# Removing gray areas in Pogo ban

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The Philippines took another major step closer toward eradicating the controversial Philippine offshore gaming operators (Pogos) by the end of this year after President Marcos issued an executive order imposing an immediate ban on offshore and internet gaming in the Philippines.

Executive Order No, 74, titled “Immediate Ban on Philippine Offshore Gaming, Internet Gaming, and Other Offshore Gaming Operations in the Philippines,” signed on Nov. 5, mandated all Pogos to shut down by Dec. 31.

The EO concretized Mr. Marcos’ pronouncement during his State of the Nation Address to end the reign of Pogos in keeping with the government’s role to “uphold the rule of law, protect the safety of its citizens and ensure the integrity of the social fabric of the nation.”

These Pogos—firms operating in the Philippines that offer online gambling services to those abroad, particularly to bettors from China where gambling is banned—flourished during the time of former president Rodrigo Duterte, who encouraged warmer ties with the Chinese government and had counted on these firms to provide the economy a much-needed boost following the devastation caught by the COVID-19 pandemic.

## High reputational risks

But as the Department of Finance determined in its study, any economic and social benefits that they bring in are far outweighed by severe social consequences, including increased crime rates, exploitation of the vulnerable people and vulnerability of the Pogos to money laundering, fraud and other illicit financial activities that threaten the integrity of the country’s financial system.

“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,” the EO stated.

Sen. Sherwin Gatchalian also pointed out that over the years, the Pogo industry had “turned the country into a haven for human trafficking, scamming, kidnapping, and other criminalities that have already adversely affected many of our people.”

Given the clear and still present danger that Pogos pose, the EO was widely praised. For one, it directed key law enforcement agencies such as the Presidential Anti-Organized Crime Commission and the Philippine Drug Enforcement Agency to ramp up their efforts to put illegal Pogos or internet gaming licensees and other offshore gaming operations out of operation.

## Pogo hydra

The EO likewise directed government agencies to ensure the cooperation of homeowners associations and tourism establishments to make sure that these soon-to-be-outlawed offshore gaming operations will not be allowed to operate covertly in subdivisions, condominiums, and other places. Local government units were also asked to crack down on Pogos in their areas.

But even with all these provisions, doubts remain over whether the EO was clear enough to slay the Pogo hydra.

Sen. Risa Hontiveros, who had led Senate investigations that eventually exposed the criminal activities associated with Pogos, pointed out loopholes in the shutdown order, most glaring of which is the lack of an explicit declaration that the ban will cover all such establishments, and not just those under the supervision of gaming regulator Philippine Amusement and Gaming Corp. (Pagcor).

She also pointed out that Section 1B of the order “excludes online games of chance conducted in Pagcor-operated casinos, licensed casinos or integrated resorts with junket agreements.”

“It appears that Pagcor-operated and -licensed casinos are exempted (from the ban) on operating offshore online games of chance,” Hontiveros said, thus could mean that Pogos will be indeed allowed to operate in integrated gaming resorts.

## Economic zones

Then there’s the question of whether the ban will also cover those operating within the freeports and economic zones, such as the Cagayan Economic Zone Authority, where a number of these offshore gaming licensees and interactive gaming operators freely conduct their business, thus meriting a direct order from Malacañang to immediately comply with Mr. Marcos’ order.

For Hontiveros, these potential loopholes and gray areas in the EO bolster the need to go a step further and enact a “clear law to move forward with a meaningful, clear, unequivocal, and comprehensive ban.”

Currently, there are two Senate bills on the table that seek to close these loopholes and thus prohibit all kinds of web-based gambling in the Philippines. The House of Representatives is also hearing its own bills seeking the same results.

With the executive and both houses of Congress united in the effort to totally rid the country of Pogos and ensure that they do not resurrect in another shape or form, there is obvious merit in passing a law that will do precisely that.

But given how slow the legislative mill turns, the government must toughen the EO and ensure strict compliance given that it has less than two months to meet the President’s deadline.