

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 3947



Introduced by: Hon. Iris Marie D. Montes

AN ACT
REQUIRING ELECTRONIC MONEY ISSUERS TO RESTRICT ACCESS TO ONLINE GAMBLING

EXPLANATORY NOTE

The Bangko Sentral ng Pilipinas, the central bank of the Republic of the Philippines, which core mandate under "The New Central Bank Act" (Republic Act No. 11211) is to promote financial stability - envisions a vibrant and inclusive digital economy characterized by universal, democratized access by all Filipinos to a wide range of responsive financial services, through a sound digital ecosystem of responsible financial institutions that include both banks and non-banks.¹

Based on the 2023 Report on E-Payments Measurement, "The principal means by which the BSP plans to accelerate financial inclusion is to promote digitalization of payments by transforming 50 percent of the volume of retail payments into digital form by 2023 and in doing so, onboarding at least 70 percent of adult Filipinos into the formal financial system through the opening of transaction accounts which may be used to access digital payment services."²

The report shows that the BSP has made significant progress in achieving its goal of digitalizing half of the country's retail payment transactions where from a mere 10% in 2018, the volume of retail payment transactions has grown exponentially to 52.8% in 2023. Out of 5 billion monthly transactions more than 2.6 billion transactions were successfully converted into digital form representing a substantial 28.1% increase from the previous year.

Further, it has observed that "E-wallets appear to be the preferred transaction account in making QR Ph-enabled payment services for buying goods and services. This observation is demonstrated by non-bank e-money participants holding 95.1% of the total volume of QR Ph³ P2M transactions for the full year of 2023."

¹ Traversing New Heights: The Future is Digital, 2023 Report on E-Payments Measurement, Bangko Sentral ng Pilipinas (https://www.bsp.gov.ph/PaymentAndSettlement/2023_Report_on_E-payments_Measurement.pdf) Accessed on 05 July 2025

² Ibid.

³ QR Ph is the Philippines' QR code standard based on the Europay-Mastercard-VISA (EMV) standard, a global standard for secure payments. It gives customers of participating banks and non-bank electronic money issuers (EMI) a quick and safe method to pay, transfer to and receive funds from other bank and e-money accounts in the Philippines. QR Ph is approved by

The BSP, however, has issued Circular Letter No. CL-2021-012, which advises all BSP Supervised Financial Institutions on illegal online gambling.

The Circular Letter reads:

"The Philippine Amusement and Gaming Corporation (PAGCOR) has issued a number of public warnings and press statement against illegal online gambling being offered by unscrupulous individuals and groups and promoted through social media platforms. PAGCOR warned the public not to patronize these illegal gambling activities due to risk of being scammed and falling prey to identity theft and credit card fraud. The warning also emphasized that no person or organization other than those licensed by PAGCOR and other government agencies may operate gambling in the Philippines. It is illegal for any person or organization without a license to, in any manner, directly or indirectly take part in any unauthorized gambling activities, including online, internet, or remote gambling.

It was noted that these unlicensed online gaming or betting operators use banks, remittance transfer companies (RTCs), virtual currency exchanges (VCEs), electronic money issuers (EMIs) and operators of payment system (OPS) as conduits of funds (collection of bets and remittance of winnings) for their illegal operations."

This move was followed by Caloocan Bishop Pablo Virgilio Cardinal David's call for the government to act on online gambling in the country as such platforms have become accessible to people of all ages.⁴

It was reported that PAGCOR's revenue hit PHP94.61 billion during the third quarter last year. The result was highlighted by the PHP35.71 billion generated from electronic or online gaming, a rise of 465.0%.⁵

PAGCOR Chairman and CEO Alejandro Tengco was quoted as saying that "This impressive performance is a strong indication that the use of modern technology and mobile gadgets in gaming and amusement will continue to play a pivotal role in shaping the future of gaming".

Several bills have been filed in Congress in response to the proliferation of illegal online gambling, which have further deepened the divide between those who want total ban and those who are calling for stiffer regulation.

During the Committee on Games and Amusement hearing in the Senate on 14 August 2025, it was announced by the Bangko Sentral ng Pilipinas that e-wallets will be ordered to disconnect from online gaming platforms by 17 August 2025.

the Philippine Payments Management, Inc. (PPMI) in accordance with Circular 1055 of the Bangko Sentral ng Pilipinas (BSP).

⁴ Cardinal David slams online gambling, calls out celebrity endorsers, GMA Integrated News, July 1, 2025 (<https://www.gmanetwork.com/news/topstories/nation/951196/cardinal-david-slams-online-gambling-calls-out-celebrity-endorsers/story/>) Accessed on 05 July 2025

⁵ Philippines gambling revenue up 37.5% in Q3 on online growth, Robert Fletcher, November 15, 2024 (<https://igamingbusiness.com/finance/philippines-gambling-revenue-q3/>) Accessed on 05 July 2025

This bill provides the legal framework to nip online gambling in the bud, shutting down its life source: the use of electronic money as a gateway of many Filipinos to online gambling in the comfort of their homes or on the go via mobile apps.

Through this proposal, it is hoped that effective measures to curb online gambling will be put in place as it undermines the value of an individual's dignified work by allowing reckless and risky expenditures at the possibility of instant monetary gain which have led many Filipinos to experience dire financial situations.

In view thereof, approval of this bill is earnestly sought.



IRIS MARIE D. MONTES

Kababaihan Kabalikatan para sa Kapakanan
at Kaunlaran ng Bayan (4K) Party-list

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HOUSE BILL NO. 3947

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AN ACT
REQUIRING ELECTRONIC MONEY ISSUERS TO RESTRICT ACCESS TO ONLINE GAMBLING

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

SECTION 1. *Short Title.* - This Act shall be known as the "E-Wallet Gambling Restrictions Act".

SEC. 2. *Declaration of Policy.* - It is the policy of the State to protect its people from all matters affecting the security of its social order, particularly the preservation of good order and public morals. It is also the policy of the State to promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies that provide adequate social services, promote full employment, a rising standard of living, and an improved quality of life for all.

Consistent thereto, the State adopts measures to suppress the harmful effects of online gambling, which has been a notorious social menace impairing family relationships, finances, and values, as it undermines the value of an individual's dignified work by allowing reckless and risky expenditures at the possibility of instant monetary gain, which have led many Filipinos to experience dire financial situations. Towards this end, it shall regulate digital financial platforms to protect the public and prevent the use of digital money for gambling activities.

SEC. 3. *Definition of Terms:*

(a) "Electronic money" or E-money refers to an electronically-stored monetary value that is:

- (1) maintained in a non-interest-bearing non-deposit transaction account;
- (2) denominated in or pegged to Philippine Peso or other foreign currencies;
- (3) pre-funded by customers to enable payment transactions;
- (4) accepted as a means of payment by the issuer and by other persons or entities including merchants/sellers;
- (5) issued against receipt of funds of an amount equal to the monetary value issued;
- (6) represented by a claim on its issuer; and

(7) withdrawable in cash or cash equivalent or transferable to other accounts/instruments that are withdrawable in cash;

(b) "Electronic money issuer" refers to an entity, classified as EMI-bank or EMI-non-bank financial institution, that is regulated by the Bangko Sentral ng Pilipinas and authorized to issue electronic money;

(c) "Online Gambling" refers to any form of gambling, betting, or wagering conducted through digital or online platforms, including but not limited to online casinos, e-sabong, online poker, and sports betting;

SEC. 4. *Unlawful or Prohibited Acts.* – Pursuant to promoting a safe, efficient, and inclusive digital finance ecosystem that fosters a responsive and effective management of attendant risks, it shall be unlawful for any electronic money issuer (EMI):

- (1) To deal with any online gaming or betting operators;
- (2) To offer gambling-related products and services;
- (3) To redirect users of digital platforms or services to online gambling sites, apps or platforms through links, QR codes, or similar tools;
- (4) To share information on how to place, receive or transmit bets through gambling websites or apps;
- (5) To show or host gambling ads within their app, particularly those visible through the user interface; and
- (6) To promote gambling activities online or to the general public.

SEC. 5. *Removal and Restriction of Gambling-Related Ads and Promotional Materials.*
- Immediately upon the effectivity of this Act, EMIs shall institute internal controls, mechanisms, and policies to limit gaming access including the removal and restriction of gambling-related ads and promotional materials on their platforms.

SEC. 6. *Control Mechanisms.* – EMIs shall implement robust risk management frameworks to address potential risks related to gambling through effective transaction monitoring systems capable of detecting and blocking fund transfers to and from identified gambling websites and applications.

SEC. 7. *Compliance Audits and Monitoring.* - To ensure accountability, the Bangko Sentral ng Pilipinas (BSP), together with the Department of Information and Communications Technology (DICT), shall devise effective mechanisms to monitor e-wallet platforms, investigate gambling-related complaints, and enforce penalties for violations of this Act.

The BSP shall conduct quarterly compliance audits of EMIs to ensure that they are not being used to fund or cash out from online gambling platforms and to determine compliance to the provisions of this Act.

SEC. 8. *Reporting.* – EMIs shall submit to the BSP an annual report containing the details of compliance to this Act. The first report shall be submitted not later than sixty (60) days from the enactment of this Act.

SEC. 9. *Nationwide Data of Blacklist Gambling Sites.* - The Philippine Amusement and Gaming Corporation (PAGCOR) shall regularly publish a list of blacklisted gambling sites and operators, in coordination with the BSP and DICT.

It shall maintain an updated watchlist of online gambling platforms, in coordination with Cagayan Economic Zone Authority (CEZA), Authority of the Freeport Area of Bataan (AFAB), Aurora Pacific Economic Zone and Freeport Authority (APECO), Anti-Money Laundering Council (AMLC), DICT, National Telecommunications Commission (NTC), and other similar regulatory entities and relevant law enforcement agencies.

SEC. 10. *Inter-Agency and Multi-Sectoral Effort.* – The Commission on Higher Education, Department of Education, Technical Education Skills and Development Authority, Department of Interior and Local Government, DICT, Philippine Information Agency, and other relevant agencies shall lead in the implementation of public education and awareness programs on the harmful effects of gambling.

SEC. 11. *Penalties.* – Any person found in violation of this Act, after due notice and hearing, shall be penalized with imprisonment of not less than six (6) months but not more than two (2) years or a fine of not more than One (1) million pesos, or both at the discretion of the court.

If the offender is a corporation, trust or firm, partnership, association or any other entity, the penalty of imprisonment shall be imposed on the entity's responsible officers, including, but not limited to, the president, vice-president, chief executive officer, general manager, managing director or partner directly responsible therefor.

SEC. 12. *Implementing Rules and Regulations.* – Within thirty (30) days from the approval of this Act, the BSP, DICT, and PAGCOR shall jointly promulgate the rules and regulations for the effective implementation of this measure.

SEC. 13. *Separability Clause.* – If any portion or provision of this Act were to be declared unconstitutional, the remainder of this Act or any provision not affected thereby shall remain in force and effect.

SEC. 14. *Repealing Clause.* — Any law, presidential decree or issuance, executive order, letter of instruction, administrative order, rule or regulation contrary to or inconsistent with the provisions of this Act is repealed, modified or amended accordingly.

SEC. 15. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in any newspaper of general circulation.

Approved,