NINETEENTH CONGRESS OF THE PHILIPPINES REPUBLIC OF THE PHILIPPINES

First Regular Session

S. B. No. <u>63</u>



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INTRODUCED BY SENATOR ALAN PETER "COMPAÑERO" S. CAYETANO

AN ACT

PROHIBITING ONLINE GAMBLING, PENALIZING THE PLACING OF WAGERS OR BETS THROUGH THE INTERNET OR ANY FORM OF ONLINE GAMBLING ACTIVITIES, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

"Wealth gained hastily will dwindle, but whoever gathers little by little will increase it."

1 Timothy 6:10

Given that many Filipino workers make much less than what their family needs, online gambling operators prey on their desperation to make ends meet. The pull of gambling, especially over the internet, makes it more alluring for our *kababayan* who cannot help but engage in such activities desperately hoping to immediately win large sums of money. For those engaging in such activities, many risks and problems come about due to losing money again and again. With the advent of the internet, the risk of losing money is aggravated even more since there is practically unlimited access to gambling via bets through the online medium.

Online gambling platforms such as *e-sabong*, have demonstrated how it can destroy the moral fiber of our nation. While *e-sabong*, for a time, has been a way for the government to generate income, earning revenues should not come at the cost of exposing our countrymen, especially minors, to activities which elicit addictive behavior and which are associated with elevated rates of crimes, vices and mental health and financial problems.

Thirty-four individuals linked to *e-sabong* activities have gone missing, leaving their families in fear and despair. Some are also compelled to do drastic acts even to their families to cope with debts associated with gambling. There have been anecdotes of minors, with the help of others, being able to set up *e-sabong* accounts. Even more alarming were the reports of a 22-year-old mother who sold her eightmonth-old baby for Php 45,000 so she could settle her debts due to online sabong. There is also the case of a father who committed suicide when he could not pay the Php 600,000 debt he owed due to *e-sabong*, leaving behind his two young children.

https://www.cnnphilippines.com/news/2022/2/24/Pagcor-Senate-e-sabong.htm

² https://businessmirror.com.ph/2022/03/08/gcash-cant-stop-e-sabong-users-pagcor-asked-to-do-so/

³ https://manilastandard.net/news/national/371030/lacson-alarmed-over-gambling-related-suicide.html

The World Health Organization (WHO) has consistently warned that addictive behaviors, like gambling, have devastating effects on individuals, families and their communities and have enormous socioeconomic impacts at national and global levels. Easier access to gambling through online platforms has only exacerbated this problem. Instead of promoting financial success, gambling has destroyed lives, families, and communities. While the government is able to gain a few billions of revenues per year, thousands of our countrymen, many of whom are poor, spend trillions of pesos on gambling.⁴

Apart from financial harm, there is a growing body of research linking gambling to mental health problems, particularly to higher rates of depression, increased risk of suicide ideation and attempts, and higher anxiety. The gambling-related burden of harm was 2.5 times more than diabetes and 3.0 times more than drug use disorder. Gambling disorder (then referred to as pathological gambling) has in fact been included in the WHO's International Statistical Classification of Diseases and Related Health Problems since 1975. In addition, studies have shown strong associations between gambling and substance use: at-risk and problem gamblers had higher rates of tobacco, alcohol, and drug use. ⁶

Problem gambling is statistically significantly associated with elevated rates of crime. Gambling can be penetrated by criminal organizations, and in the case of gambling addiction, can provoke criminal activity. As access to money becomes more limited, gamblers often resort to crime in order to pay debts, appeare debtors, maintain appearances, and garner more money to gamble.⁷

In May 2022, President Rodrigo Roa Duterte heeded the call of the people to suspend the operation of *e-sabong* in our country as it goes against our values as a nation. Although this has been suspended, we believe it is imperative that we remain vigilant in ensuring that this evil does not return.

It is our moral obligation to prevent the disintegration of our values as a people. More importantly, it is our duty as God-fearing people to raise future generations in a morally upright environment, and to protect them from the evils and dangers that come with gambling, greed, and all the other vices that go along with it.

For these reasons, the swift passage of the foregoing measure is earnestly sought.

ALAN PETER "COMPAÑERO" S. CAYETANO

 $^{^4} https://www.who.int/teams/mental-health-and-substance-use/alcohol-drugs-and-addictive-behaviours/adab-forum\\$

⁵https://www.who.int/docs/default-source/substance-use/the-epidemiology-and-impact-of-gambling-disorder-and-other-gambling-relate-harm.pdf

 $^{^6} https://www.who.int/docs/default-source/substance-use/the-epidemiology-and-impact-of-gambling-disorder-and-other-gambling-relate-harm.pdf$

⁷ National Academies of Sciences, Engineering, and Medicine. 1999. Pathological Gambling: A Critical Review. Washington, DC: The National Academies Press. https://doi.org/10.17226/6329.

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

SECTION 1. Short Title. – This Act shall be known as the "Anti-Online Gambling Act".

SECTION 2. Declaration of Policy. – It is the policy of the State to promote a just and dynamic social order that will ensure the prosperity and independence of the nation. Through policies that provide adequate social services, promote full employment, and a commitment to create economic opportunities, the State shall free the people from poverty.

The 1987 Constitution states that workers shall be entitled to security of tenure, humane conditions of work, and a living wage. They have the right to be treated with dignity. Towards this end, the State shall adopt measures to eliminate and prohibit all forms of online gambling activities as it undermines the value of an individual's dignified work by allowing reckless and risky expenditures at the possibility of instant monetary gain which have led many Filipinos to experience dire financial situations.

SECTION 3. Definition of Terms. – For purposes of this Act, the following terms are hereby defined as follows:

- a.) "Internet" refers to an international computer network of interoperable packet switched data networks. It includes the electronic medium in which online communication takes place.
- b.) "Bet" or "Wager" refers to taking or risking by any person of something of value upon the outcome of a contest of others, a sporting event, or a game subject to chance, upon an agreement or understanding that the person or another person will receive something of value in the event of a certain outcome.

c.) "Internet Gambling" or "Online Gambling" refers to placing, receiving, or otherwise knowingly transmitting a bet or wager by any means which involves the use, at least in part, of the Internet.

SECTION 4. Prohibition on Online Gambling and similar acts. – Any person who shall place, receive, or otherwise knowingly transmit a bet or wager by any means which involves the use, at least in part, of the internet, shall be punished by an imprisonment ranging from one (1) month to six (6) months or a fine of not less than One Hundred Thousand Pesos (Php 100,000.00) nor more than Five Hundred Thousand Pesos (Php 500,000.00) at the discretion of the court.

If the offender is a corporation or association, the maximum penalty of five (5) years and the fine of Five Hundred Thousand Pesos (Php 500,000.00) shall be imposed upon the President, Director, Manager or Managing partners thereof.

If the offender is a public officer or employee, or if a public officer or employee promotes or encourages online gambling, the maximum penalty prescribed for the offense shall be imposed and, in addition, he shall be dismissed from the public service and perpetually disqualified from holding any public office, to vote and to participate in any election.

SECTION 5. Repeal of Authority to Regulate Online Gambling. – All laws, decrees, executive orders, rules and regulations, which are interpreted to give legal authority to regulate any forms of online gambling are hereby repealed.

SECTION 6. Implementing Rules and Regulations. – Within thirty (30) days from the approval of this Act, the Secretary of the Department of the Interior and Local Government and the Secretary of the Department of Justice shall jointly promulgate the rules and regulations for the effective implementation of this measure.

SECTION 7. Repealing Clause. – All laws, decrees, executive orders, rules and regulations or parts thereof contrary to, or inconsistent with this Act are hereby modified or repealed accordingly.

SECTION 8. Effectivity. – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in any newspaper of general circulation.

Approved,