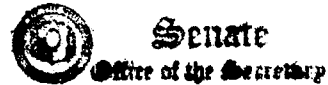


EIGHTEENTH CONGRESS OF THE  
REPUBLIC OF THE PHILIPPINES )  
First Regular Session )



20 MAR -9 P5:20

SENATE  
P.S. Resolution No. 348

RECEIVED BY: 

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Introduced by **SENATOR IMEE R. MARCOS**

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**RESOLUTION**  
**EXPRESSING THE SENSE OF THE SENATE THAT PHILIPPINE OFFSHORE**  
**GAMING OPERATIONS SHOULD BE SUSPENDED UNTIL ITS FINANCIAL**  
**AND SOCIAL COSTS ARE ADEQUATELY MEASURED**

**WHEREAS**, Article II, Section 5 of the 1987 Constitution provides that, "*The maintenance of peace and order, the protection of life, liberty, and property, and promotion of the general welfare are essential for the enjoyment by all the people of the blessings of democracy,*" further, Section of the same Article states that, "*In its relations with other states, the paramount consideration shall be national sovereignty, territorial integrity, national interest, and the right to self-determination*";

**WHEREAS**, in 2016, the Philippine Amusement and Gaming Corporation (PAGCOR) issued rules and regulations covering the operations of Philippine Offshore Gaming Operators (POGOs) conceptualized to enable the government to capture the previously unregulated online gaming industry thereby authorizing PAGCOR to issue POGO licenses to qualified operators;

**WHEREAS**, as of 2020, there are sixty (60) POGOs licensed by PAGCOR, of which, fifty (50) are online casino operators based in other countries while ten (10) are based in the Philippines;

**WHEREAS**, Finance Secretary Carlos Dominguez III ordered a crackdown on POGOs since about two Billion pesos (P 2,000,000,000.00) in monthly income taxes were uncollected from POGO-employed foreign nationals, further, government agencies estimate about fifty Billion pesos (P 50,000,000,000.00) in unpaid taxes from POGOs in 2019, against the P 6.42 Billion collected by the Bureau of Internal Revenue (BIR) representing P 5.13 billion in withholding taxes, P 644.07 Million in income taxes, P 91.13 Million in value-added taxes (VAT) and percentage taxes, P 81.11 Million in documentary stamp taxes and, P 469.13 Million in other taxes from POGOs;

**WHEREAS**, even Atty. Sixto Dy Jr. from the BIR Office of the Deputy Commission for Operations disclosed that foreign-based POGO licensees are not paying their franchise taxes: *"One hundred percent of the offshore-based licensees are not paying franchise tax. All of them. PAGCOR collected P8 billion at least as regulatory fee...that's only two percent (of the operator's gross gaming revenue). If it's franchise tax of 5 percent, that would be at least 17 to 18 billion"*;

**WHEREAS**, further, recent Senate hearings established a clear link between the emergence of POGOs and the continued rise in the number of crimes such as prostitution and sexual trafficking, as well as other casino-related crimes like kidnapping for ransom having 42 victims in 2019;

**WHEREAS**, according to the Department of Labor and Employment (DOLE), of the 118,239 employees officially employed in POGOs, eighty three percent (83%) or 97,283 are foreigners, only a mere eighteen percent (18%) or only 20,956 are Filipinos (as of December 2019);

**WHEREAS**, corruption has grown rife in the frontline agencies of PAGCOR, Bureau of Customs, Department of Foreign Affairs, Bureau of Immigration (BI), as evidenced by the BI "Pastillas" syndicate involving almost all airport and employees and highest officials;

**WHEREAS**, even the People's Republic of China has ordered the crackdown of illegal Chinese nationals working in Philippine-based POGOs stating, *"In order to crack down on cross-border telecommunication fraud crimes, the Ministry of Public Security of China has obtained a list of Chinese nationals suspected of committing long-term telecommunication fraud crimes abroad, such operations are aimed at the suspects of Chinese nationals who have committed telecommunications fraud crimes in different countries"*;

**WHEREAS**, considering the financial costs accrued and the wide range of crimes that have ensued following the rise of POGOs, it is imperative that the government immediately suspend the operation of POGOs;

**NOW, THEREFORE, BE IT RESOLVED AS IT IS HEREBY RESOLVED**, expressing the sense of the Senate that Philippine Offshore Gaming Operations should be suspended until its financial and social costs are adequately measured.

*Adopted*

  
**IMEE R. MARCOS**