH SHALL BE OVER AND ABOVE EXISTING RETIREMENT BENEFITS. SEPARATED PERSONNEL. IF QUALIFIED, SHALL BE GIVEN PREFERENCE IN THE HIRING OF THE MANPOWER REOUIREMENTS OF THE PRIVATIZED CASINOS.

SECTION 11. Separability Clause. -If for any reason, any section or provision of this Act is declared unconstitutional or invalid, such other sections or provisions not affected thereby shall remain in full force and effect.

SECTION 12. Repealing Clause. - All laws, orders, rules or regulations or parts thereof, which are inconsistent with this Act, are hereby repealed and/or modified accordingly.

This bill shall provide unequivocal regulatory authority to PAGCOR, and revitalize the operation of gaming corporations for the effective generation of funds, which will benefit the implementation of our priority programs. Hence, approval and passage of this measure the earliest possible time is earnestly requested.