

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

EIGHTEENTH CONGRESS
First Regular Session

House Resolution No. 477



Introduced by Reps. **RONNIE L. ONG** and **ERIC GO YAP**

RESOLUTION STRONGLY URGING THE PROPER DOCUMENTATION AND PROTECTION OF ALL GAMING INDUSTRY EMPLOYEES NATIONWIDE BY RATIONALIZING THE ISSUANCE OF GAMING EMPLOYMENT LICENSES (GELs) BY THE PHILIPPINE AMUSEMENT AND GAMING CORPORATION

WHEREAS, Presidential Decree No. 1869, as amended, created the Philippine Amusement and Gaming Corporation (PAGCOR) to establish, regulate and centralize the operation of various forms of amusement and games of chance with the end view of generating revenues, improving tourist attractions and addressing the evils, malpractices and corruption that are normally prevalent in the club and casino industry;

WHEREAS, the revenues generated by PAGCOR fund various programs and projects of the government especially needed infrastructures in the provinces such as school buildings and evacuation centers for calamity victims;

WHEREAS, pursuant to its regulatory power, PAGCOR issues the Gaming Employment License (GEL) to individuals, at least 21 years of age, with integrity and good moral character, as a matter of privilege before they can be employed and as a continuing requirement for their employment in the gaming industry;

WHEREAS, the GEL is issued to the following different classes of employment, based on function, position and citizenship, with corresponding non-refundable processing fees which, in practice, are usually paid by the employer:

a.	Local Managerial (Class A)	P 5,000.00
b.	Local Supervisory (Class B)	P 4,000.00
c.	Local Rank and File (Class C)	P 2,200.00
d.	Local Support Personnel (Class D) (Security, sanitation, maintenance, logistics, transport, food/beverage and souvenir shop personnel)	P 300.00
e.	Foreign Managerial (Class E)	P 15,000.00
f.	Foreign Non-managerial (Class F)	P 8,000.00
g.	BEGS Managerial (Class G) (BEGS refers to Bingo and E-games, including internet betting stations, Instawin and other online games)	P 1,000.00
h.	BEGS Supervisory (Class H)	P 500.00
i.	BEGS Rank and File (Class I)	P 300.00
j.	On-the-Job Trainee (Class J)	P 400.00

WHEREAS, the following are the documentary requirements for GEL application:

Managerial Position (Class A)	<ol style="list-style-type: none"> 1. Gaming License Application Form 2. Letter of Endorsement from Employer 3. Birth Certificate (NSO certified) 4. NBI Clearance 5. Certified True Copy of Transcript of College Records (if none, High School Records) 6. Fit to Work Clearance from Doctor 7. Negative Drug Test Clearance 8. Income Tax Return Form 1701 or 2316
Non-Managerial Position (Class B, C and D)	All of the documents required for Managerial Position (Class A), except ITR
Foreign Employee (Class E and F)	<ol style="list-style-type: none"> 1. Gaming License Application Form 2. Letter of Endorsement from Employer 3. Copy of Valid Passport 4. Valid Employment Permit from DOLE 5. Valid Working Visa from BID 6. NBI Clearance 7. Fit to Work Clearance from Doctor 8. Negative Drug Test Clearance
BEGS (Bingo, E-games, etc.) (Class G, H and I)	All of the documents required for Managerial Position (Class A), except Transcript and ITR
On-the-Job Trainee (Class J)	<ol style="list-style-type: none"> 1. Gaming License Application Form 2. Letter from Proponent that Applicant is Trainee and the Period of Training 3. Copy of Valid Passport (if foreign applicant) 4. Fit to Work Clearance from Doctor 5. Negative Drug Test Clearance

WHEREAS, once issued, the validity of the GEL is as follows:

- 1) Class A, B, C, E & F - three (3) years and shall expire on the applicant's birth date on the third year;
- 2) Class D, G, H & I - one (1) year and shall expire on the applicant's birth date on the following year; and
- 3) Class J - three (3) months; extension of OJT may be allowed only once provided the proponent submits a request with justification for extension and payment for another license fee of P400.

WHEREAS, the rise and spread of Philippine Offshore Gaming Operators (POGOs) have brought various economic benefits to the country such as growth in the real estate and food sectors and billions of regulatory fees¹ paid by POGO to PAGCOR;

WHEREAS, in a recent study by Leechiu Property Consultants, it is said that POGO now overtake the IT and business processing companies and contribute P551 billion to the Philippine economy yearly, broken down as follows: P504 billion in Salaries to POGO workers, P36 billion in Housing Rental and P11 Billion in Office Rental;²

WHEREAS, despite the foregoing gains, the following pressing issues, among others, have cropped up with the emergence of POGO:

¹ P657 million in 2016, P3.924 billion in 2017, P7.365 billion in 2018 and would likely hit P8-10 billion in 2019.

² Rivas, Ralf, "Online gambling contributes P551 billion to Philippine economy yearly", Rappler, September 18, 2019, https://www.rappler.com/business/240305-online-gambling-contribution-philippine-economy-yearly#cxrecs_s

- 1) **Non-documentation of foreign employees who are mostly Chinese nationals.** For one, PAGCOR does not have actual data on foreign employees hired by POGOs. While the current government estimate is 100,000 to 250,000 foreign workers, Leechiu Property Consultants estimates the number to be at 470,000.

But more than determining the actual number, the government is faced with the continuing challenge of ensuring that all of these foreign workers have valid working permits or visas from DOLE or BID. When the issue was highlighted this year, majority of POGO foreign workers have no valid permits.

- 2) **Vulnerability of foreign employees to security risks.** Foreign gaming employees, especially the non-documented ones, are exposed to extortions and harassment by both fake and real immigration and law enforcement personnel and to kidnap-for-ransom and other crimes by syndicates.
- 3) **Tax evasion.** While PAGCOR has licensed 58 POGO operators, BIR reports that it only has knowledge of 54 POGOs, of which only 15 are registered with BIR for the proper payment of taxes.³ BIR has also previously admitted that it does not have data whether POGOs withhold taxes from their employees.

For his part, DOF Secretary Carlos Dominguez recently stressed that the government is losing an estimate of more than P3 billion per month in tax revenues from foreign workers.

- 4) **Unruly behavior of Chinese nationals.** Reportedly, there are complaints from neighbors and other tenants of unruly behaviors of Chinese nationals.

WHEREAS, while the government is doing its best in addressing money laundering, drug trafficking, illegal gambling and other gambling-related crimes on one hand and regulating and monitoring POGO activities on the other, a simple way that can greatly help in addressing the foregoing issues on proper documentation, taxation and protection of POGO workers is rationalizing the GEL issued by PAGCOR;

WHEREAS, unfortunately, without reasonable justification, PAGCOR, over the years, has not required POGO workers to secure GEL before they are employed. It was only around July 2019 that PAGCOR broached the plan of finally issuing GEL also to POGO employees, but the same has yet to be implemented to date;

WHEREAS, rationalizing the issuance by PAGCOR of GEL means that:

- 1) PAGCOR shall accord the same treatment of requiring GEL to casino and POGO workers and to local or foreign gaming employees alike;
- 2) There is a strong mechanism to determine the capacity, competence and integrity required of POGO employees, consistent with global standards. This can be done through a series of criminal, financial and integrity background checks;
- 3) An online exam on cultural sensitivity or having proper behavior or decorum in the Philippines shall be required;

³ As found out during the Senate hearing on POGOs in February 2019

- 4) GEL shall not just be mere numbers but must come in the form of actual, physical, machine-readable IDs to distinguish legal workers from those who are not;
- 5) In coordination with DOLE, BIR and BID, GEL IDs shall contain important details such as Name (and aliases used, if any), Picture, Birthday, Addresses of Office and Temporary Residence, TIN Number and appropriate Working Visa and Employment Permit Numbers from BID and DOLE; and
- 6) Also in coordination with DOLE, BIR and BID and other concerned agencies, the whole GEL process is streamlined and documentary requirements and fees are harmonized⁴, with the end view of assisting POGOs and their employees, removing red tape and making the industry competitive against our Asian neighbors.

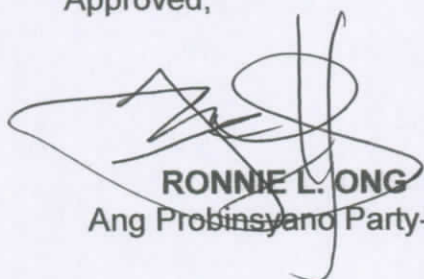
WHEREAS, making the GEL ID as the primary documentation tool or legal proof of POGO employment will yield tremendous results such as the prevention of tax evasion and revenue losses, increased compliance to immigration and labor laws, protection of POGOs from labor piracy and incompetent and illegal workers, protection of foreign workers from extortion, harassment and crimes; and, ensuring fairness to local Filipino workers paying taxes and to OFWs securing visas, permits and licenses when working in other countries; and

WHEREAS, there is a need to rationalize the GEL ID issuance as envisioned above while PAGCOR has an ongoing moratorium on the issuance of licenses to POGOs, the same being effective until such time that the pressing issues plaguing the industry have been reviewed and addressed.

NOW, BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that the House of Representatives, through the Committee on Games and Amusement, strongly urges the proper documentation and protection of all gaming industry employees nationwide by rationalizing the issuance of Gaming Employment Licenses (GELs) by PAGCOR.

RESOLVED FURTHER, that the Committee, along with PAGCOR, DOLE, DOF, DOJ, BID, BIR, NBI and other concerned agencies, shall endeavour to immediately find ways to make the GEL ID the primary documentation tool or legal proof of employment and streamline and harmonize the corresponding procedures and fees, so that we can ultimately realize the policy of generating revenues for projects benefitting the provinces nationwide while addressing the evils, malpractices and corruption that are normally prevalent in the club, casino and POGO industry.

Approved,


RONNIE L. ONG
Ang Probinsyano Party-List


ERIC GO YAP
ACT-CIS Party-List

⁴ Consistent with Joint Memorandum Circular No. 1, s. 2019, or subsequent amendments or improvements, concerning the issuance of Alien Employment Permit (AEP) by DOLE; Special Temporary Permit (STP) by PRC; Special provisional Work Permits and 9(g) visa by the BI; 47(a)2 and Authority to Employ Alien by DOJ; Authority to Hire by DENR; and the 9(g) and 47(a)2 visas by DFA. Under the said circular, TIN is now a requirement for application of work permit; NICA will conduct the background investigation for security purposes; and DOLE maintains one registry of foreign nationals working in the Philippines.