

## **EXECUTIVE ORDER NO.** 74

IMMEDIATE BAN OF PHILIPPINE OFFSHORE GAMING, INTERNET GAMING, AND OTHER OFFSHORE GAMING OPERATIONS IN THE PHILIPPINES, AND FOR OTHER PURPOSES

WHEREAS, the maintenance of peace and order, the protection of life, liberty, and property, and promotion of general welfare are critical State Policies enshrined under Section 5, Article II of the Constitution;

WHEREAS, under Section 10 of Presidential Decree No. 1869, as amended by Republic Act (RA) No. 9487, or the "Philippine Amusement and Gaming Corporation (PAGCOR) Charter," PAGCOR is granted the rights, privileges and authority to operate and license gambling casinos, gaming clubs and other similar recreation or amusement places, gaming pools, whether on land or sea, within the territorial jurisdiction of the Republic of the Philippines, with the exception of games under the jurisdiction of other government licensing authorities under existing laws;

WHEREAS, PAGCOR, pursuant to its mandate, issued rules and guidelines to regulate Philippine Offshore Gaming Operators (POGO) or Internet Gaming Licensees (IGL), such as the Rules and Regulations for POGO, the Offshore Gaming Regulatory Manual, and the Internet Gaming Licensing Regulations, which require POGO/IGL companies and their agents, to obtain a license or authorization from PAGCOR, as among the conditions to operate in the Philippines;

WHEREAS, select special economic zone authorities, tourism zone authorities or freeport authorities are similarly empowered under their Charters to directly operate, or license others to operate gambling casinos within their respective jurisdictions;

WHEREAS, RA No. 9490 or the "Aurora Special Economic Zone Act of 2007," as amended by RA No. 10083 and RA No. 11590, created the Aurora Pacific Economic Zone and Freeport Authority (APECO) to manage and operate the Aurora Pacific Economic Zone and Freeport, and operate on its own, either directly or through a subsidiary entity, or concession or license to others, tourism-related activities, including games and amusements such as casinos and online game facilities: Provided, that no offshore gaming license shall be issued by the APECO, and all offshore gaming licenses issued by the APECO shall be transferred, regulated, and monitored by the PAGCOR;

WHEREAS, RA No. 9728 or the "Freeport Area of Bataan Act of 2009," created the Authority of the Freeport Area of Bataan to manage and operate the Freeport Area of Bataan, and operate on its own, either directly or through a license to others, tourism-related

activities, including games, amusements, recreational and sports facilities, subject to the approval and supervision of the PAGCOR;

- **WHEREAS**, based on the study conducted by the Department of Finance (DOF), the risks and negative consequences such as increased crime rates, social instability, and exploitation of vulnerable people associated with POGO activities significantly outweigh the economic and social benefits derived from the POGO industry:
- **WHEREAS**, the Anti-Money Laundering Council (AMLC) Report indicate that POGOs have been identified as susceptible to money laundering, fraud, and other illicit financial activities, and therefore pose as substantial threats to the integrity of the national financial system;
- WHEREAS, the high reputational risks associated with POGO/IGL operations deter foreign investment and tourism, undermining the efforts of the National Government in promoting the country as a safe and sustainable investment and tourism destination;
- WHEREAS, the Supreme Court has consistently affirmed that a franchise or license granted by the State is a mere privilege rather than a vested right, and is therefore subject to amendment, alteration, and repeal in accordance with law;
- **WHEREAS**, the State has the paramount duty to safeguard national security, maintain public order, uphold the rule of law, protect the safety of its citizens, and ensure the integrity of the social fabric of the nation;
- WHEREAS, in pursuit of such duty, an unequivocal ban of POGO/IGL operations was pronounced during the State of the Nation Address on 22 July 2024; and
- WHEREAS, Section 17, Article VII of the Constitution vests in the President the power of control over all the executive departments, bureaus, and offices, and the mandate to ensure the faithful execution of laws;
- **NOW, THEREFORE, I, FERDINAND R. MARCOS, JR., President of the Philippines,** by virtue of the powers vested in me by the Constitution and existing laws, do hereby order:
- **Section 1. Coverage.** This Order shall cover the following as defined in the Rules and Regulations for POGO, Offshore Gaming Regulatory Manual, Internet Gaming Licensing Regulations, and RA No. 11590:
- a. Philippine Offshore Gaming Operators refer to entities that provide and participate in offshore gaming services. POGO as used in this Order shall include: (a) POGO Licensee which refers to a POGO duly licensed and authorized by PAGCOR to provide offshore gaming services; (b) POGO Gaming Agent which refers to the representative/s in the Philippines of offshore-based licensees; and (c) POGO Service Providers which refer to duly constituted business corporations organized in the Philippines which provide components of offshore gaming operations to POGOs such as strategic support provider, IT support provider, live studio and streaming provider, and gaming software platform provider.

b. **Offshore Gaming Operations/Services** shall refer to online games of chance, limited to livestreamed electronic casino (e-casino) games, online random number generator (RNG) games, and online sports betting, exclusively and directly offered to foreign players, located outside of the Philippines, via the internet or online means. This definition excludes online games of chance conducted in PAGCOR-operated casinos, licensed casinos, or integrated resorts with junket agreements.

For purposes of this Order, POGOs or Offshore Gaming Services/Operations shall include:

- i. Internet Gaming Licensees which refer to business-to-consumer licensees whether Philippine- or Foreign-based, catering exclusively to offshore-based/ foreign players, which offer or carry out online gaming products limited to livestreamed e-casino games, online RNG games, and online sports betting. IGL as used in this Order shall include: (a) the local gaming agent which refers to a duly constituted business enterprise of good repute and financial standing organized in the Philippines who represents a Foreign-based IGL Licensee; and (b) Authorized Gaming Content Provider or Authorized Support Provider which refers to a duly constituted corporation organized in the Philippines providing the components of internet gaming operations.
- ii. Other Offshore Gaming Licensees which refer to other offshore gaming operators, whether organized abroad or in the Philippines, duly licensed and authorized, through a gaming license to conduct offshore gaming operations, including the acceptance of bets from offshore customers, issued by any special economic zone authority, tourism zone authority or freeport authority, as authorized under their respective Charters and subject to the supervision and/or jurisdiction of PAGCOR (hereinafter referred to as "other government licensing authorities"). Offshore Gaming Licensees as used in this Order shall include gaming agents and accredited service providers providing ancillary services to offshore gaming licensees.

Section 2. Ban of POGO/IGL and Other Offshore Gaming Operations. In the interest of national security, public safety, and the maintenance of public order, as well as to uphold the rule of law, the ban on POGOs/IGLs and other offshore gaming operations encompasses the following:

- a. Illegal Offshore Gaming Operations: All POGOs/IGLs and other offshore gaming operators without the necessary license, permit, or authorization from the relevant government licensing authority are classified as illegal gambling entities as defined under Section 2 of Executive Order No. 13 (s. 2017), and are covered by the ongoing and intensified crackdown on illegal gambling activities being implemented by law enforcement agencies.
- b. License Applications: Applications for new licenses, permits or authorizations of POGO/IGL and other offshore gaming applicants, as well as applications for other licenses, permits, or authorizations for POGO-, IGL-, and other offshore gaming-related/auxiliary/ancillary services catering to the foregoing, under the authority of PAGCOR and other government licensing authorities, and within the jurisdiction of the Republic of the Philippines, shall no longer be allowed.

- c. License Renewals: All existing licenses, permits or authorizations issued to POGO/IGL and other offshore gaming operators and POGO-, IGL-, and other offshore gaming-related/auxiliary/ancillary services catering to the foregoing, shall no longer be renewed or extended.
- d. **Cessation of Operations.** All POGOs/IGLs and other offshore gaming operations and other offshore gaming-related/auxiliary/ancillary services with issued licenses, permits or authorizations shall completely cease operations, including the winding up of their affairs, on 31 December 2024 or earlier.

**Section 3. Comprehensive Strategy.** To develop and implement a comprehensive strategy that will effectively enforce the ban on POGO/IGL and other offshore gaming operators, the following Technical Working Groups (TWGs) shall be convened:

a. The TWG on **Employment Recovery and Reintegration** shall: (i) address the impact of the foregoing ban on the affected sectors of the economy; and (ii) ensure the reintegration of displaced Filipino workers and the provision of assistance and safety nets which include upskilling and reskilling programs to ensure that these displaced Filipino workers can have replacement jobs at the soonest possible time.

The TWG shall be composed of representatives of the following:

Chairperson

**PAGCOR** 

Vice Chairperson

Department of Labor and Employment:

Members

DOF:

Department of Trade and Industry;

Department of Budget and Management;

Department of Social Welfare and Development:

Department of Information and Communications

Technology; and

National Economic and Development Authority.

b. The TWG on Anti-Illegal Offshore Gaming Operations shall: (i) further intensify the crackdown on all illegal POGOs/IGLs and other offshore gaming operators without the requisite license, authorization or permit; (ii) facilitate, coordinate and ensure the immediate investigation of individuals engaged in the offshore gaming industry who are involved in illegal activities and secure their custody through the appropriate law enforcement agency; (iii) ensure the prosecution of violators to the fullest extent of the law; (iv) as may be appropriate, initiate and carry out the deportation process of foreigners employed in the offshore gaming industry, in accordance with relevant immigration laws, rules and regulations; and (v) closely monitor the implementation of the foregoing ban until the complete termination of POGOs/IGLs and other offshore gaming operators or services.

The TWG shall be composed of representatives of the following:

Chairperson

Presidential Anti-Organized Crime Commission (PAOCC)

Vice Chairperson

Department of Justice (DOJ)

Members

Department of the Interior and Local Government (DILG):

Philippine National Police (PNP);

Bureau of Immigration (BI); National Bureau of Investigation (NBI); AMLC; Securities and Exchange Commission; and Cagayan Economic Zone Authority.

The heads of the above agencies shall designate their representatives to the TWGs who shall have a rank not lower than an Assistant Secretary, or its equivalent, and who are fully authorized to decide for or on behalf of their respective heads.

In the performance of the foregoing directives, the above TWGs may enlist the support and assistance of other national government agencies (NGAs), government-owned or -controlled corporations (GOCCs) and other instrumentalities, as well as consult and provide avenues for the private sector, relevant stakeholders, advocacy groups and non-government organizations to participate in the attainment of the objectives of this Order.

**Section 4. Directives to National Government Agencies.** The following agencies are hereby directed to perform the following:

- a. The PAOCC, Philippine Drug Enforcement Agency, and other law enforcement agencies, such as the PNP and the NBI, are directed to intensify their efforts against illegal POGOs/IGLs and other offshore gaming operations and services;
- b. The Department of Human Settlements and Urban Development shall assist the TWG on Anti-Illegal Offshore Gaming Operations in securing the cooperation of homeowners associations to ensure the non-proliferation of POGO/IGL and other offshore gaming operations and services in subdivisions, condominiums and other real estate developments, and to immediately report any such operations or activities to the TWG on Anti-Illegal Offshore Gaming Operations;
- c. The Department of Tourism shall monitor tourism establishments and facilities to ensure that they are not utilized for POGO/IGL and other offshore gaming operations or services; and
- d. The PAGCOR and Bureau of Internal Revenue shall expedite the collection of applicable fees and taxes related to the offshore gaming industry, in accordance with relevant laws.

All other NGAs, GOCCs and instrumentalities are hereby directed to provide the necessary assistance and support towards the successful implementation of this Order.

**Section 5. Local Government Support.** All local government units are hereby enjoined to fully support and contribute measures to effectively implement the foregoing ban on offshore gaming services and operations within their respective jurisdictions consistent with their power to enact ordinances intended to prevent, suppress and impose appropriate penalties for gambling and other prohibited games of chance under Sections 447, 458, and 468 of RA No. 7160 or the "Local Government Code of 1991," as amended.

In furtherance of this objective, the DILG shall collaborate and coordinate with local government units towards ensuring that POGOs/IGLs and other offshore gaming operators do not operate or proliferate within their respective jurisdictions. Additionally, the DILG shall

provide an avenue for local government units to report to the National Government through the DILG, any business entity involved in POGO/IGL or offshore gaming operations or services in their localities.

**Section 6. Private Sector Support.** In the interest of promoting fair play, equity and justice, and to support the immediate closure of POGO/IGL and offshore gaming operations, the private sector is strongly urged to waive interests, penalties, fees, and other charges attendant to the termination of ancillary contracts or services, such as, but not limited to, lease of premises, janitorial services, security, internet, and electricity, of duly licensed POGOs, IGLs or other offshore gaming operators affected by this Order.

**Section 7. Implementing Guidelines.** As may be necessary, the TWGs shall issue guidelines to implement specific provisions of this Order.

**Section 8. Funding.** The funds necessary to carry out the provisions of this Order shall be charged against the available appropriations of the concerned agencies, subject to relevant budgeting and auditing rules and regulations. Funding for succeeding years shall be incorporated in the respective budgets of concerned agencies, subject to the regular budget preparation process.

**Section 9. Reportorial Requirements.** The following reports shall be submitted to the President, through the Office of the Executive Secretary:

- a. The TWGs shall submit: (i) monthly reports on the implementation of the POGO/IGL/offshore gaming ban and the Comprehensive Strategy under Section 3 of this Order; and (ii) final reports regarding the complete cessation and winding up of all offshore gaming operations on 31 December 2024 and the completion of the aforementioned Comprehensive Strategy; and
- b. The PAOCC shall submit monthly reports on law enforcement operations in coordination with relevant agencies and a final report upon the accomplishment of the objectives of this Order.

All other relevant agencies indicated in this Order shall report and coordinate their activities through the TWGs.

**Section 10. Sanctions.** Failure to comply with the provisions of this Order may be a ground for administrative and disciplinary sanctions against any erring public officer or employee as provided under existing laws, rules and regulations. Further, any person or entity who participates, or in any manner supports, finances, abets or aids in illegal offshore gaming operations or services shall be dealt with to the fullest extent of the law.

**Section 11. Separability.** If any part or provision of this Order shall be held invalid or unconstitutional, the other provisions not affected thereby shall remain in full force and effect.

**Section 12. Repeal**. All other orders, rules, regulations, guidelines and issuances, or parts thereof which are inconsistent with the provisions of this Order are hereby repealed, amended, or modified accordingly.

**Section 13. Effectivity.** This Order shall take effect immediately upon publication in the Official Gazette or in a newspaper of general circulation.

**DONE**, in the City of Manila, this 5th day of November , in the year of our Lord, Two Thousand and Twenty-Four.

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By the President:

LUCAS P. BERSAMIN Executive Secretary

Office of the President
MALACAÑANG RECORDS OFFICE

CERTIFIED COPY

MEASON ACTING DIRECTOR IV

