

FOURTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
Third Regular Session)

9 OCT -7 P4:15

SENATE

S. No. 3476

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Introduced by Senator Manuel "Lito" M. Lapid

EXPLANATORY NOTE

The passage of Republic Act (R.A.) No. 9487 on June 10, 2007 which amended Presidential Decree (P.D.) No. 1869 extended the corporate life of PAGCOR for another 25 years. Apart from the extension of its corporate life, PAGCOR was allowed to enter into joint venture agreement, among others. In furtherance thereof, PAGCOR had invited interested proponents to submit application to qualify for PAGCOR license to operate integrated casino-entertainment complexes within the Bagong Nayong Pilipino Entertainment City Manila along Manila Bay in Paranaque City.

PAGCOR envisions developing the Entertainment City as a world class, self-contained family oriented entertainment and gaming complex which offers complete facilities for total entertainment, leisure and gaming experience.

The Entertainment City is expected to increase the influx of tourists in the country. This objective is responsive to the national development goals of the government specifically on the promotion of tourism in the country, which is one of the objectives in the Medium Term Philippine Development Plan for 2004 – 2010. Aside from the favorable effect on the tourism industry, the Entertainment City would also generate substantial employment and additional revenues to the national government.

To maintain the trust and confidence of the investors and to ensure continuity in the above-discussed project which already started, the need to fix the terms of office of the members of PAGCOR Board of Directors, its Chairman and Chief Executive Officer, and President and Chief Operating Officer becomes imperative. PAGCOR's vision to be a catalyst for economic growth and national development with gain headway if there is continuity in its thrusts and programs.

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


MANUEL "LITO" M. LAPID
Senator

FOURTEENTH CONGRESS OF THE REPUBLIC)
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OFFICE OF THE SECRETARY

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AN ACT

FURTHER AMENDING PRESIDENTIAL DECREE NO. 1869, AS AMENDED BY REPUBLIC ACT NO. 9487, EXPRESSLY PROVIDING THE TERM OF OFFICE FOR THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER, PRESIDENT AND CHIEF OPERATING OFFICER AND OTHER MEMBERS OF THE BOARD OF DIRECTORS OF THE PHILIPPINE AMUSEMENT AND GAMING CORPORATION (PAGCOR)

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

SECTION 1. Section 6 of Presidential Decree No. 1869, as amended by Republic Act No. 9487 is hereby amended to read as follows:

"SEC. 6. [Board of Directors] BOARD OF DIRECTORS, CHAIRMAN, AND PRESIDENT OF PAGCOR – [The Corporation shall be governed and its activities be directed, controlled and managed by a Board of Directors, hereinafter referred to as the Board, composed of five (5) members, three (3) of whom shall come from the Government sector and shall be appointed by the President, while the other two (2) shall be from the private sector who own at least one (1) share of stock in the Corporation and who shall be elected by the stockholders in the annual general meeting or in a special meeting called for such purpose.] PAGCOR SHALL BE GOVERNED AND ITS ASSETS, BUSINESSES, OPERATIONS, AND OTHER ACTIVITIES, EITHER AS A CORPORATE OR REGULATORY BODY SHALL BE DIRECTED OF BY A BOARD OF DIRECTORS, HEREINAFTER REFERRED TO AS THE BOARD, COMPOSED OF FIVE (5) MEMBERS, THREE (3) OF WHOM SHALL BE FROM THE GOVERNMENT SECTOR, WHO SHALL BE APPOINTED BY THE PRESIDENT OF THE PHILIPPINES; AND TWO (2) OF WHOM SHALL BE FROM THE PRIVATE SECTOR, WHO OWN AT LEAST ONE

(1) SHARE OF STOCK AND WHO SHALL BE ELECTED BY THE STOCKHOLDERS IN THE ANNUAL GENERAL MEETING OR IN A SPECIAL MEETING CALLED FOR SUCH PURPOSE.

"Each Director shall serve for a term of [one (1) year] THREE (3) YEARS and until his successor shall have been duly appointed and qualified.

"THE CHAIRMAN OF THE BOARD OF PAGCOR, HEREINAFTER REFERRED TO AS THE CHAIRMAN, SHALL BE ITS CHIEF EXECUTIVE OFFICER. HE SHALL BE APPOINTED BY THE PRESIDENT OF THE PHILIPPINES FOR A FIXED TERM OF SEVEN (7) YEARS UNLESS SOONER REMOVED FOR CAUSE. HE MAY BE REAPPOINTED FOR ANOTHER TERM OF SEVEN (7) YEARS, PROVIDED THAT NO INDIVIDUAL SHALL BE REAPPOINTED AS CHAIRMAN OF THE BOARD MORE THAN ONCE.

"IN THE EVENT OF DEATH, RESIGNATION, OR REMOVAL OF THE CHAIRMAN OF PAGCR DURING HIS TERM OF OFFICE, HIS SUCCESSOR SHALL ONLY SERVE THE REMAINING TERM OF THE DECEASED, RESIGNED, OR REMOVED CHAIRMAN.

"THE CHAIRMAN OF PAGCOR AT THE TIME OF THE EFFECTIVITY OF THIS ACT, WHO IS CONCURRENTLY ITS CHIEF EXECUTIVE OFFICER, SHALL CONTINUE TO HOLD THE POSITIONS OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER FOR A NEW TERM OF SEVEN (7) YEARS, UNLESS HE IS REPLACED BY THE PRESIDENT OF THE PHILIPPINES WITHIN A PERIOD OF NINETY (90) DAYS IMMEDIATELY FOLLOWING THE EFFECTIVITY OF THIS ACT. HE SHALL NOT, HOWEVER, BE ELLIGIBLE FOR REAPPOINTMENT.

"PAGCOR SHALL HAVE A PRESIDENT WHO SHALL BE APPOINTED BY THE PRESIDENT OF THE PHILIPPINES FOR A TERM OF SEVEN (7) YEARS UNLESS REMOVED FOR CAUSE. THE PRESIDENT SHALL NOT BE ELIGIBLE FOR REAPPOINTMENT. HE SHALL BE A MEMBER OF THE BOARD OF DIRECTORS AND THE CHIEF OPERATING OFFICER OF PAGCOR.

“IN THE EVENT OF DEATH, RESIGNATION, OR REMOVAL OF THE PRESIDENT OF PAGCOR DURING HIS TERM OF OFFICE, HIS SUCCESSOR SHALL ONLY SERVE THE REMAINING TERM OF THE DECEASED, RESIGNED OR REMOVED PRESIDENT.

SEC. 2. *Repealing Clause.* - All laws, decrees, executive orders, rules and regulations or parts thereof not consistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 3. *Separability Clause.* - If any provision or part of this Act, or the application thereof to any person or circumstance, is held unconstitutional or invalid, the remainder of this Act shall not be affected thereby.

SEC. 4. *Effectivity Clause.* - This Act shall take effect fifteen (15) days from the date of its complete publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,