



PHILIPPINE AMUSEMENT AND GAMING CORPORATION
OFFSHORE GAMING REGULATORY MANUAL

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FOREWORD

On August 26, 2016, PAGCOR issued its *Rules and Regulations for Philippine Offshore Gaming Operations*. The POGO Rules and Regulations aim to curtail the proliferation of illegal online games in the country as well as to ensure that online games are properly regulated, among others. Accordingly, the said promulgation provided for qualifications in applying for an offshore gaming license, the application process, documentary and financial requirements, general conditions for the grant of license, and grounds for license suspension and cancellation.

To enforce the afore-stated provisions, PAGCOR initially created an Ad Hoc Licensing Committee or the *Task Force POGO* which eventually evolved into the Offshore Gaming Licensing Department (OGLD).

On February 2, 2017, the Executive Order No. 13 series of 2017, otherwise known as *Strengthening the Fight against Illegal Gambling and Clarifying the Jurisdiction and Authority of Concerned Agencies in the Regulation and Licensing of Gambling and Online Gaming Facilities, and for Other Purposes*, was issued. E.O. 13 mandates, among others, the territorial jurisdiction of therein stated gambling regulators such as PAGCOR, Cagayan Economic Zone Authority (CEZA), Aurora Pacific Economic Zone and Freeport Authority (APECO) and Authority of the Freeport Area of Bataan (AFAB) in issuing licenses to operate online gambling activities. Consequently, E.O. 13 strengthened the regulatory authority of PAGCOR, particularly of the OGLD over online gaming operations.

At present the OGLD receives, processes and evaluates applications for offshore gaming license as well as recommends grant of licenses to operate, for final approval of the PAGCOR Board of Directors. As the OGLD expanded its functions to ensure that online gambling activities are properly regulated, there is now a need to develop a regulatory manual which will serve as a guide for POGO licensees and their respective service providers in the conduct of their offshore gaming operations.

This Offshore Gaming Regulatory Manual (OGRM) shall govern the issuance of offshore gaming license by the OGLD, and the regulation of offshore gaming operations in general. The OGRM shall likewise govern the conduct of offshore gaming operations by the POGO Licensees and Service Providers.

In view of the volatility of the technology being used for offshore gaming and for other reasons affecting offshore gaming in the country, this Manual may be amended, revised or modified accordingly.

Regulation 1. DEFINITION OF TERMS

For purposes of this Manual, the following terms or words and phrases are to be understood as follows:

“Agency Agreement” refers to a legal contract entered by the “Licensee” and the “Agent” whereby the former authorizes the latter to act for and on its behalf, to receive and/or be served summons and other legal processes, to make any and all payments to PAGCOR including interests, penalty and surcharges that may be due or may thereafter fall due if the licensee fails to make any payment due to PAGCOR.

“Audit Platform” refers to the intermediation platform for PAGCOR, operated by a competent and independent consultant, to conduct real time audit of its POGO licensees. The platform shall be responsible for the auditing of the gaming systems of POGO Licensees and accredited Service Providers. It is tasked to determine the Gross Gaming Revenue (GGR) generated and the corresponding imposable regulatory fees to be settled by each POGO Licensee and/or Service Provider.

“Authorized Players” - refers to players of the licensee who can access its games through the latter’s website with the following criteria:

- a. Any individual who is physically in a country other than the Philippines; this excludes Filipino citizens even if abroad and individuals in territories where online gaming is prohibited;
- b. Age of at least 21 years old;
- c. Must be registered and must have established a gaming account.

“Certification of Registration (CoR)” is a certificate issued for a purely administrative office of a POGO Licensee where no offshore gaming operations are conducted.

“E-Casino” refers to the operation of Live Casino games or Random Number Generator based games.

“E-sabong” refers to the streaming of legal cockfights from licensed cockpits to licensed operators abroad.

“Foreign-based Operators” refers to duly constituted business corporation organized in any foreign country that will engage the services of PAGCOR-accredited local gaming agent and service providers for its offshore gaming operations.

“Foreign Currency” means currency notes and coins of a country or territory other than the Philippines which are legal tender and circulate as money in the country of issue.

“Gaming” means participation in gambling events such as but not limited to casino games, facilitation of wagers in the operation of predicting the outcome and results of a sporting event and/or gaming event.

“Gaming Laboratories” refers to entities responsible for the testing of gaming systems and software of all POGO Licensees and Service Providers, and ensuring that the same pass technical standards established and accepted by gaming jurisdictions worldwide.

“Gaming Paraphernalia” means apparatus, furnishing or accessories used in or necessary in the conduct of gaming operations.

“Gross Gaming Revenue” means Gross Bets less the total amount of Payout.

“IP Address” refers to the numerical label assigned to a device in a computer network that uses internet protocol for communication. An IP address service two principal functions: host or network interface identification and location addressing.

“License Fees” means the license fees payable to PAGCOR pursuant to the approval of the application for an Offshore Gaming License.

“Live Casino Games” – refers to an operation in which a live human deals a casino game in real time from a live studio that can be viewed from a website. Players can access the website and play thru their electronic devices.

“Letter of No Objection (LONO)” is a letter or resolution issued by the Local Government Unit (LGU) stating that they have no objection in the establishment and conduct of the gaming operations in their jurisdiction.

“Local Gaming Agent” refers to a duly constituted business enterprise organized in the Philippines or a person of good repute and financial standing who will represent the foreign-based operator in the Philippines.

“Minimum Guaranteed Fee (MGF)” refers to the minimum amount of gaming tax imposable on a licensee for a month.

“Offshore Gaming” refers to the offering by a PAGCOR Licensee of authorized online games of chance or sporting events via the internet using a network and software or program, exclusively to offshore authorized players.

“Offshore Gaming License (OGL)” is an authority granted by PAGCOR to Philippine Offshore Gaming Operators for the establishment, maintenance and the conduct of offshore gaming operations in a specific site within the jurisdiction of PAGCOR.

“Offshore Gaming Licensing Department (OGLD)” refers to the department of PAGCOR tasked with the processing of applications for an Offshore Gaming License, accreditation, and with the regulation of the conduct of offshore gaming operations.

“PAGCOR Monitoring Team (PMT)” refers to a group comprised of PAGCOR representatives from the Compliance Monitoring and Enforcement Department whose main task is to check the licensee’s compliance with POGO Rules and Regulations.

“Performance Bond” refers to the amount posted by the licensee to guarantee the fulfillment of their monetary obligation to PAGCOR.

“Permit to Possess” is a certificate issued by PAGCOR to licensees and service providers authorizing them to possess gaming equipment and paraphernalia.

“Philippine-based Operator” refers to duly constituted business corporation organized in the Philippines who will either conduct offshore gaming operations themselves or engage the services of PAGCOR- accredited service providers.

“Philippine Offshore Gaming Operations (POGO) Licensee” means the entity that was issued by PAGCOR an Offshore Gaming License.

“POGO Hub” is a complex which houses the operations, as well as other logistical, administrative and support services for offshore gaming operations of PAGCOR POGO Licensees and accredited Service Providers.

“Probity Checker” refers to entities responsible for the verification of an applicant’s identity, to include all officials of the corporate applicant, finances, integrity, competence and criminal associations.

“Random Number Generator (RNG) based games” refers to slots, wheel and dice games, skill games and arcade type games, which are generated from a random sequence by a software.

“Service Agreement” refers to a legal contract entered into by the POGO Licensee and the Service Provider in which the latter commits to render services enumerated in the contract for the Licensee.

“Service Providers” refer to duly constituted business corporation organized in the Philippines who provide components of offshore gaming operations to POGOs such as the following:

- A. **Customer Relations Service Provider** – refers to entities which provide customer service to the players and cater to their various needs through direct contact and interaction by means of remote communication devices.
- B. **Strategic Support Provider** – refers to entities that develop or improve the business processes of the POGO Licensee. These entities usually operate as the back-office support of the POGO Licensees and do not have direct contact with players.
- C. **IT Support Provider** – refers to entities that provide technical support to POGO Licensees such as but not limited to diagnosing and solving software faults, IT maintenance, installing and configuring computer systems, and the placement and management of player accounts.
- D. **Gaming Software Platform Provider** – refers to entities that provide propriety products either as gaming systems such as sportsbook for Sportsbetting or games itself such as RNG based games for E-casino.
- E. **Live Studio and Streaming Provider** – refers to entities that provide real time streaming of authorized gaming activities coming from live studios and/or licensed gaming venues via the internet to the websites of the POGO Licensees.
- F. **Special Class of BPO** – refers to entities that are servicing legitimately licensed gaming operators abroad and do not in any way handle betting but purely product marketing and customer relations and are not servicing any of PAGCOR POGO licensees and have at least ninety (90%) percent Filipino workforce.

“Shipment Clearance” refers to the authorization issued by PAGCOR to facilitate importations of gaming equipment and paraphernalia needed by licensees and/or their service providers in the conduct of their offshore gaming operations. A Permit to Possess is required prior to issuance of shipment clearance.

“Sportsbetting” refers to the acceptance and/or facilitation of wagers in the operation of predicting the outcome and results of a sporting event.

“Sportsbetting on Regulated Wagering Events” refers to the acceptance and/or facilitation of wagers on gaming events regulated by other jurisdiction/authority, and/or for providing to its customers, live event audio and visual feeds from such regulated gaming events. It shall be limited to gaming operations where the OGL holder is assessed or otherwise contractually required to pay a certain percentage of their gaming revenue for the right to access live audio and/or visual feed and/or betting pool access, by the governing body, or by content rights holder subject to the authority of such governing body.

“Video Streaming” refers to the live streaming of gaming activities to Internet Protocol address registered with the licensee.

Regulation 2. LICENSING OF PHILIPPINE OFFSHORE GAMING OPERATORS

Section 1. Who may apply as a Philippine-based Operator

Philippine-based Operator refers to a duly constituted business corporation organized in the Philippines who will either conduct offshore gaming operations themselves or engage the services of PAGCOR-accredited service providers.

A. Qualifications

1. Must be duly registered with Securities and Exchange Commission;
2. Must be of good repute, considering character, honesty and integrity;
3. Must not be associated with any person who is not of good repute considering character, honesty, and integrity or has undesirable or unsatisfactory financial resources;
4. Must have a good financial standing and satisfactory corporate structure;
5. Must have sufficient experience and ability to establish and manage offshore gaming operations; and
6. Must not be among those excluded from engaging in gaming under these Rules and Regulations or any other law, ordinance, or issuance.

B. Requirements

1. Documentary Requirements

- a. Letter of intent addressed to Chairman and CEO of PAGCOR;
- b. Duly accomplished and notarized application form;
- c. Securities and Exchange Commission (SEC) Registration;
- d. Latest General Information Sheet (GIS);
- e. Articles of Incorporation (AI) and By-Laws duly stamped and received by SEC;
 - i. AI must show that gaming is one of the primary purposes of business; if secondary, a copy of the Board's Ratificatory Vote on the same should be submitted
 - ii. Authorized Capital Stock of at least Fifteen Million Pesos (Php15,000,000.00), with a Paid-up Capital Stock at least Three Million Pesos (Php3,000,000.00)
- f. Company Profile;
- g. Organizational Chart indicating person occupying the position;
- h. Business Plan;
- i. Accomplished Money Laundering Prevention Plan (MLPP);
- j. Duly accomplished and notarized Personal Disclosure Sheet (PDS) of ALL officers of the corporation; and
- k. Proof of payment of the Application Fee.

2. Locational Requirements

- a. Operating site must not be in a residential area or any area restricted by OGLD.
- b. In the absence of a city or municipal ordinance stating otherwise, Letter of No Objection (LONO) issued by the LGU where the offshore gaming operations will be conducted.

3. Pre-Operational Requirements

- a. Payment of license fees and posting of performance bond;
- b. Must be integrated with PAGCOR's third party audit platform for offshore gaming operations;
- c. IP blocking certificate issued by an accredited gaming laboratory of OGLD;
- d. Result of evaluation by an accredited probity checker of OGLD;
- e. Pre-operational inspection by OGLD; and
- f. Notice to Commence Operations (NCO) issued by OGLD.

Section 2. Who may apply as Foreign-based Operator

A Foreign-based Operator refers to a duly constituted business corporation organized in any foreign country who will engage the services of a PAGCOR-accredited local gaming agent and service providers for its offshore gaming operations.

A. Qualifications

1. Must be duly registered with the proper authority in the foreign country;
2. Must have appointed a Local Gaming Agent;
3. Must be of good repute, considering character, honesty and integrity;
4. Must not be associated with any person who is not of good repute considering character, honesty, and integrity or has undesirable or unsatisfactory financial resources;
5. Must have a good financial standing and satisfactory corporate structure;
6. Must have sufficient experience and ability to establish and manage offshore gaming operations; and
7. Must not be among those excluded from engaging in gaming under these Rules and Regulations or any other law, ordinance, or issuance.

B. Requirements

1. Documentary Requirements

- a. Letter of intent addressed to Chairman and CEO of PAGCOR;
- b. Appointment letter of the Local Gaming Agent;
- c. Certificate of incorporation issued by the proper authority in any foreign country;

- d. Articles of Incorporation (AOI) and By-Laws ;
 - i. AOI must show that gaming is one of the purpose of business. Otherwise, AOI must be amended or supplemented;
 - ii. Authorized Capital Stock of at least Fifteen Million Pesos (Php15,000,000.00) or the equivalent in Php if in foreign currency, with a Paid-up Capital Stock at least Three Million Pesos (Php3,000,000.00) or the equivalent in Php if in foreign currency
- e. Company Profile;
- f. Organizational Chart indicating person occupying the position
- g. Business Plan;
- h. Accomplished Money Laundering Prevention Plan (MLPP);
- i. Duly accomplished Personal Disclosure Sheet (PDS) of ALL officers of the corporation; and
- j. Proof of payment of the Application Fee.

2. Locational Requirements

- a. Operating site must not be within a residential area or any area restricted by OGLD; and
- b. In the absence of a city or municipal ordinance stating otherwise, Letter of No Objection (LONO) from the LGU where the offshore gaming operations will be conducted.

3. Pre-Operational Requirements

- a. Payment of license fee and posting of performance bond;
- b. Must be integrated with PAGCOR's third party audit platform for offshore gaming operations;
- c. IP blocking certificate issued by an accredited gaming laboratory of OGLD;
- d. Result of evaluation by an accredited probity checker of OGLD;
- e. Pre-operational inspection by OGLD; and
- f. Notice to Commence operations issued by OGLD.

Section 3. Prohibited acts of Philippine Offshore Gaming Operators

- a. The operator shall not allow the following persons to access its games thru its website:
 - 1. Filipino citizens, wherever located and foreign nationals while within the territorial jurisdiction of the Philippines;
 - 2. Players below twenty-one (21) years old;
 - 3. Eligible players who have not registered and established a gaming account;
- b. The operator shall not allow its gaming website to be accessed within the territory of the Philippines or in territories where online gaming is prohibited;
- c. The operator shall not allow placing of bets and paying of winnings to occur within the territorial jurisdiction of the Philippines;

- d. The operator shall not allow any person below twenty-one (21) years old to be employed in its offshore gaming operations within the territory of the Philippines;
- e. The operator shall not allow the conduct of indecent and immoral activities which are contrary to public morals and interest;
- f. The operator shall not be involved in any activity proscribed by PAGCOR; and
- g. The operator shall not engage the services of a service provider not registered or accredited with PAGCOR.

Regulation 3. THE APPLICATION

All applicants for Offshore Gaming License must file a Letter of Intent to PAGCOR addressed to the Chairman and Chief Executive Officer. All application shall then be forwarded to OGLD. Handling, processing, and final recommendation for approval shall be carried out by OGLD.

Section 1. Where to secure application kit

- a. Upon receipt of the forwarded application, OGLD-FOCAS shall issue a Deposit Notice and Payment Form for the payment of the application fee;
- b. The OGLD-Licensing Division shall issue a pre-numbered application kit to the applicant after submission of the proof of payment of the application fee;
- c. The forms contained in the kit must be duly accomplished, with complete documentary requirements, and must be submitted within three (3) months from the date of issuance of the application kit;
- d. Application kit shall be returned to the applicant if it has:
 1. Incomplete documents, or
 2. Exceeded the prescribed period for submission abovementioned. In such case, the application shall be deemed withdrawn and all fees paid are forfeited in favor of PAGCOR.
- e. Submission of application kit and payment of application fee are not a guarantee of the approval of the application. The grant of the license for offshore gaming is subject to the approval of the PAGCOR Board of Directors;
- f. Additional documentary requirements may be required for submission as deemed necessary; and
- g. Any misrepresentation or false information in the documentary requirements shall result in the outright denial of the application. In case the license has been granted and the misrepresentation or false information is later discovered, the license shall be revoked upon the approval of the Board.

Section 2. Where to submit application kit

The Applicant shall submit all duly accomplished Application forms and its attachments to:

Offshore Gaming Licensing Department
Room 625, 6th Floor, New World Hotel and Casino Manila
1588 M.H. Del Pilar St. cor. Pedro Gil St.,
Malate, Manila

Section 3. Payment of applicable fees

- a. Payment of the applicable fees shall be made only upon issuance of Deposit Notice and Payment Form by OGLD-FOCAS;
- b. Application fees are not refundable. Payment of this fee is NOT an assurance of the approval of the application; and
- c. Payment of license fee and posting of performance bond shall be made within thirty (30) days upon approval of the application by the PAGCOR Board of Directors and prior to the issuance of the Notice to Commence Operations. Failure to pay within the prescribed period shall incur corresponding demerits and possible administrative penalties.

Section 4. Issuance of Deposit Notice and Payment Form

- a. Before any payment for applicable fees is made by the applicant, a Deposit Notice and Payment Form must first be secured from the OGLD-FOCAS. The applicant is assessed based solely on the declarations made in its application and in reference to POGO table of fees;
- b. Assessment and issuance of subsequent deposit notices shall be made when upon inspection it is found that there is a discrepancy between the declared operations and the actual operations. Any intentional misdeclaration found during inspection shall incur corresponding demerits and possible administrative penalties; and
- c. Upon payment of the applicable fees, the applicant must submit the said deposit notice together with the proof of payment to OGLD-FOCAS within 30 days upon issuance of the Deposit Notice and Payment Form.

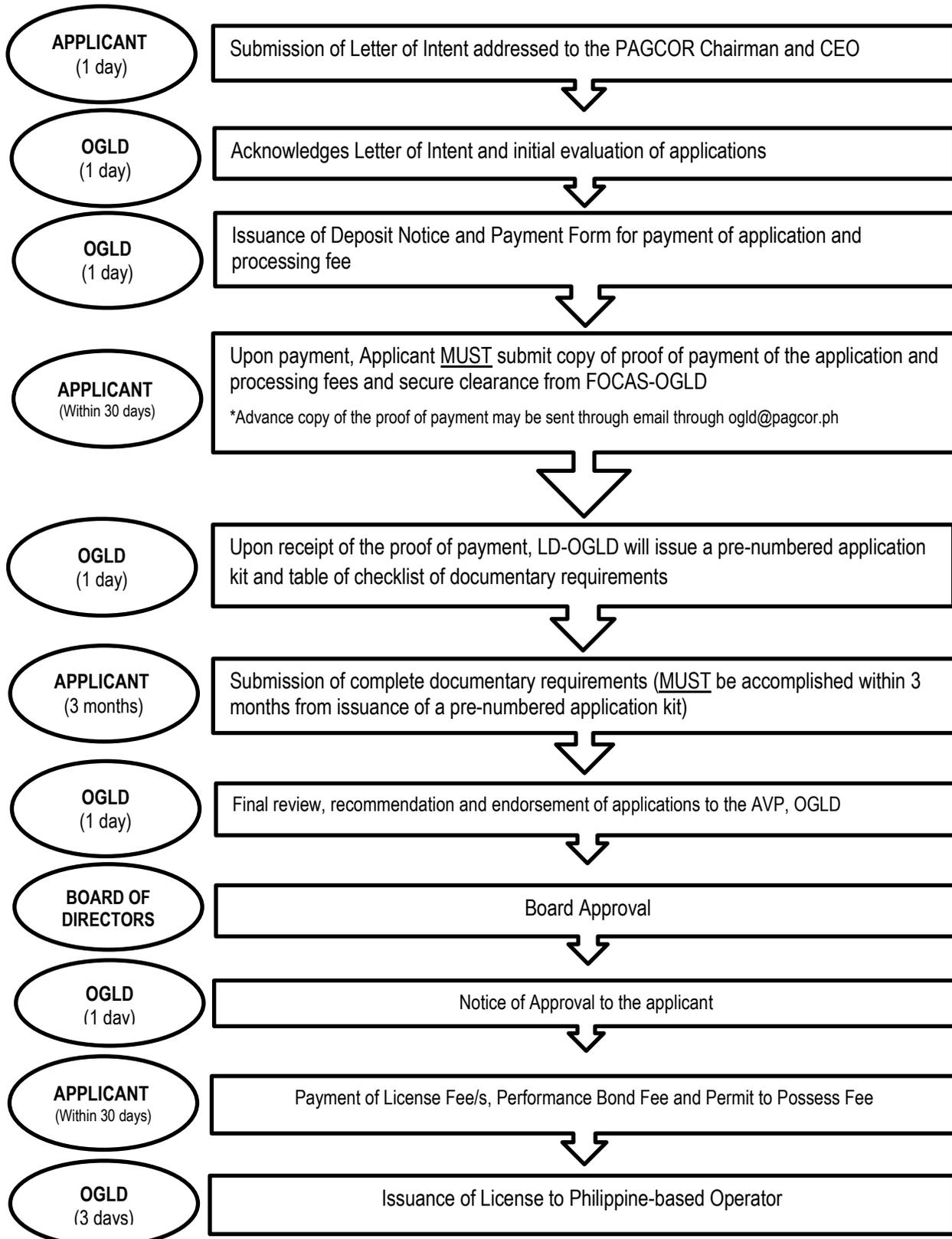
Section 5. Site Inspection

- a. Pre-operational inspection shall be done not later than 30 days from the date of approval of the application;
- b. Applicant will be advised by OGLD-FOCAS of the date of inspection; and
- c. Regulatory inspection may be conducted at any time thereafter as may be deemed necessary by OGLD.

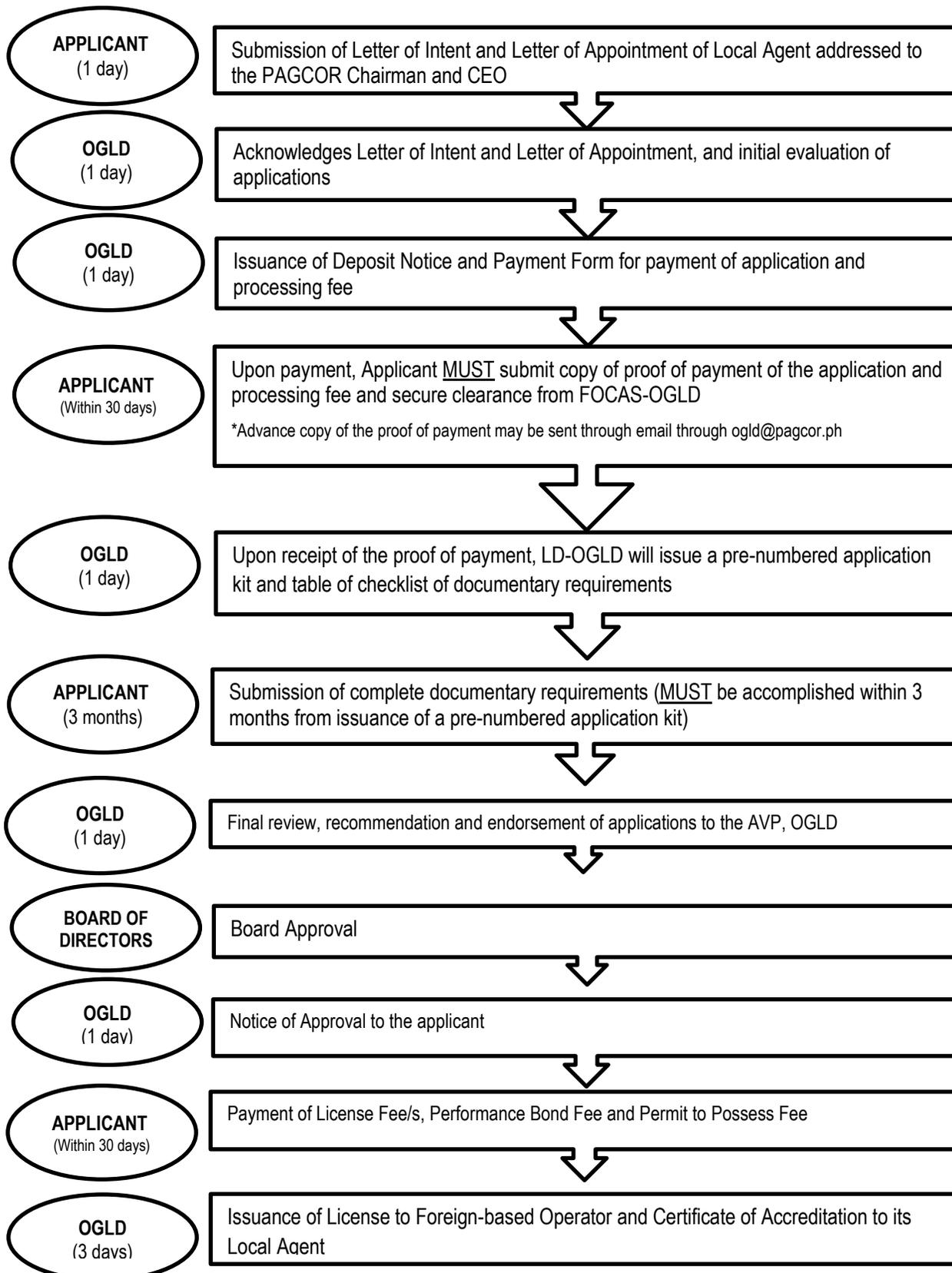
Section 6. Notice to Commence Operations (NCO)

- a. Upon approval of the Board of the application for an offshore gaming license, a Notice of Approval shall be issued by the OGLD-LD to the POGO Licensee.
- b. A Notice to Commence Operations shall only be issued by the OGLD-LD to the POGO Licensee upon settlement of all financial requirements such as License Fee and the posting of the Performance Bond, and compliance with the pre-operational requirements.
- c. The POGO Licensee is given until six (6) months from Board approval of their application for Offshore Gaming License to commence their offshore gaming operations. Failure to operate within the prescribed 6-month period shall warrant the imposition of the Minimum Guarantee Fee (MGF), and incur corresponding demerits and possible administrative penalties.
- d. For cases when the POGO Licensee cannot commence their operations within the prescribed period of six months, an appeal letter must be submitted to the OGLD for consideration and approval of the PAGCOR Board of Directors.
- e. The POGO Licensee shall not commence its offshore gaming operations without the required Notice to Commence Operations.

Process Flow for Applications for Philippine-based Operator



Process Flow for Applications for Foreign-based Operator



Regulation 4. THE OFFSHORE GAMING LICENSE

Section 1. What is an Offshore Gaming License

An Offshore Gaming License (OGL) is an authority granted by PAGCOR to Philippine Offshore Gaming Operators for the establishment, maintenance and the conduct of offshore gaming operations in a specific site within the jurisdiction of PAGCOR.

No operator shall be allowed to conduct offshore gaming operations without a valid OGL evidenced by a certificate issued by the OGLD.

A. The OGL certificate shall bear the following information:

1. OGL number;
2. Name of the company;
3. Operating address;
4. Type of license;
5. Date of board approval;
6. Date of validity; and
7. Date issued.

B. It must be duly signed by the Chairman and CEO of PAGCOR and must contain the PAGCOR seal;

C. The OGL is site-specific and reflects the type of license;

D. The OGL shall not be photocopied or reproduced for any purpose. In case a duplicate is needed, a Certified True Copy must be secured from the OGLD;

E. Its validity is for three (3) years and renewable for another three (3) years;

F. License of locators operating inside the POGO Hub shall be valid for three (3) years and renewable for seven (7) years;

G. It is non-assignable and non-transferrable, unless approved by the PAGCOR Board;

H. The certificate will be released only upon the required posting of the Three Hundred Thousand US Dollars (US\$ 300,000.00) Performance Bond and settlement of other applicable fees;

I. Upon expiration of the validity of the OGL, the operator must surrender the OGL certificate to OGLD within five (5) days. If the operator will renew its license, he must renew his license at least one (1) month prior to its expiration. However, it is a condition precedent that the expired OGL certificate must be surrendered before the operator may claim its new certificate;

- J. OGL is a permit and a mere privilege and is not a contract between PAGCOR and the grantee, thus, the OGL may be amended, supplemented and revoked in accordance with the provisions of these Rules and Regulations and other pertinent laws, ordinances, and issuances;
- K. OGL is not a property of the operator nor does it create any vested right or interest; and
- L. This Regulatory Manual shall serve as the Terms and Conditions of the OGL issued by PAGCOR and shall govern the conduct of offshore gaming operations by the Operator.

Section 2. Types of Offshore Gaming License

There are three (3) types of licenses:

- A. E-casino – refers to an OGL for the operation of Live Casino Games or Random Number Generator (RNG) based games.
- B. Sportsbetting – refers to an OGL for the acceptance and/or facilitation of wagers in the operation of predicting the outcome and results of a sporting event.

Prohibited Sporting Events

- 1. Non-professional sports in the Philippines such as but not limited to collegiate and university-level sports and games, amateur games, barangay or municipal invitational games and other similar games;
 - 2. Other sporting events as may be proscribed by PAGCOR.
- C. Sportsbetting on Regulated Wagering Events – refers to an OGL for the acceptance and/or facilitation of wagers on gaming events regulated by other jurisdiction/authority, and/or for providing to its customers, live event audio and visual feeds from such regulated gaming events. It shall be limited to gaming operations where the OGL holder is taxed or otherwise contractually required to pay a certain percentage of their gross gaming revenue for the right to access live audio and/or visual feed and/or betting pool access, by the governing body, or by content rights holder subject to the authority of such governing body.
- 1. Authorized Gaming Events
 - a. Horse or dog races regulated by a foreign governing body;
 - b. Cockfighting events duly licensed by the pertinent Local Government Unit (LGU) or authority; and
 - c. Such other regulated wagering events as may be allowed by the PAGCOR Board of Directors.

2. Additional Documentary Requirements

- a. LONO from the LGU exercising jurisdiction over the gaming venue where the sporting event is sourced;
- b. Proof of legality of the operations of the gaming venue, as may be provided by the LGU exercising jurisdiction over it;
- c. Written agreement between the POGO Licensee and the entity exercising jurisdiction over the event held at the licensed gaming venue, when applicable;
- d. Written Agreement between the POGO Licensee and the gaming venue operator;
- e. License from foreign jurisdiction where the feed will be streamed to, or license of the recipient operator abroad; and
- f. Certification from PAGCOR-accredited Gaming Laboratory to ensure that the authorized gaming event cannot be streamed or viewed locally.

Section 3. Renewal of License

A. The POGO must signify its intent to renew its existing License;

B. Renewal application and requirements:

1. The POGO shall submit a month preceding the expiration of its license, a letter of intent to renew its license and all other necessary documentary requirements
2. The POGO must be compliant with all its undertakings relative to its offshore gaming operations due to PAGCOR;
3. The POGO must have no arrears;
4. Payment of renewal fees; and
5. The POGO must have no more than 301 demerit points at the end of its license validity.

C. Documentary Requirements

1. Letter of Intent to renew Offshore Gaming License addressed to Chairman and CEO of PAGCOR;
2. Duly accomplished application form;
3. Latest General Information Sheet (GIS);
4. If there are material changes in the corporate structure:
 - a. Duly accomplished and notarized Personal Disclosure Sheet (PDS) of the new set of officers;
 - b. New organizational chart indicating names of person occupying the position;
5. Income Tax Return of the Company; and
6. Proof of payment of the renewal fee.

D. Approved Renewal

1. Should the POGO be found compliant with subsection A, B and C above, the Board recommendation for the renewal of the license shall then be processed;
2. The POGO shall be advised of the Board's action. Should the application for renewal be approved, Offshore Gaming License Certificate shall be issued in favor of the POGO.

E. Non-renewal of License

1. Should the POGO fail to abide by these License renewal guidelines and/or fail to renew its License upon expiration, operations of the POGO including all its service provider/s shall be suspended.
2. The operator shall then be given thirty (30) days from the expiration date of its License to secure the renewal including the payment of a new license fee without prejudice to any incurred demerits;
3. POGOs who have incurred 301 demerits or more shall not be eligible for renewal.

Section 4. Amendment of License

A. Change of Gaming Site Address

1. The POGO shall submit to OGLD a duly accomplished Request for Amendment to Gaming License Form (OGLD Form No. --). An amendment to the address as stated in the License shall be undertaken subject to the following:
 - a. The LONO issued by the LGU for the existing site address shall remain relevant to the new site address provided it is within the same city or municipality, unless the LONO states otherwise.
 - b. If the new address shall be outside the city or municipality which previously issued the LONO, the POGO must secure a new LONO in the city or municipality for the new address;
 - c. The same shall be subject to payment of change of gaming site address fee amounting to Ten Thousand US Dollars (\$10,000);
 - d. The original certificate must be surrendered before issuance of the amended certificate;
 - e. Regulatory inspection shall be done not later than two (2) weeks from payment of change of gaming site address fee for the purpose of verifying the location/address.
2. The amended License shall be valid for a period equivalent to the unexpired term of the original license.

Section 5. Conversion and/or Additional Game offering in the Offshore Gaming License

A. Additional Game Offering – A POGO with an existing license with game offering of E-Casino may request to add Sportsbetting in its license and vice versa:

1. The POGO shall submit to OGLD a duly accomplished Request for Conversion and/or Additional game offering to Gaming License Form (OGLD Form No. --);
2. The POGO must pay the corresponding application fee and license fee for the additional game offering;
3. After payment, the Board recommendation for the additional game offering in the license shall then be processed;
4. The POGO shall be advised of the Board's action. Should the application for additional game offering be approved, an Offshore Gaming License Certificate shall be issued in favor of the POGO.

B. Conversion of Game Offering – The POGO with an existing license with game offering of E-Casino may convert the same to Sportsbetting and vice versa:

1. From E-Casino to Sportsbetting:

- a. The POGO shall submit to OGLD a duly accomplished Request for Conversion to Gaming License Form (OGLD Form No. --).
- b. The POGO shall pay the corresponding application fee for Sportsbetting. The license fee paid for the E-Casino license shall be applied to the Sportsbetting license.
- c. The application for the conversion is submitted to the Board for approval. Once approved, decommissioning process of gaming tables shall be conducted by PAGCOR.
- d. The POGO must surrender the previously issued Offshore Gaming License certificate.
- e. After the above undertaking, the new certificate indicating Sportbetting as game offering shall be issued.

2. From Sportsbetting to E-Casino:

- a. The POGO shall submit to OGLD a duly accomplished Request for Conversion of Gaming License Form (OGLD Form No. --).
- b. The POGO shall pay the corresponding application fee for E-Casino. The license fee paid for the Sportsbetting license shall be applied to the E-Casino license plus an additional license fee of US\$ 50,000.00.
- c. The application for the conversion is submitted to the Board for approval. Once approved, PAGCOR shall conduct an inspection of the POGO's gaming paraphernalia and equipment for E-Casino. If there will be gaming tables, the POGO must apply for a Permit to Possess (Please see Regulation 6, Accreditation of Service Provider and/or Local Gaming Agent).

- d. The POGO must surrender the previously issued Offshore Gaming License certificate.
- e. After the above undertaking, the new certificate indicating E-Casino as game offering shall be issued.

Section 6. Penalties and Demerits

For violation of the Offshore Gaming Regulatory Manual (OGRM) and/or failure to comply with lawful orders of PAGCOR/OGLD, the following demerits and administrative penalties shall be imposed accordingly:

A. Table of Offenses

	VIOLATION	DEMERIT POINTS	ADMINISTRATIVE PENALTIES		
			1 ST COMMISSION	2 ND COMMISSION	CONTINUED NON-COMPLIANCE
1.	Licensee is convicted of an offense in violation of anti-gambling laws of the Philippines	-			
2.	Licensee is convicted of any serious offense under any other law	-	<p><i>Upon commission of such violations, the following shall be imposed:</i></p> <ul style="list-style-type: none"> - Forfeiture of Performance Bond in favor of PAGCOR; and - Cancellation of the Offshore Gaming License. 		
3.	Licensee obtains the License by a materially false or misleading representation	-			
4.	Falsification of documents/ requirements submitted to PAGCOR	-			
5.	Failure to operate within a period of six (6) months from the issuance of its license without justifiable cause	50			

	VIOLATION	DEMERIT POINTS	ADMINISTRATIVE PENALTIES		
			1 ST COMMISSION	2 ND COMMISSION	CONTINUED NON-COMPLIANCE
6.	Failure of licensee to prevent Filipino citizens, minors and those prohibited by law to participate in its offshore games	50	Notice of Demerit and Warning	Cessation of operations	Cancellation of the Offshore Gaming License
7.	Failure to declare an operating site	50			
8.	Failure to declare a gaming website, game offering, available games in operation for auditing of the third-party audit platform.	30	Notice of Demerit and Warning	Cessation of operations	Cancellation of the Offshore Gaming License
9.	Failure to declare a service provider which provides component/s for the POGO's offshore gaming operations	20	Notice of Demerit and Warning	Deferment of all transactions with OGLD Cessation of operations	Cancellation of the Offshore Gaming License
10.	Licensee offers games developed by an unaccredited service provider and/or engages the services of a gaming software/ platform provider not accredited by PAGCOR	20			
11.	Licensee is found to have employed undocumented and/or improperly documented foreign national/s	20			

	VIOLATION	DEMERIT POINTS	ADMINISTRATIVE PENALTIES		
			1 ST COMMISSION	2 ND COMMISSION	CONTINUED NON-COMPLIANCE
12.	Licensee is found to have employed personnel below 21 years old	20	Notice of Demerit and Warning	Deferment of all transactions with OGLD Cessation of operations	Cancellation of the Offshore Gaming License
13.	Failure to remit financial obligations due PAGCOR for two (2) consecutive months	15	Notice of Demerit and Warning Forfeiture of Performance Bond Deferment of all transactions with OGLD	Non-compliance despite reminders from CMED and OGLD shall warrant the cessation of operations	Cancellation of the Offshore Gaming License
14.	Failure to declare, or the misdeclaration of, actual operations or any additional service being provided to the operator.	15	Notice of Demerit and Warning Deferment of all transactions with OGLD	Cessation of Operations	Cancellation of the Offshore Gaming License
15.	Violation of policies, rules, regulations, and subsequent issuances pertaining to offshore gaming	10	Notice of Demerit and Warning	Cessation of operations	Cancellation of the Offshore Gaming License
16.	Failure to cooperate with PAGCOR-accredited probity checker, gaming laboratory and/or third-party audit platform	10	Deferment of all transactions with OGLD		

	VIOLATION	DEMERIT POINTS	ADMINISTRATIVE PENALTIES		
			1 ST COMMISSION	2 ND COMMISSION	CONTINUED NON-COMPLIANCE
17.	Failure to notify PAGCOR when Licensee ceases operation for one (1) week and cannot explain the causes thereof; or attempts in any way to abscond from his obligations to his players	10	Notice of Demerit and Warning Deferment of all transactions with OGLD	Cessation of operations	Cancellation of the Offshore Gaming License
18.	Failure to surrender old/expired/cancelled License to Operate or Certificate of Accreditation	10			
19.	Failure of the accredited Service Provider to settle corresponding cash penalties due to incurred demerits within fifteen (15) days from receipt of notice	10	Deferment of all transactions with OGLD	Cessation of operations	Cancellation of accreditation
20.	Failure of Licensee to post or replenish the Performance Bond within seventy two (72) hours from forfeiture	9	Notice of Demerit and Warning Deferment of all transactions with OGLD	Non-compliance within a month shall warrant the cessation of operations	Cancellation of the Offshore Gaming License
21.	Failure to settle applicable fees as reflected in the Deposit Notice and Payment Form within the prescribed 30-day period	9	Notice of Demerit and Warning	Deferment of all transactions with OGLD	Cessation of Operations and/or Cancellation of the Offshore Gaming License, if warranted

	VIOLATION	DEMERIT POINTS	ADMINISTRATIVE PENALTIES		
			1 ST COMMISSION	2 ND COMMISSION	CONTINUED NON-COMPLIANCE
22.	Failure to notify PAGCOR/OGLD regarding new or additional, reduction, or movement of gaming tables at least three (3) days prior to implementation	9	Notice of Demerit and Warning	Deferment of all transactions with OGLD	Cessation of Operations and/or Cancellation of the Offshore Gaming License, if warranted
23.	Failure to notify PAGCOR/OGLD regarding disposal of gaming table or equipment at least three (3) days prior to implementation	9			
24.	Failure to submit documents, or other requirements as may be prescribed by PAGCOR	8	Notice of Demerit and Warning	Deferment of all transactions with OGLD	Cessation of operations and/or Cancellation of the Offshore Gaming License, if warranted
25.	Failure or refusal to cooperate with the PAGCOR Inspection Team for the inspection of their premises, machine and equipment	5	Notice of Demerit and Warning	Deferment of all transactions with OGLD	Cessation of operations and/or Cancellation of the Offshore Gaming License, if warranted
26.	Failure to comply with order from PAGCOR to address/ reply to complaints of players	3			

B. Assessment of Demerits

1. Based on the nature of the offense, each offense will correspond to demerits with equivalent monetary penalties. Each demerit point is equivalent to US\$ 1,000.00.
2. Corresponding monetary penalty will be collected from the POGO Licensee and/or Service Provider, or may be deducted from the Performance Bond, as applicable.
3. OGLD may issue additional list of offenses with corresponding penalties, as deemed necessary.
4. All POGO Licensees and accredited Service Providers will each be given 500 merits at the start of their license/renewal year. Demerits incurred throughout the three-year license validity will be recorded and deducted from the total merit points.
5. Locators operating inside the POGO Hub who were granted the renewal of their license will be given 1000 merits for the seven-year license validity.
6. Notwithstanding the imposition of penalties and payment of fines, demerit points will be taken into consideration in the renewal of license or accreditation.
7. OGLD shall issue a *Notice of Demerit* to the POGO Licensee and/or Service Provider upon commission of the offense and the corresponding demerit points. The OGLD shall likewise inform the POGO Licensee and/or Service Provider of its remaining merit points.
8. For collection of the corresponding cash penalty, the following shall apply:
 - a. At the end of the license validity, the POGO Licensee shall be assessed of total demerits incurred. Corresponding cash penalty shall be deducted from the Performance Bond. If the Performance Bond is insufficient to cover for the cash penalty and other arrears, the total amount of the cash penalty shall be collected directly from the POGO Licensee. Otherwise, application for renewal of license will be deferred.
 - b. Accredited Service Providers will be given until fifteen (15) days from receipt of notice to settle their outstanding cash penalty.
9. At the end of their respective license/renewal year, POGO Licensees and/or Service Providers with 301 demerit points and higher will not be eligible to renew their offshore gaming license.

10. Locators operating inside the POGO Hub with 701 demerit points and higher at the end of their seven-year license validity will not be eligible to renew their offshore gaming license.
11. For POGO Licensees who are eligible to apply for the renewal of their offshore gaming license, application is subject to the payment of arrears and settlement of financial obligations, to include cash penalty for demerits.
12. Upon cancellation of the offshore gaming license, demerits incurred shall be deducted from the performance bond. If the performance bond is found to be insufficient to cover for all financial obligations due PAGCOR, the POGO Licensee must settle the remaining balance immediately.
13. In cases of forfeiture of the Performance Bond as a result of non-payment of gaming taxes, demerits and other analogous cases, the POGO Licensee shall be required to replenish the Three Hundred Thousand US Dollars Performance Bond plus an additional US\$50,000.00 for each time the Performance Bond is ordered forfeited.
14. Monitoring and recording of demerits shall be the responsibility of the OGLD-PDD.

C. Grounds for the Imposition of Demerits, Suspension or Cancellation of License

The PAGCOR Board of Directors may suspend an Offshore Gaming License upon receipt of a complaint or information based on the following grounds:

1. Licensee is not, or is no longer, in the opinion of the Board, suitable to hold the license;
2. Licensee is convicted of an offense in violation of anti-gambling laws of the Philippines;
3. Licensee is convicted of any serious offense under any other law;
4. Licensee violates a condition attached to the license;
5. Licensee is found to have employed undocumented and/or illegally documented foreign national/s;
6. Licensee does not cooperate with the PAGCOR Inspection Team for the inspection of their premises, machine and equipment;
7. Licensee ceases operation for one (1) week without due notice to PAGCOR, and cannot explain the causes thereof; or attempts in any way to abscond from his obligations to his players;

8. Licensee fails to discharge his financial commitments;
9. Licensee fails to remit financial obligations due PAGCOR for at least two (2) consecutive months;
10. Licensee fails to replenish the Performance Bond despite reminders from PAGCOR;
11. Licensee is declared bankrupt or under rehabilitation;
12. Licensee obtained the license by a materially false or misleading representation in some other improper way;
13. Licensee failed to comply with the directive to apply for the proper accreditation for its service provider within thirty (30) days from issuance of *Notice of Compliance* by the OGLD;
14. Licensee failed to prevent Filipino citizens, minors and those prohibited by law, to participate in its offshore games;
15. Licensee failed to operate within the period of six (6) months from the issuance of its license;
16. Licensee fails to cooperate with procedures as may be required by the PAGCOR-accredited probity checker, gaming laboratory and/or third-party intermediation/audit platform;
17. Licensee failed to declare all gaming websites in operation for auditing of the third-party intermediation/audit platform;
18. Licensee fails to comply with any of the provisions set forth in this Manual;
19. 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.

D. Cancellation of License

For cases when the Board cancels the license of the POGO Licensee or the Certificate of Accreditation of the Service Provider, and orders the closure of the site and cessation of the offshore gaming operations, the following shall apply:

1. A POGO Licensee or a Service Provider shall be banned from re-applying with OGLD for a period of one (1) year from date of license/accreditation cancellation except in cases of voluntary cancellation;
2. The original certificate/s issued to the POGO Licensee or Service Provider must be surrendered to the OGLD immediately upon license cancellation;
3. Performance bond shall be forfeited in favor of PAGCOR, if the ground for cancellation so warrants; and
4. Payment of outstanding financial obligation due to PAGCOR.

E. Motion for Reconsideration

1. For cases when the concerned POGO Licensee files a Motion for Reconsideration on the cancellation of the previously granted license or accreditation, operations shall remain suspended pending decision of the Board, unless ordered otherwise by the Board.
2. In meritorious cases when the Board grants the request for reconsideration, the POGO Licensee shall resume its operations only upon issuance by the OGLD of a *Notice to Resume Operations*.

Regulation 5. ACCREDITATION OF ALLIED SERVICES

Section 1. Who may apply as a Local Gaming Agent

Local Gaming Agent refers to 1) a duly constituted business enterprise organized in the Philippines or 2) a person of good repute and financial standing who will represent the Foreign-based Operator here in the Philippines.

A. Qualifications

1. Corporate Applicant

- a. Must be duly registered with Securities and Exchange Commission;
- b. Must be of good repute, considering character, honesty and integrity;
- c. Must not be associated with any person who is not of good repute considering character, honesty, and integrity or has undesirable or unsatisfactory financial resources;
- d. Must have a good financial standing and satisfactory corporate structure;
- e. Must not be among those excluded from engaging in gaming under these Rules and Regulations or any other law, ordinance, or issuance.

2. Individual Applicant

- a. Must be of good repute, considering character, honesty and integrity;
- b. Must not be associated with any person who is not of good repute considering character, honesty, and integrity or has undesirable or unsatisfactory financial resources;
- c. Must have a good financial standing;
- d. Must not be among those excluded from engaging in gaming under these Rules and Regulations or any other law, ordinance, or issuance.

B. Requirements

1. Documentary Requirements for a Corporate Applicant

- a. Letter of intent addressed to Chairman and CEO of PAGCOR;
- b. Duly accomplished and notarized application form;
- c. Duly notarized Agency Agreement
- d. Securities and Exchange Commission (SEC) Registration;
- e. Latest General Information Sheet (GIS);
- f. Articles of Incorporation (AI) and By-Laws duly stamped and received by SEC;
- g. Company Profile;
- h. Organizational Chart indicating person occupying the position
- i. Duly accomplished and notarized Personal Disclosure Sheet (PDS) of ALL officers of the corporation; and
- j. Proof of payment of the Application Fee.

2. Documentary Requirements for an Individual Applicant

- a. Letter of intent addressed to Chairman and CEO of PAGCOR;
- b. Duly accomplished and notarized application form;
- c. Duly notarized Contract/Agreement;
- d. Latest Income Tax Return and/or Bank Certificate proving financial capacity of at least Ten Million Pesos (Php 10,000,000.00);
- e. Duly accomplished and notarized Personal Disclosure Sheet (PDS); and
- f. Proof of payment of the Application Fee.

3. Operational Requirements

- a. Result of evaluation issued by an accredited probity checker of OGLD; and
- b. Regulatory inspection by OGLD for verification of given address and others.

C. Authorized Functions

1. To be the exclusive authorized representative within the territory of the Philippines of the Foreign-based Operator;
2. To receive, send and/or be served any notices, letters, and other issuances for and on behalf of its Foreign-based Operator;
3. To receive and/or be served summons and other legal processes on behalf of its Foreign-based Operator; and
4. To make any and all payments to PAGCOR including interests, penalty and surcharges that may be due or may thereafter fall due, for and on behalf of its Foreign-based Operator, if the latter fails to make any payment due to PAGCOR.

D. Prohibited Acts

1. Must not engage in any gaming activity unless the local agent applies for the appropriate additional accreditation.

Section 2. Who may be accredited as a Service Provider?

A. Service Providers refer to duly constituted business corporation organized in the Philippines who provide components of offshore gaming operations to POGOs such as the following:

1. **Customer Relations Service Provider** – refers to entities which provide customer service to the players and cater to their various needs through direct contact and interaction by means of remote communication devices.
2. **Strategic Support Provider** – refers to entities that develop or improve the business processes of the POGO Licensee. These entities usually operate as the back-office support of the POGO Licensees and do not have direct contact with players.

3. **IT Support Provider** – refers to entities that provide technical support to POGO Licensees such as but not limited to diagnosing and solving software faults, IT maintenance, installing and configuring computer systems, and the placement and management of player accounts.
4. **Gaming Software Platform Provider** – refers to entities that provide propriety products either as gaming systems such as sportsbook for Sportsbetting or games itself such as RNG based games for E-casino.
5. **Live Studio and Streaming Provider** – refers to entities that provide real time streaming of authorized gaming activities coming from live studios and/or licensed gaming venues via the internet to the websites of the POGO Licensees.
6. **Special Class of BPO** – refers to entities that are servicing legitimately licensed gaming operators abroad and do not in any way handle betting but purely product marketing and customer relations and are not servicing any of PAGCOR POGO licensees and have at least ninety (90%) percent Filipino workforce.

B. Qualifications

1. Must be duly registered with Securities and Exchange Commission;
2. Must be of good repute, considering character, honesty and integrity;
3. Must not be associated with any person who is not of good repute considering character, honesty, and integrity or has undesirable or unsatisfactory financial resources;
4. Must have a good financial standing and satisfactory corporate structure;
5. Must have sufficient experience and ability to establish and manage offshore gaming operations; and
6. Must not be among those excluded from engaging in gaming under these Rules and Regulations or any other law, ordinance, or issuance.

C. Requirements

1. Documentary Requirements
 - a. Letter of intent addressed to Chairman and CEO of PAGCOR;
 - b. Duly accomplished and notarized application form;
 - c. Securities and Exchange Commission (SEC) Registration;
 - d. Latest General Information Sheet (GIS);
 - e. Articles of Incorporation (AOI) and By-Laws duly stamped and received by SEC;
 - i. AI must show that gaming is one of the primary purposes of business; if secondary, a copy of the Board's Ratificatory Vote on the same should be submitted;

- ii. Authorized Capital Stock of at least Ten Million Pesos (Php10,000,000.00), with a Paid-up Capital Stock at least Two Million Pesos (Php2,000,000.00)
- f. Company Profile;
- g. Organizational Chart indicating person occupying the position
- h. Business Plan;
- i. Duly notarized service agreement;
- j. Duly accomplished and notarized Personal Disclosure Sheet (PDS) of ALL officers of the corporation; and
- k. Proof of payment of the Application Fee.

2. Locational Requirements

- a. Operating site must be not be within a residential area or any area restricted by OGLD.
- b. If the service provider will operate outside the territorial jurisdiction of the LGU where the POGO is located, LONO issued by the LGU where its operations will be conducted.

3. Operational Requirements

- a. Must be integrated with PAGCOR's third party audit platform for offshore gaming operations;
- b. Result of evaluation issued by an accredited probity checker of OGLD; and
- c. Pre-operational inspection by OGLD.

D. Prohibited Acts

- 1. Must not employ any person below twenty one (21) years of age;
- 2. Must not provide services outside the scope of the service agreement;
- 3. Unless otherwise provided in the Service Agreement, the Service Provider must secure consent from its POGO Licensee prior to servicing any other POGO. The same shall apply for pre-termination of services; and
- 4. Must operate only on accredited gaming sites.

Section 2.1 Customer Relations Service Provider

A. Authorized Acts

Provide customer service to the players of their POGO such as:

- 1. Call centers;
- 2. Hotline for complaints;
- 3. Player registration and assistance;
- 4. VIP Services;
- 5. Direct Product Marketing; and

6. Customer Service.

B. Prohibited Acts

1. Must not service offshore gaming operators not licensed by PAGCOR, even if licensed abroad; and
2. Must not have any gaming paraphernalia inside its operating site.

Section 2.2 Strategic Support Provider

A. Authorized Acts

Provide services to their POGO such as but not limited to the following:

1. Research and development;
2. Player Rewards and Promotions; and
3. Statistics and Analytics.

B. Prohibited Acts

1. Must not have any gaming paraphernalia inside its operating site; and
2. Must not have direct contact with players.

Section 2.3 IT Support Services

A. Authorized Acts

Provide technical support such as but not limited to;

1. Solving Software Faults;
2. IT Maintenance;
3. Installing, Updating and Configuring Computer Systems; and
4. Placement and management of player accounts.

B. Prohibited Acts

1. Must not have any gaming paraphernalia inside its operating site;
2. Must not participate in any money laundering activities.

Section 2.4 Gaming Software/Platform Provider

A. Authorized Acts

1. Provide gaming systems to its gaming licensee such as, but not limited to:
 - a. Sportsbook or sports betting; and
 - b. RNG-based games for E-casino.
2. Modify or upgrade gaming software;

3. Conduct software testing; and
4. Conduct random software tests to guarantee fair play and ensure integrity of the gaming software.

B. Prohibited Acts

Must not develop indecent or obscene gaming software, or any other games which may be constituted as against public morals and interest.

C. Gaming Software

All POGO Licensees must submit to OGLD a list of all gaming software which they offer to their playing customers, and a certification from any PAGCOR-accredited gaming laboratory confirming that said gaming software passed technical standards established and accepted by gaming jurisdictions worldwide.

Section 2.5 Live Studio and Streaming Provider

A. Authorized Acts

1. Provide real time streaming of casino games from accredited live studios to its POGO licensee accredited by PAGCOR;
2. Provide live streaming of regulated gaming events from duly licensed gaming venues via the internet to the websites of the POGO Licensee;
3. House gaming tables and gaming equipment provided that it has a corresponding Permit to Possess for the specific operating site;
4. Conduct table games which may be streamed to offshore-based players via the Internet;
5. Employ dealers for its offshore gaming operations, subject to applicable law, policies and procedures;
6. Import gaming equipment and/or gaming paraphernalia for the conduct of its Live Studio operations, subject to approval of OGLD;
7. Add/reduce the number of gaming tables in operation subject to prior approval of OGLD and provided that the POGO Licensee has at least fifteen (15) gaming tables in operation;
8. Movement or transfer of the gaming tables and/or gaming paraphernalia for its Live Studio operations to another registered operating site with proper notification to OGLD; and
9. Disposal of its gaming tables, gaming equipment and/or gaming paraphernalia used for its Live Studio operations with proper clearance from OGLD.

B. Prohibited Acts

1. Must not stream a casino game from a live studio not accredited by PAGCOR;
2. Must not stream an unlicensed gaming event nor stream from an unlicensed gaming venue;

3. Must not stream any unlicensed wagering event;
4. Must not stream to any gaming operator offering online games in the Philippines;
5. Must not stream obscene or indecent shows;
6. Must not cater to Electronic Gaming Systems (EGS) and other similar local gaming systems unless otherwise approved by the PAGCOR Board of Directors;
7. Must not be located in the gaming area of the casino;
8. Must not operate without the corresponding Permit to Possess (PTP);
9. Must not permit the exploitation of any of its employees, especially in the wearing of indecent attire in the conduct of its offshore gaming operations; and
10. Must not permit any indecent or immoral shows, or any act which may be constituted as against public morals and interest.

C. Office Set-up

1. Must propose/submit gaming table layout and gaming area design for its Live Studio operations for approval of OGLD.
2. Live tables must be located in the operations area and must not be mixed with training tables.
3. Training tables must be located in a separate, enclosed training room without any cameras and any other devices which may capture and stream the conduct of any gaming activity.
4. The operations area must be enclosed and accessible only to authorized personnel of the POGO or Service Provider, to include the PAGCOR Monitoring/Inspection Team. No outsider must be allowed entry into the operations area.
5. The POGO Licensee must preserve the integrity of their offshore gaming operations at all times. As such, the operations area must not be viewable from the outside.
6. The POGO Licensee or Service Provider must provide a private and decent make-up/dressing room for their live-studio dealers.

D. New or Additional Gaming Tables

The POGO Licensee shall officially notify the OGLD regarding new or additional gaming tables at least three (3) days prior to installation. The Licensee shall include the following details:

1. Number/quantity of new or additional games;
2. Type of gaming tables; and
3. Launching date.

E. Reduction of Gaming Tables

The POGO Licensee must have at least fifteen (15) live gaming tables in operation. In cases when there is an intended decrease in the number of live gaming tables, the POGO Licensee shall officially request the same to the OGLD at least three (3) days prior to implementation.

The POGO Licensee shall not implement the intended decrease in the number of live gaming tables without prior approval of the OGLD.

F. Gaming Equipment and Gaming Paraphernalia

Procurement of gaming equipment and gaming paraphernalia shall be done by the POGO Licensee. The Licensee shall procure gaming equipment and gaming paraphernalia only from suppliers registered with PAGCOR.

G. Importation and Shipment

The POGO Licensee may also import gaming equipment and gaming paraphernalia for casino use as may be permitted by law and subject to legal and customs requirements for this purpose. Clearance from the OGLD must first be obtained by the POGO Licensee prior to actual shipment of the gaming equipment and gaming paraphernalia. The following must be submitted to the OGLD to obtain clearance to import:

1. Duly accomplished Shipment Clearance Request and Approval Form;
2. Letter of Request for Importation;
3. Copy of Commercial Invoice or Pro-forma Invoice in supplier's letterhead;
4. Packing List;
5. Undertaking; and
6. PAGCOR Registry of Supplier.

Each Shipment Clearance Request and Approval Form shall cover one (1) commercial/pro-forma invoice.

Once the shipment clearance request is approved, the POGO Licensee shall ensure that all items shipped shall be strictly within the quantities and description as approved by PAGCOR per Commercial Invoice or Pro-forma Invoice.

H. Inspection and Inventory

The PAGCOR-Compliance Monitoring and Enforcement Department (CMED) shall conduct an inspection/inventory of the shipment. Shipped/imported items which are in excess of those declared in the Commercial Invoice or Pro-forma Invoice shall be officially reported by CMED to OGLD.

The POGO Licensee shall inform CMED at least ten (10) days from estimated arrival date of shipment for the latter's conduct of inspection. During inventory, the CMED shall properly tag the gaming tables, gaming equipment and/or paraphernalia.

I. Movement of Gaming Tables and Gaming Equipment

The POGO Licensee may transfer gaming tables and/or equipment from one operating site to another provided that it has prior clearance from OGLD. Especially for gaming tables, the POGO Licensee has the responsibility to officially inform OGLD the address wherein the gaming tables are located.

The POGO Licensee shall officially notify OGLD at least three (3) days prior to the actual movement of gaming tables and/or gaming equipment.

The gaming tables and equipment may only be moved to a registered operating site of the POGO Licensee, authorized storage area, or to the address of the supplier, as the case may be.

In cases when there will be a temporary suspension of operations due to the movement of gaming tables and/or gaming equipment, the POGO Licensee must notify OGLD at least three (3) days prior to the actual movement of gaming tables and/or gaming equipment and the consequent suspension of their operations.

The POGO Licensee shall not temporarily suspend its operations in view of the said movement without prior clearance from OGLD.

J. Disposal of Gaming Equipment and Gaming Paraphernalia

The POGO Licensee shall officially notify OGLD at least three (3) days prior to the scheduled disposal of gaming equipment and gaming paraphernalia. The POGO Licensee shall not dispose of the particular gaming equipment and/or gaming paraphernalia without clearance from OGLD.

K. Permit to Possess

The POGO Licensee shall apply for a PTP to authorize the possession of gaming tables, gaming equipment and gaming paraphernalia. This certificate is coterminous with the licenses or accreditation and may be renewed thereafter.

The PTP is site-specific and is issued for the operating site where the gaming tables, gaming equipment and/or gaming paraphernalia are located.

In cases when the gaming tables are transferred to another operating site, the PTP issued for the previous operating site will thus be considered null and void. Accordingly, the POGO Licensee shall apply for a new PTP bearing the correct operating site address, subject to the rules on change of address or operating site.

Section 2.6 Special Class of BPO

A. Authorized Acts

Provide BPO service to legitimate licensed gaming operators abroad such as:

- a. Call centers;
- b. Hotline for complaints;
- c. Player registration and assistance;
- d. VIP Services;
- e. Player Rewards;
- f. Product Marketing and Promotions; and
- g. Customer Service.

B. Prohibited Acts

- a. Must not accept bets;
- b. Must not engage in gambling activities;
- c. Must only service duly licensed gaming operators abroad;
- d. Must not handle any betting activities of the duly licensed gaming operator abroad; and
- e. Must not service any of PAGCOR POGO licensees.

C. Additional Requirements

1. Must be duly licensed to do business in the Philippines;
2. Complete roster of employees showing ninety (90%) percent Filipino workforce;
3. License of the gaming operator issued in the gaming jurisdiction where they are located which must duly consularized; and
4. Undertaking that they will not:
 - a. Accept bets;
 - b. Engage in gambling activities; and
 - c. Engage in illegal activities.

Section 3. Philippine Offshore Gaming Operations (POGO) Hub

The POGO Hub is a complex which houses the operations, as well as other logistical, administrative and support services for offshore gaming operations of PAGCOR POGO Licensees and accredited service providers, which should ideally include among others the following logistical and administrative segments:

1. Office spaces
2. Residential spaces;
3. Food establishments such as but not limited to canteen, cafeteria, and restaurant;
4. Grocery, convenience store, or supermarket;
5. Health and wellness facilities;

6. Entertainment, leisure and recreational facilities such as but not limited to restaurants, indoor sports activity area, pools, shops, gaming, etc.;
7. Service shops and
8. Other basic needs

The accreditation for POGO Hub shall be valid for ten (10) years and renewable for another ten (10) years.

A. Qualifications

1. Must be duly registered with Securities and Exchange Commission;
2. Must be of good repute, considering character, honesty and integrity;
3. Must not be associated with any person who is not of good repute considering character, honesty, and integrity or has undesirable or unsatisfactory financial resources;
4. Must have a good financial standing and satisfactory corporate structure; and
5. Must not be among those excluded from engaging in gaming under these Rules and Regulations or any other law, ordinance, or issuance.

B. Requirements

1. Documentary Requirements

- a. Letter of intent addressed to Chairman and CEO of PAGCOR;
- b. Duly accomplished and notarized application form;
- c. Securities and Exchange Commission (SEC) Registration;
- d. Latest General Information Sheet (GIS);
- e. Articles of Incorporation (AI) and By-Laws duly stamped and received by SEC;
 - i. Authorized Capital Stock of at least One Hundred Million Pesos (Php100,000,000.00), with a Paid-up Capital Stock at least Twenty Million Pesos (Php20,000,000.00)
- f. Company Profile;
- g. Organizational Chart indicating person occupying the position;
- h. Business Plan;
- i. Duly accomplished and notarized Personal Disclosure Sheet (PDS) of ALL officers of the corporation; and
- j. Proof of payment of the Application Fee.

2. Locational Requirements

- a. Site Development Plan showing compliance with minimum floor area requirements with no less than 10 hectares; and
- b. Vicinity Map.

C. Authorized Acts

1. Lease office, commercial, and residential spaces for operational, logistical, administrative, and support segments for offshore gaming operations of PAGCOR POGO Licensees:
 - a. Office space with a minimum floor area of 120,000 square meters to house the offshore gaming operations of POGO Licensees and their accredited service providers, to include gaming equipment and paraphernalia;
 - b. Commercial space with a minimum floor area of 40,000 square meters such as but not limited to food establishments; grocery, convenience store, or supermarket; health and wellness facilities; entertainment, leisure and recreational facilities; service shops; and other basic needs;
 - c. Residential space with a minimum floor area of 200,000 square meters for personnel of POGO Licensees and that of their accredited service providers; and
 - d. Such other logistical and administrative segments doing business in support to the offshore gaming operations of POGO Licensees.
2. Provide office space for PAGCOR personnel and partner government agencies participating in the POGO Hub One-Stop-Shop (POG1).

D. Prohibited Acts

1. Must not permit conduct of illegal gaming activity inside the complex;
2. Must limit the complex only to the conduct of offshore gaming operations unless any other gaming activity is permitted by PAGCOR;
3. Must not lease office spaces to unlicensed offshore gaming operators or service providers; and
4. Must not permit the conduct of offshore gaming operations in areas other than the office spaces of the POGO Licensee or any of its accredited Service Provider.

E. PAGCOR Initiative

1. Requirement for a Letter of No Objection (LONO)

PAGCOR shall be responsible for securing the LONO from the Local Government Unit (LGU) where the POGO Hub is located.

2. Establishment of the POGO Hub One-Stop-Shop (POG1)

In view of its intensified drive against illegal gambling, PAGCOR shall initiate a Memorandum of Agreement among partner government and law enforcement agencies for the establishment of a POGO Hub One-Stop-Shop (POG1). The POG1 aims to assist POGO Licensees in complying with statutory requirements

and ensure the legality of the conduct of gaming by providing access to relevant government services inside the complex.

F. PAGCOR Share

The POGO Hub proponent shall remit to PAGCOR 10% of its net income derived from the lease of office spaces from which an amount will be allocated as Host City Share of the LGU exercising jurisdiction over the hub.

G. Privileges of Locators

1. PAGCOR will secure the required LONO from the LGU on behalf of its licensees located in the POGO Hub.
2. The operating address is valid for the entire complex. Thus, there will be no additional fees for the registration of additional floors as operating address inside the POGO Hub.
3. Locators will be entitled to exclusive availment of the services offered in the POG1.
4. Locators will be entitled to a license renewal term of seven (7) years.

Section 4. Probity Checker

A. A Probity Checker refers to entities responsible for the verification of an applicant's identity, to include all officials of the corporate applicant, finances, integrity, competence and criminality. Accreditation shall be valid for three years from the date of approval of the Board of PAGCOR.

B. Duties of a Probity Checker

1. The Probity Checker shall verify the applicant's identity and each of the key officials of the corporate applicant; finances, integrity, competence and criminal associations; and
2. The Probity Checker shall be accountable for the veracity of the results of the probity check that they will provide to PAGCOR-OGLD, and the confidentiality thereof.

C. Requirements for Probity Checker Accreditation

1. Eligibility Requirement

The Probity Checker to be accredited must be reputable and well known in their field. They must also have great professionalism and integrity.

2. Documentary Requirements

a. Basic Documentary Requirements

- i. PAGCOR Application for Registration Form;
- ii. Company profile including list of clients;
- iii. List of products/items being offered including brochures and catalogues (if any); and
- iv. Detailed location sketch of company office.

b. Legal Documents

- i. Original copy of Certificate of Good Standing issued by Company Registration and Monitoring Department, Securities and Exchange Commission;
- ii. Certified True/Machine Copy of Registration Certificate from:
 - (i) Securities and Exchange Commission including Articles of Incorporation / Co-Partnership and By-Laws; or
 - (ii) Department of Trade and Industry.
- iii. Photocopy of the following documents:
 - (i) Valid and current Mayor's Permit / municipal license;
 - (ii) BIR Registration Certificate; and
 - (iii) Valid and current licenses required by law (applicable to the line of business).

c. Financial Documents

Certified True Copy of Income Tax Return for the previous or its preceding year and its corresponding audited Financial Statements, stamped "received" by the BIR including photocopy of ITR and AFS filed two (2) years prior to year of application

3. Other Requirements

The company must be willing to undertake that all information and data gathered in the said project shall be privileged and highly confidential exclusively for PAGCOR use only;

4. The above legal and financial documents if to be submitted by the foreign probity checker may be substituted with the appropriate equivalent documents issued by the foreign firm's country of origin provided that the documents are in "English" and duly acknowledged or authenticated by the Philippine Consulate therein if translated in English.

5. PAGCOR shall assign a probity checker randomly prior to accreditation or issuance of license.

D. Applicant reportorial function

The Probity Checker shall submit to PAGCOR as soon as possible the results of the probity check that will form part of the requirements of the applicant for offshore license and/or accreditation and authority to operate.

Section 5. Gaming Laboratories

A. A Gaming Laboratory refers to entities responsible for the testing of gaming systems and software of all POGO Licensees and Service Providers, and ensuring that the same pass technical standards established and accepted by gaming jurisdictions worldwide. Accreditation shall be valid for three years from the date of approval of the Board of PAGCOR.

B. Duties of a Gaming Laboratory

1. The Gaming Laboratories shall be responsible in testing the gaming systems of all POGO Licensees and Service Providers; and
2. The Gaming Laboratories shall provide the necessary certification on all gaming related systems of Offshore Gaming Operations.

C. Requirements for Gaming Laboratories Accreditation

1. Eligibility Requirement

The Gaming Laboratories should be an internationally recognized gaming laboratory presently offering their services to Macau, Singapore, Las Vegas and other major gaming jurisdictions.

2. Documentary Requirements

a. Basic Documentary Requirements

- i. PAGCOR Application for Registration Form
- ii. Company profile including list of clients
- iii. List of products/items being offered including brochures and catalogues (if any)
- iv. Detailed location sketch of company office

b. Legal Documents

- i. Original copy of Certificate of Good Standing issued by Company Registration and Monitoring Department, Securities and Exchange Commission
- ii. Certified True/Machine Copy of Registration Certificate from:
 - (i) Securities and Exchange Commission including Articles of Incorporation / Co-Partnership and By-Laws or
 - (ii) Department of Trade and Industry
- iii. Photocopy of the following documents:
 - (i) Valid and current Mayor's Permit / municipal license
 - (ii) BIR Registration Certificate
 - (iii) Valid and current licenses required by law (applicable to the line of business)

c. Financial Documents

- i. Certified True Copy of Income Tax Return for the previous or its preceding year and its corresponding audited Financial Statements, stamped "received" by the BIR including photocopy of ITR and AFS filed two (2) years prior to year of application

3. Other Requirements

- a. The company must be willing to undertake that all information and data gathered in the said project shall be privilege and highly confidential exclusively for PAGCOR use only;
4. The above legal and financial documents if to be submitted by the foreign Gaming Laboratories may be substituted with the appropriate equivalent documents issued by the foreign firm's country of origin provided that the documents are in "English" and duly acknowledged or authenticated by the Philippine Consulate therein if translated in English.

Regulation 6. FINANCIAL REQUIREMENT, REPORTING & REMITTANCE

Section 1. Application Fee for Different Types of License and Accreditation

The application fee shall be paid upon the advice of OGLD thru the issuance of a Deposit Notice and Payment Form or OG Form 13. Proofs of payment for application fee form part of the requirements and are requisite to processing of applications and recommendation for board approval. It is the duty of the applicant to make sure to surrender the proofs of payments within 30 days from payment with validation from the bank to the OGLD.

Hereunder are the application fees and/or renewal for the three-year license and/or accreditation:

- A. E-casino Application Fee - \$150,000.00
- B. Sportsbetting Application Fee - \$ 120,000.00
- C. Sportsbetting on Regulated Wagering Events - \$120,000.00
- D. Special Class of BPO - \$300,000.00
- E. Customer Relations Service Provider - \$150,000.00
- F. Gaming Software/Platform Provider - \$ 120,000.00
- G. Live Studio and Streaming Provider - \$120,000.00
- H. Strategic Support Service Provider - \$60,000.00
- I. Local Gaming Agent - \$60,000.00
- J. IT Support Provider - \$ 60,000.00
- K. Probity Checker- \$ 4,500.00
- L. Gaming Laboratory- \$3,000.00

Section 2. Applicable Fee for Different Types of License

Upon Board approval of all applications for Offshore Gaming license, the following fees are imposed. These fees shall be settled prior to the release of their Certificate of License.

- A. E-Casino License - \$200,000.00
- B. Sportsbetting License - \$150,000.00
- C. Sportsbetting on Regulated Wagering Events - \$ 150,000.00

Section 3. Additional Site/Transfer of Site Fee

- A. Application for additional site or transfer of operating site to a building other than that of the existing operating site shall be \$10,000.00, inclusive of inspection fee and printing of one (1) certificate for one floor/address. Thereafter, a fee of \$3,000.00 shall apply per additional floor request in the same building or site.
- B. Additional or transfer of operating site within the same building shall be \$3,000.00 per floor.

Section 4. Billing and Collection of Regulatory Fee

The following procedure shall apply in the billing and collection of POGO Licensees' regulatory fee:

- A. The third party audit platform is given until every 3rd of the month to submit to CMED the billing report of POGO Licensees for the previous month, copy furnished the OGLD.
- B. CMED is given until every 8th of the month to reconcile the submitted billing report and send to POGO Licensees their respective billing statements.
- C. The POGO Licensees are given until every 15th of the month to settle their billing.
- D. For protests on the billed regulatory fee, the following shall apply:
 1. The POGO Licensee must first settle the billed amount prior to the filing of protest with CMED.
 2. CMED shall process the filed protest according to its existing policies, rules, and procedures pertinent to the same.
 3. Protests filed 15 days after the deadline of payment shall no longer be considered.
- E. For cases when the POGO Licensee fails to settle its regulatory fee due PAGCOR for two (2) consecutive months, the following shall apply:

For CMED

1. CMED shall issue a Notice of Delinquency to the concerned POGO Licensee on the 8th day of the third month. This notice shall be different and separate from the monthly billing statements sent by CMED to all POGO Licensees.
2. If the POGO Licensee still fails to settle its financial obligations on the given deadline, CMED shall issue a Memorandum to OGLD endorsing non-compliant POGO Licensees for the latter's appropriate action;

For OGLD

1. Upon receipt of the Memorandum from CMED, the OGLD shall enforce forfeiture of the Performance Bond equal to amount of arrears and direct the POGO Licensee to immediately settle any remaining balance. Operator shall be ordered to replenish the Performance Bond within 72 hours;
2. Continued non-compliance shall warrant the recommendation for the cessation of operations, suspension or cancellation of the POGO Licensee's offshore gaming license;
3. Lifting of suspension of the offshore gaming operations is subject to the settlement of arrears by the POGO Licensees;
4. The processing of transactions of the concerned POGO Licensees as well as that of its Service Providers with OGLD shall be deferred pending settlement of arrears.

Section 5. Certificate of Registration (CoR)

A Certificate of Registration (CoR) is issued for a purely administrative office of a POGO Licensee where no offshore gaming operations are conducted.

A. Authorized Functions

1. Human resource/personnel services;
2. Payroll;
3. Accounting; and
4. Records-keeping.

B. Prohibited Acts

1. No offshore gaming operation is permitted in the operating site; and
2. No gaming equipment and/or paraphernalia may be kept, retained or installed in the same operating site.

C. The following conditions must be satisfied by the POGO Licensee prior to the issuance of a Certificate of Registration:

1. POGO Licensee must have a valid Offshore Gaming License with existing operating sites for offshore gaming operations;
2. The CoR shall only be for operating sites housing the authorized administrative functions of the POGO Licensee;
3. An inspection shall be conducted by the PMT to confirm the type of operations conducted at the operating site being applied for certification; and
4. The validity of the CoR shall be coterminous with the POGO Licensee's valid Offshore Gaming License.

D. PAGCOR reserves the right to revoke the CoR issued for the particular operating site and charge the appropriate fees should the inspection team confirm that there is an offshore gaming operation being conducted at the said operating site.

E. The POGO Licensee shall pay the fee of \$5,000.00 per CoR. Reprinting fee shall apply, if necessary.

Section 6. Issuance of Deposit Notice and Payment Form

FOCAS is the unit solely tasked with the issuance of deposit notices. The Deposit Notice and Payment Form or OG Form 13 authorizes the applicant to proceed with the payment for application/s filed with the OGLD. The Deposit Notice and Payment Form or OG Form 13 shall contain:

- Name of POGO/ Service Provider/ Applicant
- Type of Application
- Particulars of Payment
- Amount to be paid
- Reference Number
- Authorized OGLD Signatory on the Form/Signature/Position/Date

- Validity period of the Deposit Notice and Payment Form
- A. All deposit notices are valid only for 30 days upon date of issuance.
- B. All proofs of payment together with the deposit notice issued must be surrendered to the OGLD for proper accounting within 30 days after payment.

Section 7. License Reprinting/Certified True Copy of Certificates

- A. Request for Certified True Copy (CTC) of certificates shall be \$100.00 per document.
- B. PAGCOR shall impose an additional fee of Three Thousand US Dollars (US\$3,000.00) for requests for certificate reprinting.

Section 8. Performance Bond

Offshore Gaming Operator	\$300,000.00
Probity Checker	\$5,000.00
Gaming Laboratory	\$5,000.00

All licensees are subject to posting a Performance Bond prior to release of its license. A Performance Bond is a monetary requirement which shall guarantee completion and fulfillment of contract and obligations with PAGCOR. The Performance Bond is refundable upon the licensee's cessation of contract with PAGCOR, subject to any outstanding obligation.

- A. Guidelines stated in this Section shall also apply with the Gaming Laboratories and Probity Checkers regarding their Performance Bond.
 1. The Performance Bond is a non-transferrable one-time payment.
 2. The Performance Bond shall remain valid for as long as the Offshore Gaming Operator is a License holder of PAGCOR.
 3. The Performance Bond shall be used to cover for any unpaid financial liabilities of the licensee.
 4. If the Performance Bond is less than the licensee's accounts payable to PAGCOR, the amount in excess of that is still due and demandable to the licensee.
 5. Licensee shall replenish its Performance Bond within seventy-two (72) hours in the event of usage to cover for unsettled accountabilities with PAGCOR incidental to its Offshore Gaming operations.
- B. Processing of Refund
 1. Licensee shall submit to OGLD a letter request for the refund of the Performance Bond. All requests for refund shall be subject to Board Approval.
 2. Board-approved requests for refund shall be forwarded to the Accounting Department for their appropriate action.

3. Only licensees who are clear of all financial obligations with PAGCOR are entitled to a refund.
4. All original copies of the License to Operate & Certificate of Accreditation must be surrendered to the OGLD prior to the release of refund of the Performance Bond.

Section 9. Permit to Possess

1. The Permit to Possess (PTP) is required from POGO Licensees with or Service Providers which operates a Live Studio Set-up. The certificate is issued by PAGCOR to allow the licensees to possess gaming equipment and paraphernalia.
2. The PTP is site specific and is issued for the operating site where the gaming tables, gaming equipment and/or gaming paraphernalia is located. Thus, gaming tables, equipment, and/or paraphernalia must be located only in one address as specified in the Permit to Possess.
3. The Service Provider housing the gaming tables must be properly accredited as a Live Studio Set-up or Data/Content Streaming Provider. Otherwise, the service provider must apply for additional accreditation.
4. This PTP is in the amount of US\$ 100,000.00 which is coterminous with the license or accreditation and may be renewed thereafter. However, the validity of the PTP is dependent on the validity of the accreditation or license of its holder.
5. Once the license or accreditation is expired or revoked, the POGO Licensee or Service Provider may request for a Grace Period or an extension of the PTP only for the purpose of decommissioning and/or disposing the gaming tables, equipment and/or paraphernalia.

Section 10. Proof of Payment

Proof of payment must be surrendered to OGLD within 30 days from payment, together with a copy of the deposit notice issued to the applicant. This forms part of the requirement for applications for licenses or accreditation.

- A. Only original copy of proof of payment containing the following pertinent information is acceptable:
 1. Date of Payment;
 2. Amount Paid;
 3. Bank's Validation;
 4. Name of Payee; and
 5. Description/Particulars of the payment.

- B. All fees indicated in this regulation are non-refundable.
- C. For Bank Wire Money transfer, acknowledgement of the receiving bank is necessary. Mere order/proof of transfer or application for payment will not be accepted.
- D. Proof of payment does not guarantee approval of license nor does it represent the license.

Section 11. Regulatory Fee

A. Computation

A third party audit platform determines the Gross Gaming Revenue (GGR) of all the licensees. GGR is computed as:

$$\text{GGR} = \text{Total Bets} - \text{Total Payouts}$$

2% of the GGR of POGOs with E-casino and Sportbetting licenses, and 1.5% for POGOs with license for Sportsbetting on Regulated Wagering Events will be remitted to PAGCOR monthly as regulatory fee. Due date for the collection of regulatory fee shall be every 15th of the succeeding month. Unsettled dues and/or outstanding balances are subject to imposition of daily interest until full settlement thereof.

B. Minimum Guarantee Fee (MGF)

POGO Licensees shall pay the billed regulatory fee or a Minimum Guarantee Fee (MGF) per each type of license (\$150,000.00 for E-casino, \$40,000.00 for Sportsbetting and \$40,000.00 Sportsbetting for Regulated Wagering Events) per month, whichever is higher.

Section 12. Shipment Clearance Fee

A shipment processing fee of One Thousand Pesos (Php 1,000.00) shall be charged to the applicant for each Shipment Clearance Request to cover for the administrative costs during evaluation and preparation of all documentary requirements.

REGULATION 7. THIRD-PARTY AUDIT PLATFORM

The awarded third-party intermediary/audit platform shall be responsible for the auditing of the offshore gaming systems of POGO Licensees and accredited Service Providers. It is tasked to report the total Gross Gaming Revenue (GGR) generated and corresponding regulatory fee to be settled by each POGO Licensee and/or Service Provider.

Section 1. Reportorial Procedure

- A. The third-party intermediary/audit platform shall submit a report on each of the POGO Licensee's total GGR and corresponding regulatory fee.
- B. The submitted report shall be evaluated and processed pursuant to existing accounting and auditing rules and regulations.
- C. A corresponding Billing Statement shall be issued to all POGO Licensees. For billing and collection procedure, please refer to Regulation 6, Section 4 of this Manual.

Section 2. Protests and Resolution

- A. For cases when there is a protest on the billed regulatory fee, please refer to Regulation 6, Section 4(D) of this Manual.
- B. As a general rule, any protest will be left with the third party auditor, the protesting Operator, and the audit monitoring team.
- C. If the parties involved do not reach any agreement, the matter will be elevated to the Board for final resolution.
- D. Any decision of the Board resolving disputes on regulatory fee shall be deemed final and executory.

REGULATION 8. INSPECTION PROCEDURE

As provided for in Regulations 2 and 5 of this Manual, applicants for Offshore Gaming License or Service Provider Accreditation must satisfy the operational requirement which provides for the inspection to be conducted by the OGLD to determine if in fact the operator or the service provider is ready to start its operations.

The OGLD shall conduct two (2) types of site inspection:

- A. Pre-operational inspection – refers to the inspection conducted by the OGLD-FOCAS to verify all information declared by an applicant. This inspection is specific for new applicants. Recommendation arising from the pre-operational inspection shall be the basis for the issuance of a Notice to Commence Operations by the OGLD; and
- B. Regulatory inspection – refers to the inspection conducted by the OGLD-FOCAS and/or the PAGCOR Monitoring/Inspection Team in the exercise of the former's regulatory authority. This may be conducted any time after the grant of the Offshore Gaming License to confirm legality of the conduct of offshore gaming operations.

Section 1. General Procedures

During the conduct of the inspection, the POGO Licensee/Service Provider shall adhere to the following provisions:

- A. Must allow the inspection of all their sites at any time upon request of the inspection team;
- B. Must designate at least one (1) authorized representative who will assist the inspection team in the conduct of the inspection and is capable to answer all queries of the inspection team regarding the conduct of its offshore gaming operations;
- C. Must provide full access to all rooms/offices to the inspection team;
- D. Must present documents relating to their offshore gaming operations as may be required by the inspection team;
- E. Must allow the taking of pictures by the inspection team of the premises, machines and equipment;
- F. PAGCOR, under its visitorial rights, may conduct the following at any time:
 - 1. Inspect the premises, machines and equipment used for or in support to the offshore gaming operations;
 - 2. Confirm the offshore gaming operations conducted by the POGO Licensee as against the type of license granted to them; and
 - 3. Confirm the veracity of the declared services offered by the Service Provider to the POGO Licensee.

Section 2. Purpose for Regulatory Inspection

- A. *Renewal of License/Accreditation* – The conduct of regulatory inspection is a requirement for applications for renewal of Offshore Gaming License and Service Provider Accreditation;
- B. *Cancelled Address* – This refers to the site/s abandoned by the POGO Licensee/Service Provider due to change of address. The inspection team must confirm if the site is indeed non-operational;
- C. *Additional Address* – This refers to site/s in addition to previously registered site/s of the POGO Licensee/Service Provider. The inspection team must inspect the operations conducted on the additional site as against the functions authorized for the license or accreditation granted to the POGO Licensee or Service Provider;
- D. *Authorized Functions* – If there is a need to confirm the type of operations being conducted in a specific site, the inspection team must visit the site in question and check the operations against the functions authorized for the license or accreditation granted to the POGO Licensee or Service Provider; and
- E. Any other reason as may be deemed necessary by OGLD.

Section 3. Responsibility of the Inspection Team

The OGLD-FOCAS and/or PAGCOR Monitoring/Inspection Team shall adhere to the following provisions to ensure integrity of the inspection procedure:

- A. Must present Inspection Itinerary duly signed by the Senior Manager – OGLD to the authorized representative;
- B. Must wear their PAGCOR IDs during the conduct of their inspection;
- C. Must dutifully note findings gathered during the inspection and properly recommend course of action to be taken by the OGLD. Accordingly, operational licensees must be recommended for integration. Otherwise, non-operational licensees must be scheduled for another inspection; and
- D. Must keep confidential and not divulge or use for any purpose other than to monitor operational activities of POGO Licensee/Service Provider, all findings gathered during the inspection, including, but not limited to, pictures, information provided by the authorized representative/s, copies of documents, among others.

Additional personnel may also be assigned to inspect site addresses provided their names are included in the Inspection Itinerary.

Section 4. Post-Inspection Procedure

- A. Upon conclusion of the inspection, the authorized representative shall sign the Inspection Form to attest to the inspection conducted by the team.
- B. The inspection team must draft a Report of Findings with Recommendation addressed to the AVP, OGLD not later than seven (7) working days from date of inspection.
- C. For cases when there are noted discrepancies between current accreditation and actual operations, the inspection team must submit appropriate recommendation for approval/consideration of the AVP.
 - 1. Upon approval of recommendation, the Policy Development Department (PDD) of the OGLD must issue a *Notice for Compliance* to the POGO Licensee or Service Provider in view of the noted discrepancy as well as advise actions to be taken.
 - 2. The POGO Licensee or Service Provider must comply with the directives set forth in the *Notice* as well as with the Deposit Notice attached to the same, as the case may be.
 - 3. The OGLD-FOCAS and/or PAGCOR Inspection Team must monitor compliance within one (1) month upon issuance of the *Notice*. Report on the compliance of POGO Licensee/Service Provider must be submitted by the inspection team to the AVP.
- D. For other cases needing compliance by the POGO Licensee/Service Provider, OGLD must issue a *Notice for Compliance* to the former. OGLD must likewise monitor compliance within one (1) month upon issuance of the *Notification*. Report on the compliance of POGO Licensee/Service Provider must be submitted by the inspection team to the AVP.

REGULATION 9. RESPONSIBLE GAMING

The POGO Licensee shall institute a Responsible Gaming Program in accordance with PAGCOR's Responsible Gaming Code of Practice.

REGULATION 10. ANTI-MONEY LAUNDERING

All POGO Licensees and accredited Service Providers shall comply with the provisions set forth in the Casino Implementing Rules and Regulations of Republic Act No. 10927.

Accordingly, they shall comply with documentary requirements as may be required by the Anti-Money Laundering Council, and its equivalent regulating unit in PAGCOR, such as but not limited to a Money Laundering Prevention Program (MLPP).