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NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Third Regular Session.)

SENATE

S.B. No. 2752

RECEIVED BY

Introduced by **SENATOR JOEL VILLANUEVA**

AN ACT
BANNING PHILIPPINE OFFSHORE GAMING OPERATORS (POGO) AND
OTHER OPERATIONS RELATED THERETO AND FOR OTHER PURPOSES

EXPLANATORY NOTE

Republic Act No. 11590, or "An Act Taxing Philippine Offshore Gaming Operations" (POGO), explicitly provides that the State does not endorse any form of gambling, including offshore gaming operations. It also provides that the State recognizes that "the revenues generated from legal gambling are not a sustainable source of income." Since the passage of the law in 2021, we have seen how POGOs have consistently fallen short of their promises, not only with respect to revenues but also with regard to the industry's overall economic impact to the country.

For the year 2023, the Philippine Amusement and Gaming Corporation (PAGCOR) estimated that the government would be able to generate at least Php24 Billion in revenues from POGOs. However, the Bureau of Internal Revenue (BIR) and PAGCOR were only able to collect a total of Php13 billion. In a 2020 Senate hearing, the BIR itself declared that POGOs owe Php50 billion in taxes from the government.

The Department of Finance (DOF) and the National Economic and Development Authority (NEDA) both also presented a bleak picture of the impact of POGOs in the country. The DOF declared that the economic costs of POGOs amount to Php265.74 billion, excluding substantial social costs such as loss of life, security risks, and reputational harm, among others, which are unquantifiable. Furthermore, the net cost of allowing POGOs to continue operating in the country is estimated to be Php 99.52 billion annually.¹

¹ Committee Records. Committee on Ways and Means. July 16, 2024.

On the other hand, NEDA estimates that the government could lose around Php144 billion or point eight (0.8) percent of Gross Domestic Product (GDP) in real terms if China blacklists the Philippines as a tourist destination due to POGO operations.²

Since 2016, we have consistently advocated for the total ban of POGOs. Our efforts during the 17th Congress have yielded positive results, including the unravelling of the corrupt practices of Bureau of Immigration (BI) Deputy Commissioners Al Argosino and Michael Robles, and the modus operandi in a BI satellite office, wherein foreigners were charged an additional Php5,000, without official receipt, for a one-day processing of their special working permits.

Fast forward to the present, and even with the passage of R.A. No. 11590, POGOs, whether licensed or not, continued to be involved in the conduct of illegal operations and serious crimes. The Philippine Anti-Organized Crime Commission (PAOCC) made a total of 12 POGO raids in a span of only two years, and evidence of money laundering, human trafficking, torture, prostitution, scams, murder, and other crimes were found on raided sites.

As President Bongbong Marcos categorically stated, POGOs are a menace to society. Thus, we must immediately put a stop to their existence. It is in this light and the points highlighted above that we urge our colleagues to immediately pass this measure.


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² Ibid.

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

SEC. 1. Title. – This Act shall be known as the “Anti-POGO Act.”

SEC. 2. Declaration of Policy. – Article II, Section 5 of the 1987 Constitution states that the maintenance of peace and order, the protection of life, liberty, and property, and the promotion of the general welfare are of paramount importance. It is also declared the policy of the State to value the dignity of every human person and to guarantee full respect for human rights. Towards this end, the State shall strictly ban the operations of all Philippine Offshore Gaming Operators (POGOs), because their operations have continuously endangered the lives and properties of Filipinos, as well as the economy of the country.

SEC. 3. Revocation of all POGO and Other Related Licenses. – All POGO and other related licenses issued by the Philippine Amusement and Gaming Corporation (PAGCOR) and other investment promotion agencies with the power to issue such licenses are hereby revoked and cancelled permanently.

From and after the effectivity of this Act, no POGOs shall be allowed to operate in any part of the country.

SEC. 4. Closure of Operations. – All POGO shall be given thirty (30) days from the effectivity of this Act to cease their operations. In case of failure or refusal to comply with this Section, the penalty of imprisonment of twelve (12) years and one day to twenty (20) years or a fine of One hundred million pesos (Php100,000,000.00) or both shall be imposed upon such POGO and/or upon its beneficial owner/s, directors, officers, stockholders, members, or employees, as the case may be.

1 If the offender is a foreigner, he or she shall be deported and barred from any
2 subsequent entry into the Philippines after serving his or her sentence.

3
4 Nothing herein shall operate to relieve POGOs and other related entities from
5 the payment of all taxes and other fees due the government.

6
7 **SEC. 5. Collection of Unpaid Taxes.** – Notwithstanding the closure of
8 POGOs as provided under this Act, POGOs shall continue to be liable for all taxes due
9 and payable to the government arising from or in connection to their operations as
10 such, including, but not limited to, income tax, business tax, value added tax,
11 percentage tax, gaming tax, and withholding tax.

12
13 Thereafter, Republic Act No. 11590, otherwise known as "An Act Taxing
14 Philippine Offshore Gaming Operations, Amending for the Purpose Sections 23 22,
15 25, 27, 28, 106, 108, and Adding New Sections 125-A and 288(G) of the National 24
16 25 26 Internal Revenue Code of 1997, as Amended, and For Other Purposes," shall
17 be deemed repealed by operation of law.

18
19 **SEC. 6. Repealing Clause.** – Any law, issuance, rule or regulation inconsistent
20 with this Act is repealed accordingly, including the relevant provision of laws governing
21 investment promotion agencies that grant the power to issue licenses to POGOs.

22
23 **SEC. 7. Workers' Transition Program.** – The Department of Labor and
24 Employment (DOLE) shall formulate and implement plans and programs for the
25 transition of all affected Filipino workers, such as, but not limited to, skilling, upskilling,
26 and reskilling programs, employment facilitation, and other similar interventions.

27
28 In the implementation of this program, DOLE shall coordinate with the Technical
29 Education and Skills Development Authority (TESDA), Department of Information and
30 Communications Technology (DICT), and other relevant government agencies for the
31 training and transition of the affected workers to quality jobs.

32
33 **SEC. 8. Report to Congress.** – The PAGCOR, Bureau of Immigration (BI),
34 Department of Labor and Employment (DOLE) and investment promotion agencies
35 shall submit a Report to the President of the Philippines and to Congress on the
36 cancellation of all licenses issued to POGOs, the status of the winding down and
37 cessation of operations of POGOs, and other relevant information not later than one
38 (1) year after the effectivity of this Act.

39
40 **SEC. 9. Effectivity.** – This Act shall take effect fifteen (15) days after its
41 publication in the Official Gazette or in a newspaper of general circulation.

Approved,