

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



SENATE

P. S. RES. NO. 225

Introduced by Senator JOEL VILLANUEVA

RESOLUTION

DIRECTING THE COMMITTEE ON WAYS AND MEANS AND OTHER APPROPRIATE COMMITTEE/S OF THE SENATE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION ON THE REVENUES GENERATED BY THE GOVERNMENT FROM PHILIPPINE OFFSHORE GAMING OPERATORS (POGOS) VIS-À-VIS THE SOCIAL COSTS ATTENDANT TO THE OPERATION OF POGOS IN THE COUNTRY

WHEREAS, offshore gaming gained popularity in the Philippines in 2016, in response to which, the Philippine Amusement and Gaming Corporation (PAGCOR) issued Rules and Regulations covering the Philippine offshore and gaming operations (POGO) industry;¹

WHEREAS, in view of the need to balance the necessity to regulate POGOs as well as to identify an additional source of revenue for the country, in 2021, Republic Act No. 11590, or the taxation of POGOs, was passed into law. The law aims to generate revenues from offshore gaming operations through the imposition of five percent (5%) gaming tax on the gross gaming revenue or receipts derived from operations.² Earlier in 2020, the Bureau of Internal Revenue (BIR) stated in a Senate Committee hearing that POGOs owe around P50 Billion in taxes;³

¹ National Tax Research Center, Profile and Taxation of Philippine Offshore Gaming Operations, May to June 2019. Retrieved from <https://ntrc.gov.ph/images/journal/2019/j20190506a.pdf> (date last accessed: September 13, 2022).

³ February 12, 2020, POGOs' unpaid taxes hit P50 billion, PhilStar. Retrieved from: <https://www.philstar.com/headlines/2020/02/12/1992486/pogos-unpaid-taxes-hit-p50-billion> (date last accessed: September 17, 2022).

WHEREAS, according to Secretary Diokno, the country only collected around P3.9 billion from POGOs in 2021, down from a collection of P7.2 billion in 2020.⁴ He further stated that he is in favor of discontinued because of its social costs;⁵

WHEREAS, the proliferation of POGOs and the consequent influx of illegal foreign workers contributed to the rising number of crimes in the country. In 2018, the National Bureau of Investigation (NBI) arrested 114 Chinese nationals for illegal online gambling or related criminal activities.⁶ The Philippine National Police (PNP) likewise arrested 305 Chinese nationals in the same year for various criminal activities.⁷ In 2019, the Bureau of Immigration (BI) apprehended 276 foreign nationals, 252 of which were Chinese, for working without a proper visa or permit;⁸

WHEREAS, data from the PAGCOR shows that in December 2019, only 17.7% of workers in POGO establishments were Filipinos while 82.3% were foreigners, and around 37% of POGO establishments did not hire Filipino workers at all, some of which employed up to 4,000 foreign workers;⁹

WHEREAS, the Department of Labor and Employment (DOLE) previously released a statement in 2021, warning the public against the illegal recruitment by POGOs who promised to give attractive salary packages, also described by DOLE as a “slave trade.” Victims would be compensated lower than what was agreed upon, and if they refuse, they would be abducted, and their families will be contacted for ransom;¹⁰

WHEREAS, despite the regulation of the industry, in 2022, the Philippine Chinese Chamber of Commerce and Industry, Inc. (PCCCI) claimed that there had been fifty-six (56) kidnapping cases over the last ten (10) days; on the other hand, the Philippine National Police – Anti-Kidnapping Group stated that it has recorded twenty-seven (27) kidnapping cases nationwide from January to September 2022, with fifteen (15) cases considered POGO-related, 11 kidnap-for-ransom cases, and one (1) casino-related case;¹¹

WHEREAS, making rounds online is a video entitled “*kidnapping sa Skyway galing airport*,” wherein three (3) unidentified vehicles are seen surrounding another white vehicle in an elevated highway, as a footage of a robbery attempt in Taguig City, which the PNP clarified as a robbery hold-up with a Malaysian national as the victim;¹²

⁴ September 14, 2022, Pogo revenue slump blamed on ‘change in environment’ – Diokno, Inquirer.net. Retrieved from: <https://newsinfo.inquirer.net/1664036/pogo-revenue-drops-due-to-change-in-environment-diokno> (date last accessed: September 15, 2022).

⁵ September 15, 2022, Diokno: Let’s discontinue with Pogo because of social cost, Inquirer.net. Retrieved from: <https://newsinfo.inquirer.net/1664990/lets-discontinue-with-the-pogo-because-of-the-social-cost> (date last accessed: September 18, 2022).

⁶ Request of Senator Joel Villanueva to Conduct a Comprehensive Investigation and Crackdown on Illegal Foreign Workers in the Philippines. National Bureau of Immigration International Operation Division, January 16, 2019.

⁷ Recapitulation of Crime and Incidents Involving Foreign Nationals SY 2016-2018. Philippine National Police. March 9, 2019.

⁸ Compliance to the Requested Data during Senate Hearing Last February 21, 2019. Bureau of Immigration. March 14, 2019.

⁹ PAGCOR submission to the Office of Sen. Joel Villanueva dated January 27, 2020.

¹⁰ April 23, 2021, DOLE warns public vs illegal POGOs, Department of Labor and Employment. Retrieved from <https://www.dole.gov.ph/news/dole-warns-public-vs-illegal-pogos/> (date last accessed: September 14, 2022).

¹¹ September 9, 2022, POGO-related kidnap cases up by 25%, PhilStar Global. Retrieved from <https://www.philstar.com/nation/2022/09/09/2208369/pogo-related-kidnap-cases-25> (date last accessed: September 13, 2022).

¹² September 15, 2022, PNP addresses viral videos showing alleged kidnappings, other crimes, GMA News Online. Retrieved from <https://www.gmanetwork.com/news/topstories/nation/844957/pnp-addresses-viral-videos-showing-alleged-kidnappings-other-crimes/story/> (date last accessed: September 18, 2022).

WHEREAS, there is a need to determine whether the regulation of POGOs addressed the issue of criminality that came with the influx of POGOs and foreign workers, as in 2019, BI data shows that out of the 1,338 foreign nationals deported by the Bureau of Immigration, 733 are foreign fugitives, most of whom are involved in POGO operations;¹³


WHEREAS, while there has been an improvement in terms of number of Filipino workers in the POGO industry, there are still more foreign nationals employed therein, with 17,509 foreign workers (51.13%) and 16,736 Filipinos (48.87%) as of June 15, 2022;¹⁴

WHEREAS, there is an urgent need to determine the actions currently being undertaken by law enforcement agencies and other relevant stakeholders to address the rising number of criminal activities in the country;

WHEREAS, there is a further need to determine whether POGOs have contributed to the country, in terms of generation of local employment for Filipino workers, contribution to the country's Gross Domestic Product (GDP), and other contributions, if any, versus the costs of the conduct of their operations and the costs of the rising criminality in the country;

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF THE PHILIPPINES, that the Committee on Ways and Means, and other appropriate Committee/s of the Senate, conduct an inquiry, in aid of legislation, on the benefits derived by the country from the operation of POGOs, particularly its ineffectiveness in generating much-needed revenues needed to deliver government's services and programs vis-à-vis its social costs and negative impact to the Philippine society, including its effect of the safety and welfare of all Filipinos;

Adopted,


SENATOR JOEL VILLANUEVA

¹³ Bureau of Immigrations Submission to the Office of Sen. Joel Villanueva (2019-2020).

¹⁴ Department of Labor and Employment Submission to the Office of Sen. Joel Villanueva (2022).