



REGULATORY FRAMEWORK FOR E-SABONG OFF-COCKPIT BETTING STATION (OCBS)

Increasing foot traffic in casinos and our various gaming stations has proven itself to be a very effective marketing tool in bolstering our revenue-generating capacity. Establishing activities other than what is currently offered thereat, encourages people to visit and explore our gaming sites, thereby creating potential clients.

Also, as we are seeing lesser capacities being allowed in our stations, not only because of the pandemic, but also because of a portion of our clients now opting to play using their mobile devices via our online games, more and more spaces are now being freed up at the stations. Allowing these spaces to be used by other gaming operators will provide our site operators additional income stream to augment their income and help them recover faster from the economic hardships they encountered during the pandemic.

Filipinos are generally conservative when it comes to their business dealings. This is more evident on how they perceive the safety of using mobile and cashless means in their day-to-day transactions. Connectivity is also a major concern. The “trust issues” and the reliability of the internet services add to the discomfort of gaming patrons with digital transactions. They prefer to play inside a gaming facility where they can easily cash-in, bet and withdraw their money. This gives the assurance that they can engage physically with in-house representatives to address their concerns promptly.

In view of the foregoing, the following are laid down as the Regulatory Framework for E-Sabong Off-Cockpit Betting Stations (OCBS).

I. DEFINITIONS

a. Off-Cockpit Betting Station

Off-Cockpit Betting Station (OCBS) refers to a physical site with space or area and facilities where players may gather to avail or perform the following services:

- Register or open an account;
- View live stream of cockfights;
- Place bets or wager;
- Buy-in, top-up, and/or cash-out credits; and
- Conduct other activities related to E-Sabong, as may be allowed.

This may either be located within an existing licensed Casino, Integrated Resort, E-Bingo and E-Games facilities or a new gaming site specifically established for this purpose.

In cases where a new gaming site will be established, it shall be subject to the existing regulations on gaming site locations of E-Bingo and E-Games Stations.

For this definition, sites which meet the following conditions are not deemed as OCBS and not required to apply for accreditation:

- The sites only offer player registration/ account opening, buy-in, top up and/or cash-out services;
- There is no space or area and facilities for players to gather, such that a player, upon availing of the service, will have no means of hanging around the premises for extended periods of time to engage in E-sabong activities; and
- No television or monitor showing feeds of cockfight events is installed in the site.

Proper identification is necessary for sites which do not need accreditation. For the purpose, the following shall be imposed:

- Signage to be used should not be bigger than 16.5 inches by 11.7 inches or A3 paper size;
- PAGCOR logo should not appear in the signage;
- Illegal use or misuse of signage shall subject the concerned operator whose brand or logo appears on the signage to appropriate demerits and administrative penalties.

b. Off-Cockpit Betting Station Host

Off-Cockpit Betting Station Host refers to one who shall set-up an Off Cockpit Betting Station in an existing licensed Casino, Integrated Resort, E- Bingo or E-Games facilities or a new gaming site specifically established for this purpose.

The OCBS Host may be any of the following: (a) E-Sabong licensed operator; (b) an agent; or (c) a third party who shall source live stream of cockfights from a licensed E- Sabong operator.

In cases when an OCBS Host is an agent, such shall be treated as operator-owned.

II. ACCREDITATION FOR E-SABONG OFF-COCKPIT BETTING STATION

- i. The OCBS Host (Applicant) must seek accreditation for each proposed site to be established from the E-Sabong Licensing Department (ESLD).
- ii. The Applicant must submit a copy of a duly notarized Memorandum of Agreement (MOA) or Lease Contract with the company/entity owning the Casino, E-Games, E-Bingo Gaming Site or private space indicating the use of the said facility as an OCBS.
- iii. The Applicant must submit a City/Municipal Resolution, i.e. RONO, or Letter of No Objection (LONO) for the conduct of E-Sabong gaming activities within the area of jurisdiction of the issuing LGU.
- iv. Proposed OCBS not located within an existing licensed casino, integrated resort, E-Bingo and E-Games facilities must comply with the regulations on location and physical building/site requirements of PAGCOR for E-Bingo and E-Games stations.
- v. The Applicant must comply with all the necessary documentary and financial requirements before PAGCOR may issue an accreditation for each proposed OCBS.

III. NON-FINANCIAL REQUIREMENTS

1. Letter of Intent addressed to the Chairman and Chief Executive Officer;
2. Duly accomplished application/ accreditation/registration form (ESLD Form 171) and other applicable ESLD forms.
3. Letter of No Objection (LONO) from the LGU allowing the conduct of E-Sabong gaming activities in the proposed OCBS.
4. Copy of the Memorandum of Agreement or Lease Contract between the OCBS Host and the company/entity owning the proposed gaming site.
5. If an OCBS Host be an agent, the following additional documents must be submitted:
 - a. Authorization issued by the licensed operator certifying that said host is an agent; and
 - b. Copy of Agreement between licensed operator and the agent.
6. If a third-party, a Memorandum of Agreement (MOA) with a licensed E-Sabong Operator from where the live stream of cockfights shall be sourced.

IV. FINANCIAL REQUIREMENTS

a. Accreditation & Regulatory Fees

| | Amount | | |
|--|---|-------------------|-------------------------------|
| Accreditation Fee* <i>(Including Processing, Inspection, Monitoring and Accreditation Certificate Fees)</i> <i>*Per E-Sabong Betting Station</i> | Integrated Resorts | Casino Filipino | E-Bingo/E-Games and New Sites |
| | Php 1,000,000.00 | Php 500,000.00 | Php 100,000.00 |
| Regulatory Fee** <i>** Applicable only to Betting Stations not owned by a licensed E-Sabong Operator</i> | 25% of the commission/rake earned by the OCBS | | |

b. Performance Cash Bond (For 3rd Party OCBS Host)

| | Integrated Resorts | Casino Filipino | E-Bingo/E-Games and New Sites |
|-----------------------|----------------------|---------------------|-------------------------------|
| Performance Cash Bond | Php 10,000,000.00 | Php 5,000,000.00 | Php 1,000,000.00 |

IV. SITE LOCATION AND OPERATIONAL REQUIREMENTS AND SPECIFICATIONS

1. SITE LOCATION REQUIREMENTS

For New Gaming Sites, refer to the following issuances for E- Games and E-Bingo Gaming Site, as deemed applicable:

- (a) Regulation 3, Site Location Requirements, Gaming Site Regulatory Manual (GSRM) version 3.0 for Electronic Games
- (b) Regulation 3, Site Location Requirements, Gaming Site Regulatory Manual (GSRM) version 3.0 for Bingo Games
- (c) GS Form No. 1A, CRITERIA/REQUIREMENTS FOR A GAMING SITE

2. PHYSICAL and OFFICE EQUIPMENT REQUIREMENTS

Section 1. Gaming site area

The gaming site area shall be comprised of areas occupied with televisions or monitors, mobile betting devices including provisions for the cage/s or cashier's booth/s, server/s, offices, utilities, storage area/ room, lounge, among others, which are necessary to the operation of the gaming site.

Section 2. Designation of gaming areas

- (a) The OCBS Host shall designate a gaming area within the gaming site where mobile betting devices will be placed. The gaming area must be clearly indicated in the submitted floor plan including the positions of the monitors, mobile betting devices, cashier's booth, among others.
- (b) No games shall be conducted or played in any ancillary area of the gaming site.

Section 3. Interior gaming site specifications

- (a) The gaming site must be presentable and have sufficient lighting.
- (b) Gaming site must have provisions for the following:
 - i. Cage or Cashier's booth for each of the area
 - ii. Counter type with glass enclosure
 - iii. Cash drawer with vault and cash box
- (c) Separate restrooms for male and female patrons are recommended.
- (d) The gaming site shall have a sufficient air-conditioning and ventilation.

Section 4. Exterior gaming site specifications

- (a) All interior and exterior signage designs must be submitted to ELSD for approval prior to posting or use.
 - 1. The PAGCOR logo is not permitted to be used on the signage.
- (b) Signages should observe the following standards as set forth in the Gaming Site Regulatory Manual:
 - 1. Horizontal Signage – maximum height of 0.75 meters by maximum width of 1.5 meters.
 - 2. Vertical Signage – maximum width of 0.75 meters by maximum height of 1.5 meters.
 - 3. Continuous signages are not allowed.
 - 4. Artwork to be used in the signages must not include characters or symbols related to gaming, e.g., bingo balls, playing cards, casino, etc.

5. Exterior signage includes all signages posted at the gaming site's façade, glass windowpanes and exterior walls. Signage posted inside the gaming site but visible from the outside shall also be considered as exterior signage.
6. Only one (1) signage per gaming site shall be allowed.
7. If the dimension of signage frame or structure is beyond the prescribed exterior signage specifications, the portion in excess shall be in white or black background only and shall have no backlight.

(c) Entrance / Facade Specifications

1. PAGCOR logo sticker to be posted at the entrance door of the gaming site.
2. Gaming site regulations to be posted at the facade (e.g., "For 21 years old and above only").
3. Prohibition notice
4. Responsible Gaming posters.
5. Wall facades and canopy or drawings should be well maintained, devoid of stains, watermarks, or unsightly damage.

Section 5. Other requirements for gaming site

(a) Office equipment recommended for gaming site

- iv. Telephone line / Facsimile machine
- v. Uninterruptible Power Supply
- vi. Stand-by Generator – a mall/establishment generator shall be acceptable; otherwise, the Operator shall procure its own generator within six (6) months after commencement of gaming site operation.
- vii. Ultraviolet Money Detector

(b) The following regulations/signages must be prominently displayed at strategic places inside the gaming site, as applicable:

- i. Prohibition Notice at 16.5 inches by 11.7 inches or A3 paper size.



Pursuant to Presidential Decree 1869, as amended by Republic Act 9487, persons under 21 years of age or students of any school, college or university in the Philippines are not allowed to play in this gaming establishment.

Pursuant to Malacañang Memorandum Circular No. 8 and to the rules and regulations issued by PAGCOR, the following are not allowed to enter, stay and/or play in this gaming establishment:

1. Government officials and employees connected directly with the operation of the government or any of its agencies;
2. Members of the Philippine National Police (PNP) and Armed Forces of the Philippines (AFP);
3. Persons under 21 years of age or students of any school, college, or university in the Philippines;
4. PAGCOR officials and employees;
5. Gaming Site Operators and employees;
6. Unregistered players;
7. Banned individuals; and
8. Spouse, common-law partner, children, parents of Officials and persons mentioned in items (1), (2), and (4) above.

- ii. General House Rules. Refer to Section 2 under Operational Requirements for details.
- iii. PAGCOR logo sticker (at Cashier's booth)
- iv. Redemption Procedures
- v. Responsible Gaming posters

3. PHYSICAL and OFFICE EQUIPMENT REQUIREMENTS

Section 1. Operating hours

- (a) The OCBS Host shall inform ESLD of its operating hours.

An OCBS Host must inform ESLD of their initial operating hours or any changes thereafter of the same. The OCBS Host shall notify ESLD at least one (1) business day prior to its implementation date using the **E-Sabong Off-Cockpit Betting Station Operating Hours Notification Form (ESLD Form No. 9)**.

An OCBS Host may elect to suspend its gaming site operations. For temporary suspension of operation, the Operator shall request for approval from ESLD using the **E-Sabong Off-Cockpit Betting Station Temporary Suspension of Operations Form (ESLD Form No. 10)**.

Section 2. General House Rules for gaming sites

The following general house rules which shall be displayed in a conspicuous place inside the gaming site for the playing public's full view shall apply to the actual conduct and operation of E-Sabong Off-cockpit Betting Stations (OCBS):

General House Rules

- (a) Only registered players are allowed to play. All persons allowed entry are obliged to observe all the rules and regulations prescribed by the management.
- (b) Persons below twenty-one (21) years old or students of any school, college or university in the Philippines are not allowed to play in the gaming site. Also, the following are not allowed to enter, stay and/or play in the gaming site:
 - i. Public officials, which includes elective and appointive officials and employees, permanent or temporary, whether in the career or non-career service, whether or not they receive compensation, regardless of amount; and
 - ii. Members of the Philippine National Police (PNP) and Armed Forces of the Philippines (AFP).
- (c) Officials and employees of PAGCOR are not allowed to enter and stay, except for official business purposes. Officials and employees of PAGCOR are prohibited to play.
- (d) Spouse, common-law partner, children, parents of public officials, members of the Armed Forces of the Philippines, including the Army, Navy, Air Force or Philippine National Police, and PAGCOR officials and employees shall be banned from playing as well.
- (e) Gaming site Operators and employees are prohibited to play.
- (f) Management reserves the right to deny entry to any person. Management shall only allow entry to legitimate players who will play or are actually playing in the gaming site. There shall be no other transactions other than for legitimate gaming purposes.
- (g) Players shall be held liable for any breakage or damage done, whether intentionally or unintentionally, on the machines/terminals and/or equipment.
- (h) Bystanders are prohibited outside the gaming site area and within the gaming site areas.
- (i) Firearms or deadly weapons are strictly prohibited inside the gaming site.

- (j) Before start of each game, the Player shall be responsible for reading and understanding the following:
 - i. House Rules – posted within the premises; and
 - ii. Game Rules and Mechanics.
- (k) The Player shall be fully aware that there is risk of losing points or money by placing a bet and/or participating in E-Sabong games.
- (l) Players have the sole responsibility of managing their accounts. The Management is not responsible for loss of any betting points left in the mobile betting device.
- (m) In case of dispute or discrepancy, the management shall have the final decision upon proper consultation with the PAGCOR Representative, if any, assigned in the gaming site in a manner deemed fairest to all concerned and that the decision shall be binding to all Player.
- (n) PAGCOR may suspend or cancel operations without prior notice.

Section 3. Security, Surveillance, and Records

(a) Minimum security requirements

1. The gaming site must have at least one (1) security guard on duty on 12-hour shift.
2. The gaming site shall adhere to the fire and safety standards set forth by the Local Government Unit (LGU) and/or Bureau of Fire Protection that has jurisdiction on the gaming site's location.

This includes, but not limited to, the following:

- i. Fire suppression and extinguishing devices
- ii. Fire exits emergency directional signage and indicators
- iii. Emergency lighting and its placement

(b) Minimum surveillance system and coverage requirements

1. PAGCOR has mandated for all gaming sites to have a CCTV System, where:
 - i. It will serve as a deterrent for anomalous activities in the site; and
 - ii. This is done for proactive security monitoring which will be standardized across all sites.
2. At least four (4) CCTV cameras shall be allocated within gaming site premises.

3. Additional number of CCTV cameras may be required depending on the approved gaming site layout to ensure there are no blind spots.
4. CCTV cameras must be operational 24 hours a day, 7 days a week, regardless of gaming site operating hour.
5. Gaming sites must post a signage informing customers that the gaming site is being monitored by CCTVs.
6. The gaming area shall be monitored by camera(s) to provide, as much as possible, coverage of:
 - i. all players and employees at the gaming area; and
 - ii. a facial view of all gaming players with sufficient clarity to allow identification of the player.
7. The surveillance system shall possess the capability to monitor and record a general overview of the activities occurring in the gaming area.
8. The surveillance system shall possess the capability to monitor and record a general overview of activities occurring in each cage/cashier's booth area, with sufficient clarity to identify employees within the cage/cashier's booth and players and employees at the counter areas.
9. Storage areas for sensitive electronic gaming equipment and gaming paraphernalia shall be fitted with cameras.
10. Each entrance and exit point to the gaming site premises shall be fitted with cameras in order to record persons entering and leaving the gaming site premises.
11. Cameras shall be installed throughout general public areas to enable monitoring and tracking of patrons and staff.
12. All delivery and transfer routes for cash, electronic gaming equipment and gaming paraphernalia shall be fitted cameras to monitor deliveries and transfers.
13. The surveillance system shall be capable of providing a reasonably clear coverage of all the following:
 - i. Activity by players and employees that may constitute cheating or stealing;
 - ii. Failure of employees to follow proper procedures and internal controls;
 - iii. Treatment of disorderly persons;
 - iv. Treatment of persons whose names appear in the Exclusions List;
 - v. Arrests and eviction; and
 - vi. Treatment of ill or injured patrons.

(c) Minimum Requirements for Surveillance Records

1. All video recordings of coverage shall be retained for a minimum of thirty (30) days.
2. The video recording of a recorded event may be provided by the OCBS Host to a requesting party upon its own discretion.
3. Operators shall have the capability to produce a still copy or photograph of the images depicted on a video recording. This may be accomplished using a video printer, still camera or other available means.
4. Retrieval and archiving of footage may be conducted upon the knowledge of an untoward incident that occurred within the gaming area to aid in fact finding and criminal investigation. Examples of incidents would be:
 - i. Alleged theft by a player to another player;
 - ii. Robbery and hold-up;
 - iii. Investigation and identification of suspected individuals performing acts of deception such as but not limited to money-switching, swindling, mulcting to gaming site personnel and players;
 - iv. Allowing entry of minors;
 - v. Forced entry with robbery during the gaming site's non-operational hours; and
 - vi. Altercation between gaming site personnel and players, players other players, gaming site personnel or players.
5. All requests for retrieval shall be handled for appropriate action by the OCBS Host.
6. The OCBS Host shall be responsible for retrieval, archiving or release to a requesting party of the video footages.

4. BUSINESS-RELATED REQUIREMENT

For *New Gaming Sites* - The Mayor's Permit/Business Permit/Municipal License must indicate the relevant gaming activity (E-Sabong Off-Cockpit Betting Station).

For *Existing Gaming Sites* - Upon renewal, the Mayor's Permit/Business Permit/Municipal License must indicate all relevant gaming activities including E-Sabong Off-Cockpit Betting Station.

5. COMPLIANCE WITH THE IATF AND LGU GUIDELINES BY REASON OF THE COVID-19 PANDEMIC

By reason of the current COVID -19 pandemic, OCBS Hosts are required to abide with all the pertinent regulations of the IATF and the respective LGUs on the safety and health protocols.

Each player must maintain a one-meter radial distance from one another and all mobile betting device must be disinfected at all times.

The entire gaming site must abide with all health and safety protocols and must be sanitized at all times.

Failure of the OCBS Host to abide with all pertinent regulations on health and safety protocols will merit imposition of appropriate sanctions and penalties.

This section shall remain in force as long as deemed applicable.