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REPUBLIC OF THE PHILIPPINES )  
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SENATE

P. S. RES. NO. 67

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RECEIVED BY \_\_\_\_\_

Introduced by Senator JOEL VILLANUEVA 

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**RESOLUTION  
DIRECTING THE COMMITTEE ON LABOR, EMPLOYMENT  
AND HUMAN RESOURCES DEVELOPMENT AND OTHER  
APPROPRIATE SENATE COMMITTEE TO INQUIRE AND  
REVIEW, IN AID OF LEGISLATION, THE POLICY, MANDATES,  
MEASURES ADOPTED AND COORDINATION OF  
CONCERNED GOVERNMENT AGENCIES TO ADDRESS THE  
INFLUX OF ILLEGAL FOREIGN WORKERS, ESPECIALLY IN  
PHILIPPINE OFFSHORE GAMING OPERATORS (POGOs), AND  
ENSURE THE COUNTRY BENEFITS FROM POGOs AND  
RELATED ACTIVITIES OR SERVICES**

**WHEREAS**, Article 12, Section 12 of the 1987 Constitution provides that “[t]he State shall promote the preferential use of Filipino labor, domestic materials and locally produced goods, and adopt measures that help make them competitive;”

**WHEREAS**, Article 40 of Presidential Decree 442 or the Labor Code of the Philippines requires “[a]ny alien seeking admission to the Philippines for employment purposes and any domestic or foreign employer who desires to engage an alien for employment in the Philippines [to] obtain an employment permit from the Department of Labor;”

**WHEREAS**, as of February 2019, the Philippine Amusement Gaming Corporation (PAGCOR) has licensed 58 Philippine Offshore Gaming Operators (POGOs), 205 POGO service providers, and one special class of business process outsourcing (BPO) company. Unfortunately, data from the Bureau of Internal Revenue (BIR) paint a different picture, with BIR having knowledge of only 54 POGOs, of which only 15 are registered with BIR for the proper payment of taxes;<sup>1</sup>

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<sup>1</sup> Transcripts of Senate hearing on illegal foreign workers under the Committee on Labor, Employment and Human Resource Development dated February 21, 2019. Page 94.

**WHEREAS**, the BIR estimated that around Php 24 Billion a year or an average of Php 2 Billion per month worth of income taxes is uncollected from an estimated 100,000 Chinese employees working in POGOs;<sup>2</sup>

**WHEREAS**, according to the Bureau of Immigration (BI), 90% of the special work permits it issued were granted to foreigners who intend to work in POGOs, most of whom are Chinese nationals, while data from the Department of Labor and Employment (DOLE) show that 50.3% of alien employment permits were granted to Chinese nationals for the period 2015 to 2018;

**WHEREAS**, all the responsible government agencies and PAGCOR have no idea on the number of foreign employees, legal or not, in POGOs and related activities/services. According to PAGCOR, it does not require POGO employees to secure a Gaming Employment License, a license which it normally requires from employees of other casino operators. Unfortunately, when asked for the reason for the difference in treatment of employees of POGOs and related activities/services, PAGCOR cannot offer a justification. Since February 2019 when this was pointed out to PAGCOR, PAGCOR has not made any concrete plans to monitor these foreign employees, and only recently announced that it was "planning to issue gaming employees license (GEL) to workers of offshore gaming operators";<sup>3</sup>

**WHEREAS**, the proliferation of the POGOs and consequent influx of illegal foreign workers have contributed to the rising number of crimes in the country. According to the National Bureau of Investigation (NBI), it arrested 114 Chinese nationals for illegal online gambling or related criminal activities in 2018.<sup>4</sup> Meanwhile, PNP arrested 305 Chinese nationals in 2018, which constitutes more than half of the foreign workers apprehended by the PNP for criminal activities in that year.<sup>5</sup> The BI, for its part, apprehended 276 foreign nationals in 2019 for working without a proper visa or permit, of which 252 are Chinese nationals.<sup>6</sup> Aside from these, there have also been numerous accounts of foreigners blatantly committing crimes in the country, such as the reported murder and chopping up of a Chinese woman by four Chinese nationals inside a condominium in Makati,<sup>7</sup> and the assault of a Filipina inside

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<sup>2</sup> 2019, July 8. DOF, pogo firms reach deal on taxation of Chinese workers. Retrieved from: <https://business.inquirer.net/274175/dof-pogo-firms-reach-deal-on-taxation-of-chinese-workers> (date last accessed: July 22, 2019).

<sup>3</sup> 2019, July 13. PAGCOR approves two POGO hubs. Retrieved from: <https://www.philstar.com/business/2019/07/13/1934192/pagcor-approves-two-pogo-hubs> (date last accessed: July 21, 2019).

<sup>4</sup> 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.

<sup>5</sup> Recapitulation of Crime and incidents involving foreign nationals SY-2016-2018. Philippine National Police. March 9, 2019.

<sup>6</sup> Compliance to the Requested data during Senate Hearing last 21 February 2019. Bureau of Immigration. March 14, 2019.

<sup>7</sup> 23 November, 2018. Cops arrest 4 Chinese over gruesome killing in Makati Condo. Rappler.com. Retrieved from: <https://www.rappler.com/nation/217387-cops-arrest-chinese-gruesome-killing-makati-condominium>. (date last accessed: July 21, 2019)

a bar in Makati City by a 20-year old Chinese national working for an online gaming service provider.<sup>8</sup>

**WHEREAS**, the proliferation of POGOs have also sounded the alarm for heightened monitoring of financial activities to prevent the commission of fraud and money laundering activities;

**WHEREAS**, the proliferation of POGOs and the influx of illegal foreign workers in the country have also resulted in the spike in property prices in the country. According to Leechiu Property Consultants, rental rates in Metro Manila have increased from 46% to 156% from 2015 to the first half of 2019. In addition, 36% of the office space leased in Metro Manila for the first half of 2019 were rented by POGOs and related activities/services.<sup>9</sup> Leechiu Property Consultants also stated that 70% of new property tenants in the Bay Area (comprising of Manila, Pasay and Paranaque Cities) are Chinese nationals, outnumbering Filipino tenants at 25% and other nationalities at less than 5%. Developers are also clearing entire floors of residential buildings to accommodate the request of Chinese buyers.<sup>10</sup> Because of high demand from POGOs and related activities/services, other businesses, Filipino buyers and Overseas Filipino Workers (OFWs) are reportedly facing significant barriers in reserving or acquiring properties in Manila, such as the imposition of excessive interest rates and unreasonable requirements to reserve a property in Manila;<sup>11</sup>

**WHEREAS**, aside from PAGCOR, several economic zone authorities, such as Cagayan Economic Zone Authority (CEZA), Aurora Pacific Economic Zone (APECO) and Authority of the Freeport Area of Bataan (AFAB), have the authority to grant licenses to, among others, tourism-related activities, including games and amusements;

**WHEREAS**, since the hearings of the Committee on Labor, Employment and Human Resources Development in the 17<sup>th</sup> Congress on the subject, concerned agencies have reported various measures and coordination efforts to address the influx of illegal foreign workers in the country and guarantee that the appropriate taxes are collected from POGOs and related activities/services and their employees;

**WHEREAS**, the entry of illegal foreign workers in the country has continued. Just recently, it was reported that certain BI officials at Ninoy Aquino International Airport have an escort service for Chinese nationals who will allegedly work in illegal online gambling operations in the country;

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<sup>8</sup> 2018, December 22. "Chinese arrested for physical assault". Inquirer.net. Retrieved from: <https://news.mb.com.ph/2018/12/22/roundup-news-in-and-around-metro-manila-dec-22-2018/>. (date last accessed: July 21, 2019)

<sup>9</sup> 2019, July 18. Rising demand from offshore gaming operators fuels record-high condominium rent. Retrieved from: <https://www.bworldonline.com/rising-demand-from-offshore-gaming-operators-fuels-record-high-condominium-rent/> (date last accessed: July 22, 2019).

<sup>10</sup> 2019, April 6. Filipino buyers face eviction as Chinese move into condos. Dela Cruz, Roderick. Manila Standard. Retrieved from: <http://manilastandard.net/business/biz-plus/291948/filipino-buyers-face-eviction-as-chinese-move-into-condos.html> (date last accessed: July 22, 2019).

<sup>11</sup> Ibid.

**WHEREAS**, considering the revenue loss, impact on the rising property prices to ordinary Filipino consumers, job-raiding and rising criminality related to the proliferation of online gaming and gambling and the concomitant influx of foreign workers, whether legal or illegal, that it brings, there is a need to review the policy, mandates, measures adopted and coordination of the concerned government agencies to address the influx of foreign workers, and ensure that the country, particularly, the Filipino workers benefit from POGOs and related activities/services;

**RESOLVE BY THE SENATE**, to direct the Committee on Labor, Employment, and Human Resources Development and other appropriate committees of the Senate to inquire and review, in aid of legislation, the policy, mandates and measures adopted and coordination of the concerned government agencies to address the influx of illegal foreign workers, and to ensure that the country, particularly, the Filipino workers benefit from POGOs and related activities/services.

Adopted,

  
SENATOR JOEL VILLANUEVA