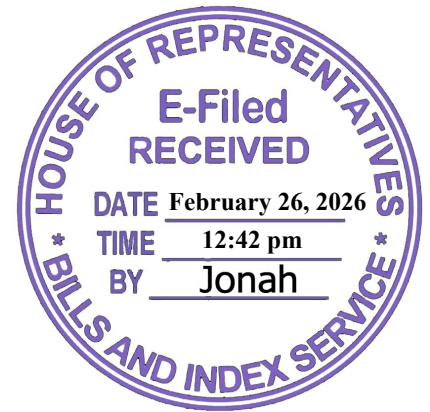


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 8114



Introduced by:

HON. CHRISTOPHERSON “COCO” M. YAP

AN ACT

PROHIBITING THE USE OF MOBILE DIGITAL WALLETS, ELECTRONIC MONEY, PAYMENT GATEWAYS, ONLINE BANKING TRANSFERS, AND OTHER ELECTRONIC PAYMENT SYSTEMS AS PAYMENT CHANNELS FOR ALL FORMS OF ONLINE GAMBLING AND ELECTRONIC WAGERING, PROVIDING COMPLIANCE DUTIES, ENFORCEMENT MECHANISMS, PENALTIES, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

Online gambling has become easier to access and harder to control because people can now place bets anytime using mobile wallets, online banking, and other digital payment apps. Unlike casinos or betting shops that have clear limits, online gambling is always just one click away. This constant access increases the risk of addiction, debt, fraud, and financial distress, especially among the youth and other vulnerable groups, because money can be deposited, gambled, and withdrawn instantly using everyday payment tools.

Online gambling also poses serious risks to the country’s financial system. Gaming platforms can be used to move and hide illegal money quickly, making enforcement more difficult. While the government already has laws to fight money laundering, these laws are designed to act after illegal activity is detected and require strict legal processes. As a result, they are not enough on their own to stop the widespread and daily use of digital payments as fuel for online gambling.

This bill offers a clear and practical solution: it cuts off electronic payment channels as a means to fund online gambling and electronic wagering, except for limited purposes such as refunds or court-ordered transactions. By stopping payments at the

source, the measure directly reduces access to online gambling, protects consumers and families, and helps safeguard the integrity of the financial system. The approach is preventive, easy to enforce, and consistent with existing laws and safeguards.

In view of the foregoing, **ug sa ngalan sa SERBISYONG TINUORAY**, the undersigned respectfully requests the immediate passage of this measure.


CHRISTOPHERSON "COCO" M. YAP
Representative, Second District of Southern Leyte

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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 “*Online Gambling Payment Channel Prohibition Act of 2026*.”

SECTION 2. Declaration of Policy. — It is hereby declared the policy of the State to safeguard public morals, protect consumers and vulnerable sectors, and preserve the integrity of the financial system by **cutting off electronic payment rails used to fund online gambling and electronic wagering**, regardless of whether such gambling activity is claimed to be licensed, authorized, or regulated, unless expressly exempted by this Act.

For this purpose, the State shall require payment intermediaries to adopt effective controls against online gambling payments, consistent with due process and existing financial and anti-money laundering laws.

SECTION 3. Definition of Terms. — For purposes of this Act, the following terms are defined:

- (a) **“Electronic Payment Channel”** refers to any facility, instrument, platform, or service that enables the transfer of monetary value electronically, including but not limited to: electronic money (e-money), mobile wallets, online banking transfers, InstaPay/PESONet-type transfers, payment gateways, merchant acquiring, card-not-present facilities, QR payments, stored value facilities, and other analogous channels.
- (b) **“Payment Service Provider (PSP)”** refers to any person or entity that provides or operates an Electronic Payment Channel to users or merchants, including electronic money issuers, wallet operators, payment gateways, merchant acquirers, and other intermediaries, whether bank or non-bank, that are subject to appropriate supervision and regulation.
- (c) **“Online Gambling or Electronic Wagering”** refers to any gambling, betting, wagering, staking, or gaming activity conducted through the internet or any digital network, where money or anything of value is paid, staked, wagered, won, lost, credited, or withdrawn through electronic means.
- (d) **“Online Gambling Payment Transaction”** refers to any transaction that funds, stakes, reloads, buys credits for, cashes out from, settles, or otherwise monetizes Online Gambling or Electronic Wagering, including transactions made to or from a gambling operator, its agent, its payment proxy, or a merchant identifier associated with such activity.
- (e) **“Covered Online Gambling Operators”** includes, for avoidance of doubt, offshore gaming operations and their service providers that may be regulated/accredited by PAGCOR or any agency, but are nonetheless covered by the prohibition under this Act.

SECTION 4. General Prohibition. — Notwithstanding any license, accreditation, permit, or authority granted by any government office or instrumentality, it shall be unlawful for any person or entity to use, and for any PSP to process, any Online Gambling Payment Transaction through an Electronic Payment Channel, except as expressly allowed under Section 5 (Permitted Transactions).

SECTION 5. Permitted Transactions (narrow exceptions). — The following shall not be considered violations of this Act, subject to conditions in the IRR:

- (a) **Refunds and reversals** initiated by PSPs or banks to correct erroneous, duplicate, or unauthorized debits, provided that such refunds do not enable further gambling play;
- (b) **Chargeback processing** and dispute resolution under consumer protection and payment network rules;
- (c) **Regulatory compliance transactions**, including preservation/transfer of funds pursuant to a lawful court order, AMLC/competent authority directives consistent with AMLA, or compliance with lawful processes; and
- (d) Other narrow exceptions that may be necessary to implement this Act without undermining its policy, as may be defined in the IRR, subject to congressional oversight through reporting.

SECTION 6. Prohibited Acts. — It shall be unlawful for:

- (a) **PSPs** to process, facilitate, accept, route, settle, or enable any Online Gambling Payment Transaction, directly or indirectly, including through merchant acquiring, QR codes, payment links, proxies, agents, aggregators, or “merchant-of-record” arrangements;
- (b) **Any person** to initiate, attempt to initiate, or conspire to initiate an Online Gambling Payment Transaction through an Electronic Payment Channel;
- (c) **Online gambling operators**, agents, affiliates, payment proxies, and service providers to receive, transmit, or cause the receipt or transmission of funds through prohibited Electronic Payment Channels; and
- (d) **PSPs** to willfully evade or circumvent controls under this Act by disguising merchant descriptors, misclassifying merchants, using layering/structuring, or similar schemes.

SECTION 7. Compliance Duties of PSPs. — All PSPs shall:

- (a) Implement risk-based KYC and merchant onboarding controls reasonably designed to prevent Online Gambling Payment Transactions;

- (b) Establish automated and manual monitoring capable of detecting and interdiction of Online Gambling Payment Transactions using risk indicators to be issued under the IRR;
- (c) **Decline, block, or suspend** Online Gambling Payment Transactions and associated instruments or merchant access, consistent with due process standards in BSP supervisory rules and the IRR;
- (d) Maintain records and audit trails of interdicted transactions and actions taken;
- (e) Submit compliance reports to the BSP (and to AMLC where applicable) in the form and frequency to be prescribed.

SECTION 8. Enforcement and Coordination. —

- (a) **Primary regulator for PSP compliance.** The BSP shall have primary supervisory authority over BSP-supervised PSPs to ensure compliance with this Act and may impose supervisory enforcement actions authorized under existing laws and regulations.
- (b) **AMLC role.** The AMLC shall exercise its powers under AMLA, as amended, including investigation and application for freeze orders and bank inquiry orders, consistent with existing standards.
- (c) **Referrals and coordination.** The BSP, AMLC, DICT, NTC, PNP/NBI, and other agencies shall establish mechanisms for information-sharing, referrals, and evidence preservation.
- (d) **Blocking of access (telecom/digital measures).** DICT/NTC coordination for blocking of access to illegal online gambling sites may be undertaken **subject to existing laws, jurisdictional mandates, and due process**, and shall be addressed in the IRR to avoid unconstitutional or ultra vires blocking.

SECTION 9. Freezing of Funds and Bank Inquiry; Standards and Due Process. —

- (a) Any freezing of monetary instruments or property related to violations of AMLA shall be pursued through the Court of Appeals upon AMLC application as provided by law.

- (b) Bank inquiry shall be pursuant to a competent court order upon a finding of probable cause in accordance with AMLA.
- (c) For avoidance of doubt, nothing in this Act shall be construed to diminish constitutional protections, including the presumption of innocence and the requirement of probable cause for extraordinary remedies.

SECTION 10. Penalties. —

- (a) **Individuals (users/initiators).** Imprisonment of **one (1) year to five (5) years** and/or a fine of **PHP 200,000.00 to PHP 5,000,000.00**.
- (b) **Operators, agents, and payment proxies.** Imprisonment of **six (6) years to twelve (12) years** and a fine of **PHP 500,000.00 to PHP 20,000,000.00**, without prejudice to prosecution under other laws.
- (c) **PSPs/juridical entities.** Fine of **PHP 5,000,000.00 to PHP 50,000,000.00** per proven violation. For repeated or willful violations, the BSP may impose administrative sanctions under existing regulatory authority, including suspension/revocation of authority to operate, subject to due process.
- (d) **Responsible officers.** Directors, officers, compliance officers, and employees who knowingly authorized, directed, or willfully tolerated violations shall be criminally liable and may be perpetually disqualified from employment in BSP-supervised financial institutions, without prejudice to other administrative sanctions.

SECTION 11. Non-Exemption from Other Liabilities. — Prosecution under this Act shall be without prejudice to liability under AMLA, cybercrime and other penal laws, and relevant regulatory issuances.

SECTION 12. Transitory Provision. — Within **ninety (90) days** from effectivity, PSPs shall: (i) implement controls to block Online Gambling Payment Transactions; (ii) terminate prohibited merchant arrangements; and (iii) submit a sworn compliance certification and implementation plan to the BSP in the form prescribed by regulation.

SECTION 13. Implementing Rules and Regulations. — Within **sixty (60) days** from effectivity, the BSP and AMLC, in coordination with DICT, NTC, and other relevant agencies, and after consultation with industry stakeholders, shall promulgate the IRR necessary to implement this Act.

SECTION 14. Separability Clause. — If any provision of this Act is declared unconstitutional or invalid, the other provisions not affected shall remain in full force and effect.

SECTION 15. Repealing Clause. — All laws, decrees, orders, issuances or portions thereof, which are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 16. Effectivity. — This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in at least two (2) newspapers of general circulation.

Approved,