

SIXTEENTH CONGRESS OF THE REPUBLIC )  
OF THE PHILIPPINES )  
First Regular Session )



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SENATE  
S. No. **1747**

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Introduced by Senator Miriam Defensor Santiago

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#### EXPLANATORY NOTE

Gambling has been described as a bane to the welfare of the people. Instead of saving his few pesos for his necessities, Juan dela Cruz is often tempted to part with his precious money and gamble them away in *masiao*, *jueteng*, and other illegal games of chance.

This vice has already been modernized. It can now be found in the internet, the information superhighway to which millions of people are hooked. As even minors traverse the sites of the World Wide Web, the possibility of kids being enticed to gamble is high because of the tempting prizes that are awarded, like vacation trips, computers, cars, and even cash. Indeed, one can never know if the gambling site is just a scam to milk money out of the victim.

At present, there are no regulations on the Internet concerning gambling. It is up to each country to form their own laws prohibiting or regulating Internet gambling within their own jurisdictions.

This bill seeks to prohibit internet gambling to protect the citizens of our country from the cheats preying on people easily lured by the promises of beautiful gifts and large amounts of money.\*

*Miriam Defensor Santiago*  
MIRIAM DEFENSOR SANTIAGO  
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\* This bill was originally filed during the Thirteenth Congress, First Regular Session.



13 OCT -2 AM 16

SENATE  
S. No. 1747

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Introduced by Senator Miriam Defensor Santiago

1 AN ACT  
2 PROHIBITING INTERNET GAMBLING

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

3 SECTION 1. *Short Title.* – This Act may be cited as the “Internet Gambling Prohibition  
4 Act.”

5 SECTION 2. *Definition of Terms.* – As used in this Act, the term:

6 (A) “Bets or wagers” means the staking or risking by any person of money, articles of  
7 value or representative of value upon the outcome of a contest of others, a sporting event, or any  
8 game or scheme, whether upon chance or skill, upon an agreement or understanding that the  
9 person or another person will receive something of value based on that outcome. The term  
10 includes the purchase of a chance or opportunity to win a lottery or other prize, which  
11 opportunity to win is predominantly subject to chance; and any scheme of a type described in  
12 Presidential Decree No. 1602.

13 The term does not include does not include a *bona fide* business transaction governed by  
14 the securities laws for the purchase or sale at a future date of securities, as that term is defined in  
15 our securities laws; contract of indemnity or guaranty; or a contract for life, health, or accident  
16 insurance.

17 (B) “Closed-loop subscriber-based service” means

18 (1) Any information service or system that uses a device or combination of  
19 devices expressly authorized and operated in accordance with our laws,  
20 exclusively for placing, receiving, or otherwise making a bet or wager; and  
21 by which a person located within Philippine jurisdiction must subscribe to

1 be authorized to place, receive, or otherwise make a bet or wager, and must  
2 be physically located within Philippine jurisdiction in order to be authorized  
3 to do so;

4 (2) An effective consumer verification and age verification system, expressly  
5 authorized and operated in accordance with our laws, in which jurisdiction it  
6 is located, to ensure that all applicable legal and regulatory requirements for  
7 lawful gambling are met; and

8 (3) Appropriate data security standards to prevent unauthorized access by any  
9 person who has not subscribed or who is a minor.

10 (C) "Foreign jurisdiction" means a jurisdiction of foreign country or political  
11 subdivision thereof.

12 (D) "Gambling business" means a business that is conducted at a gambling  
13 establishment, or that:

14 (1) Involves the placing, receiving, or otherwise making of bets or wagers; or  
15 the offering to engage in the placing, receiving, or otherwise making of bets  
16 or wagers;

17 (2) Involves one (1) or more persons who conduct, finance, manage, supervise,  
18 direct, or own all or part of such business; and

19 (3) Has been or remains in substantially continuous operation for a period in  
20 excess of ten (10) days or has a gross revenue of Twenty Thousand Pesos  
21 (P20,000.00) or more from such business during any 24-hour period.

22 (E) "Information assisting in the placing of a bet or wager" means information that is  
23 intended by the sender or recipient to be used by a person engaged in the business of betting or  
24 wagering to accept or place a bet or wager.

25 The term does not include

26 (1) information exchanged exclusively between or among one (1) or more  
27 wagering facilities that are located within the country and are licensed and  
28 regulated by our laws, and any support service, wherever located, if the

1 information is used only for the pooling or processing of bets or wagers  
2 made by or with the facility or facilities under applicable law;

3 (2) any news reporting or analysis of wagering activity, including odds, racing  
4 or even results, race and event schedules, or categories of wagering; or

5 (3) any posting or reporting of any educational information on how to make a  
6 bet or wager or the nature of betting or wagering.

7 (F) "Interactive computer service" means any information service, system, or access  
8 software provider that uses a public communication infrastructure or operates in interstate or  
9 foreign commerce to provide or enable computer access by multiple users to a computer server,  
10 including specifically a service or system that provides access to the Internet.

11 (G) "Internet" means the international computer network of interoperable packet  
12 switched data networks.

13 (H) "Person" means any individual, association, partnership, joint venture, corporation,  
14 State or political subdivision thereof, or any other government, organization or entity, including  
15 any governmental entity.

16 (I) "Private network" means a communications channel or channels, including voice  
17 or computer data transmission facilities, that use either --

18 (1) Private dedicated lines; or

19 (2) The public communications structure, if the infrastructure is secured by  
20 means of the appropriate private communications technology to prevent  
21 unauthorized access.

22 (J) "Subscriber" means any person with a business relationship with the interactive  
23 computer service provider through which such person receives access to the system, service or  
24 network of that provider, even if no formal subscription agreement exists; and includes  
25 registrants, students who are granted access to a university system or network, and employees  
26 who are granted access to the system or network of their employer.

1 SECTION 3. *Gambling Businesses Prohibition.* – Subject to the provisions of Section 4,  
2 it shall be unlawful for a person engaged in a gambling business to use the Internet or any other  
3 interactive computer service to –

- 4 (A) Place, receive, or otherwise make a bet or wager; or
- 5 (B) Send, receive, or invite information assisting in the placing of a bet or wager.

6 SECTION 4. *Applicability.* –

7 (A) *In General.* – The prohibition in Section 3 shall not apply to –

8 (1) Any otherwise lawful bet or wager that is placed, received or otherwise  
9 made wholly for the Philippine Charity Sweepstakes Office lotto, if

- 10 (a) Each such lotto is expressly authorized, and licensed or regulated,  
11 under applicable law;
- 12 (b) The bet or wager is placed on an interactive computer service that  
13 uses a private network; and
- 14 (c) Each person placing or otherwise making the bet or wager is  
15 physically located when such bet or wager is placed at a facility that  
16 is open to the general public;

17 (2) Any otherwise lawful bet or wager that is placed, received, or otherwise  
18 made on an intrastate basis on a live horse race, or the sending, receiving, or  
19 inviting of information assisting in the placing of such bet or wager, if such  
20 bet or wager, or the transmission of such information, as applicable, is –

- 21 (a) Expressly authorized, and licensed or regulated by applicable laws;
- 22 (b) Placed on a closed-loop subscriber-based service; and
- 23 (c) Subject to the regulatory oversight and minimum standards for the  
24 accounting, regulatory inspection, and auditing of all such bets or  
25 wagers transmitted;

26 (B) *Inapplicability to Bets or Wagers Made by Agents or Proxies.* – Paragraph (A)(1)  
27 does not apply in any case in which a bet or wager is placed, received, or otherwise made by the  
28 use of an agent or proxy using the Internet or an interactive computer service.

1           SECTION 5. *Interactive Computer Service Providers.* -

2           (A) *Eligibility.* – For the purposes of this section, an interactive computer service  
3 provider is described in this paragraph only if the provider has established and reasonably  
4 implements a policy that provides for the termination of the account of a subscriber of the service  
5 system or network of the provider upon the receipt by the provider of a notice described in  
6 Section 5 (D).

7           (B) *Use of Facilities or Services.* – Nothing in this law may be construed to impose,  
8 or to provide any basis for, liability against an interactive computer service provider described in  
9 paragraph (A) whose facilities or services are used by another person to engage in an activity  
10 prohibited by that Section –

11           (1) Arising out of any transmitting, routing, or providing of connections for the  
12 material or activity including intermediate and temporary storage in the  
13 course of such transmitting, routing, or providing connections by the  
14 provider, if –

15           (a) The material or activity was initiated by or at the direction of a  
16 person other than the provider;

17           (b) The transmitting, routing, or providing of connections is carried out  
18 through an automatic process without selection of the material or  
19 activity by the provider;

20           (c) The provider does not select the recipients of the material or activity,  
21 except as an automatic response to the request of another person; and

22           (d) The material or activity is transmitted through the system or network  
23 of the provider without modification of its content; or

24           (2) With respect to material or activity at an online site residing on a computer  
25 served owned, controlled, or operated by or for the provider, unless the  
26 provider fails to comply within a reasonable time with a notification under  
27 section 5, paragraph (4) with respect to the particular material or activity at  
28 issue.

1 (C) *Protection of Privacy.* – Nothing in this section may be construed to impose or  
2 authorize an obligation on an interactive computer service provider, described in paragraph (A),  
3 to –

- 4 (1) Monitor material or use of its service; or
- 5 (2) Except as required by an order of the court, to gain access to, or remove, or  
6 to disable access to material in any case in which such conduct is prohibited  
7 by law.

8 (D) *Notice to Interactive Computer Service Providers.* –

9 (1) *In General.* – If an interactive computer service provider receives from a  
10 law enforcement agency, acting within its jurisdiction, a written or  
11 electronic notice described in subparagraph (D)(2) that a particular online  
12 site residing on a computer server owned, controlled, or operated by or for  
13 the provider is being used to violate any provisions of this Act, the provider  
14 shall not be liable if, in a reasonably expeditious manner –

- 15 (a) The provider removes or disables access to the material or activity  
16 residing at that online site that allegedly violates this Act; or
- 17 (b) If the provide does not own, operate or control the site at which the  
18 subject material or activity resides, the provider notifies a law  
19 enforcement agency of recipient of such notice; and, upon receipt of  
20 a subpoena, the provider will cooperate with the law enforcement  
21 agency in identifying the person or persons who control the site.

22 (2) *Notice.* – A notice is described in this subparagraph if it –

- 23 (a) Identifies the material or activity that allegedly violates this Act;
- 24 (b) Provides information reasonably sufficient to permit the provider to  
25 locate the material or activity;
- 26 (c) Is supplied to any agent of a provider, if information regarding such  
27 designation is readily available to the public; and
- 28 (d) Provides information that is reasonably sufficient to permit the  
29 provider to contact the law enforcement agency that issued the notice,

1 including the name of the law enforcement agency; and the  
2 name and telephone number of an individual to contact at the law  
3 enforcement agency, and, if available, the electronic mail address of  
4 that individual.

5 SECTION 6. *Penalties.* – A person who violates any provisions of this Act shall be  
6 punished with a fine in an amount equal to not more than the greater of the amount that such  
7 person received in bets or wagers as a result of engaging in that business in violation of this Act  
8 or Two Hundred Thousand Pesos (P200,000.00), or imprisonment of not less than one (1) year  
9 but not more than four (4) years, or both, at the discretion of the court, taking into consideration  
10 the relevant circumstances of the case.

11 SECTION 7. *Separability Clause.* – If any provision or part hereof is held invalid or  
12 unconstitutional, the remainder of the law or the provision not otherwise affected shall remain  
13 valid and subsisting.

14 SECTION 8. *Repealing Clause.* – Any law, presidential decree or issuance, executive  
15 order, letter of instruction, administrative order, rule, or regulation that is contrary to or  
16 inconsistent with the provision of this Act is hereby repealed, modified, or amended accordingly.

17 SECTION 9. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its  
18 publication in at least two (2) newspapers of general circulation.

Approved,