



# LEGISLATIVE RESEARCH SERVICE QUICK NOTES

*Second Regular Session, 19<sup>th</sup> Congress*

## **Public Hearing of the Subcommittee on P. S. Res. No. 799 under the Committee on Games and Amusement**

**Subcommittee Chairperson: Sen. Raffy T. Tulfo**

**21 February 2024, Wednesday, 10:00 AM, Sen. Sotto Room, Senate**

**Re: Laws and Regulations Governing Casino Customers in the Philippines**

- **P. S. Res. No. 799—Sen. Raffy T. Tulfo**

### **Background**

- On February 1, 2024, the Committee conducted an investigation into the Compensation and Position Classification System (CPCS) of the Philippine Amusement and Gaming Corporation (PAGCOR). This inquiry stemmed from disclosures made during the Committee's previous hearing on January 25, 2024, revealing that employees at New Coast were receiving wages below the minimum wage and that PAGCOR planned to lay off over 700 casino workers. The announcement of layoffs came subsequent to the transfer of casino operations to a Hong Kong-based gaming company.

### **Highlights**

- Mr. Alejandro H. Tengco, Chairman and Chief Executive Officer of PAGCOR, stated that layoff was part of PAGCOR's actions in turning over the operations of New Coast to a Hong Kong-based gaming corporation. He admitted that jobs would also be disrupted when they pursue the privatization of land-based casinos in the second half of 2025. This was to allay conflict-of-interest concerns when it comes to regulating the industry while also competing with private players.
- Atty. Marius R. Corpus, Chairperson of the Governance Commission for GOCCs (GCG), and Atty. Geraldine Marie Berberabe-Martinez, GCG Commissioner, showed to Senator Tulfo an official document baring that GCG has already accomplished its promise to fix the Compensation and Position Classification System (CPCS) of PAGCOR, including that of the employees of Casino Filipino - New Coast who are not being properly compensated.
- Senator Tulfo directed PAGCOR executives to provide a transparent calculation and to collaborate with GSIS for the retirement process of PAGCOR employees.

Additionally, he recommended that PAGCOR grant access to their records through the Department of Information and Communication Technology's computer system to ensure transparency in the investigation.

- The Chairperson also suggested that PAGCOR prioritize addressing issues related to the Philippine Insurance Gaming Operation and the Philippine Offshore Gaming Operation.

### **Possible Points for Discussion**

1. Media reports documenting a surge in criminal incidents associated with casinos, posing risks to the safety and security of patrons;
2. Current legal framework governing casino operations that may necessitate thorough review and potential updates to ensure efficacy and relevance;
3. Review and possible revision of existing laws and regulations governing gambling activities and casino establishments to bolster the nation's attractiveness as a destination for gaming tourism;
4. Integrity issues within PAGCOR, including auditing procedures and internal controls, which are essential for maintaining organizational transparency and accountability; and
5. Outlook for the Philippine gaming industry with all its regulatory, operations, and security challenges.