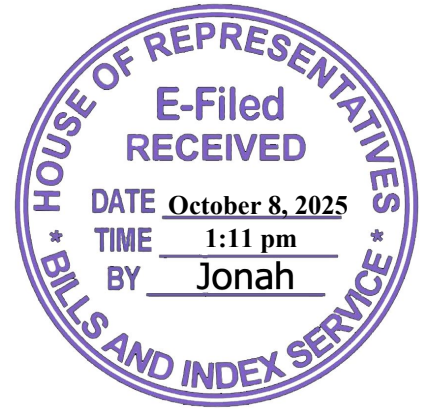


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

House Bill No. 5298



Introduced by Representative Jose Manuel F. Alba

AN ACT
PROHIBITING ALL PHILIPPINE GOVERNMENT-OWNED AND/OR
CONTROLLED CORPORATIONS FROM INVESTING IN COMPANIES
ENGAGED IN GAMBLING AND OTHER RELATED ACTIVITIES AND FOR
OTHER PURPOSES

EXPLANATORY NOTE

As stewards of public funds, Government-Owned or -Controlled Corporations (GOCCs) play a crucial role in advancing national development and managing public resources in a manner consistent with the State's objectives of social welfare, economic growth, and responsible governance. With this role, GOCCs are laden with the highest standards of integrity and accountability.

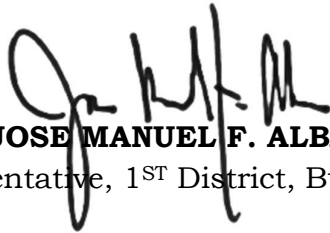
Allowing GOCCs in gambling-related investments or enterprises raises significant ethical, social, and economic concerns. Gambling, while legally permitted in certain forms, is associated with addiction, family breakdown, financial distress, and other social ills that disproportionately affect vulnerable sectors of society. The use of government funds—resources that originate from taxpayers—to support or profit from such activities is inconsistent with public interest and the moral obligations of the State.

This bill seeks to prohibit GOCCs from investing in or engaging with gambling activities and enterprises, whether directly or indirectly. It covers all forms of financial participation, including equity investments, loans, joint ventures, and partnerships. The measure also mandates GOCCs with existing gambling-related investments to divest such holdings within a

prescribed period, under the supervision of the Governance Commission for GOCCs (GCG), the Department of Finance (DOF), and COA.

By enacting this measure, Congress reaffirms the government's commitment to ethical public investment, good governance, and social responsibility. Public funds should be directed toward programs and industries that promote national productivity, sustainable development, and the welfare of the Filipino people—not enterprises that contribute to social harm.

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

A handwritten signature in black ink, appearing to read 'Jose M. Alba', is positioned above the printed name.

JOSE MANUEL F. ALBA

Representative, 1ST District, Bukidnon

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

SECTION 1. Short Title. – This Act shall be known as the “GOCC Responsible Investment Act.”

SECTION 2. Declaration of Policy. – It is hereby declared the policy of the State to promote integrity, transparency, and social responsibility in public financial management. The government recognizes that gambling-related activities result to social and moral risks that are inconsistent with the public welfare objectives of government-owned or -controlled corporations (GOCCs). Accordingly, the State shall prohibit GOCCs from investing public funds in gambling enterprises and/or activities to ensure that such resources are used only for projects that promote inclusive growth, social development, and national productivity.

SECTION 3. Prohibition on Investments in Gambling. – GOCCs except the Philippine Amusement and Gaming Corporation (PAGCOR) are hereby prohibited from directly or indirectly investing in, or providing financial assistance to, any company, entity, or project that:

- a. Operates, manages, or promotes gambling establishments, including but not limited to casinos, e-casinos, online gambling

platforms, betting shops, or gaming operations regulated by the Philippine Amusement and Gaming Corporation (PAGCOR);

- b. Derives a substantial portion of its revenue (at least 10%) from gambling-related activities; or
- c. Holds shares, debt instruments, or any other form of financial interest in gambling enterprises.

SECTION 4. Divestment of Existing Investments. – Within a period of two (2) years from the effectivity of this Act, the GOCCs as identified in the next preceding section shall divest all existing investments, shares, or financial interests in gambling-related entities. The divestment shall be carried out in a manner that minimizes financial loss to the GSIS and its members.

SECTION 5. Oversight and Compliance. – The Commission on Audit (COA) shall review and audit GOCC compliance with this Act as part of its regular performance audit. The covered GOCCs shall submit an annual report to COA detailing:

- a. Its investment portfolio;
- b. Compliance with this Act; and
- c. Actions taken to divest from prohibited investments.

SECTION 6. Penalties. – Any GOCC official or employee who knowingly authorizes or participates in an investment that violates this Act shall be subject to administrative and criminal liability, including:

- Suspension or dismissal from service, and
- Imprisonment of not less than one (1) year but not more than five (5) years, and a fine of not less than ₱500,000.

SECTION 7. Implementing Rules and Regulations. – Within ninety (90) days from the effectivity of this Act, the the Department of Finance (DOF), Securities and Exchange Commission (SEC), and COA, shall promulgate the necessary rules and regulations to implement this Act.

SECTION 8. Separability Clause. – If any part or provision of this Act is declared unconstitutional or invalid, the remaining provisions shall remain in full force and effect.

SECTION 9. Repealing Clause. – All laws, decrees, orders, rules, and regulations inconsistent with or contrary to the provisions of this Act are hereby repealed or modified accordingly.

SECTION 10. Effectivity. – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approve,