

NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



'22 SEP -6 P 4 :05

SENATE
S. B. NO. 1281

RECEIVED BY: _____

Introduced by **SENATOR JOEL VILLANUEVA**

**AN ACT
PROHIBITING ONLINE GAMBLING AND THE PLACING OF WAGERS
OR BETS THROUGH THE INTERNET OR ANY FORM OF ONLINE
GAMBLING ACTIVITIES, PROVIDING PENALTIES THEREFOR AND
FOR OTHER PURPOSES**

EXPLANATORY NOTE

The consequences of gambling and online gambling are too severe to be ignored. The cost of gambling is no longer limited to the loss of money, but extends to the loss of values and lives.

In October 2021, a 19-year-old student in Davao de Oro was arrested by the police after he was unable to pay more than P500,000 in bet money for online cockfighting or e-sabong.¹ Other students have resorted to stealing from their parents to play, some of whom are minors.² There is also a reported incident involving a Quezon city police officer who robbed an LBC branch in San Miguel, Bulacan.³ Earlier this year, thirty-four (34) persons were abducted because of their involvement in e-sabong.⁴

¹ October 27, 2021. Student, 19, arrested after failing to pay P561-K for online sabong. Minadanao Times. Available at <https://mindanaotimes.com.ph/2021/10/27/student-19-arrested-after-failing-to-pay-p561-k-for-online-sabong/> (date last accessed: August 19, 2022).

² November 16, 2021. Kandidatong pabor sa e-sabong huwag iboto – Bro Eddie. Abante tnt. Available at <https://tnt.abante.com.ph/kandidatong-pabor-sa-e-sabong-huwag-iboto-bro-eddie/> (date last accessed: August 19, 2022).

³ May 26, 2021. Huge debt due to online sabong prompts QC police to rob LBC branch in Bulacan. Manila Bulletin. Available at <https://mb.com.ph/2021/05/26/huge-debt-due-to-online-sabong-prompts-qc-police-to-rob-lbc-branch-in-bulacan/> (date last accessed: August 19, 2022).

⁴ March 20, 2022. 15 charged over missing 34 e-sabong enthusiasts. The Manila Times. Available at <https://www.manilatimes.net/2022/03/20/news/15-charged-over-missing-34-e-sabong-enthusiasts/1836942> (date last accessed: August 19, 2022).

These circumstances also show that the social cost of gambling is too high – bankruptcy, broken families, and criminal activities, among others. In the 2011 study at Baylor University in Texas,⁵ it was found that the social costs for each pathological gambler is \$9,393 per year or almost half a million pesos if you combine the expenses to solve the crimes, adjudication, lost job productivity, unemployment insurance, therapy and treatment fees, suicide, social services costs, and others. Even the World Health Organization classify pathological gambling as a disease.


In fact, in the hearings of the Senate Committee on Labor, Employment and Human Resources Development in the 18th Congress, we discovered that the growth of the Philippine Offshore Gaming Operators (POGOs) in the country has resulted in rising criminality, including prostitution, and increased threat of money laundering, among others.

In 2019, of the total 1,338 foreign nationals deported by the Bureau of Immigration (BI), 733 are foreign fugitives (or 55%), most of whom are involved in POGO operations. POGO workers also appear to be involved in an increasing number of crimes. For example, in February 2020, all five Chinese suspects in a shooting incident in Bel-Air, Makati were found to be working in POGOs. In the same year, there were at least nine cases of POGO-related kidnappings and at least 10 raids of prostitution dens catering mostly to POGO workers.

On the other hand, the risk assessment conducted by the Anti-Money Laundering Council (AMLC) found that there is increasing level of threat of money laundering and other fraudulent activities associated with POGO operations. From 2017 to 2019, a total of Php14 billion worth of suspicious activities in POGO establishments are found to be at risk of money laundering. In addition, there is a high number of unregulated and unsupervised service providers and there is low level of beneficial ownership identification.⁶

This bill seeks to prohibit online gambling and the placing of wagers or bets through the internet or any form of online gambling activities to prevent further deterioration of morals and values, encourage people to work instead of relying on a game of chance, stop addiction and save lives.

Thus, the passage of this measure is immediately sought.


SENATOR JOEL VILLANUEVA

⁵ The Hidden Social Costs of Gambling. The Gambling Culture at pp. 19-28. Available at <https://www.baylor.edu/content/services/document.php/145417.pdf> (date last accessed: August 19, 2022).

⁶ Transcript of Stenographic Notes, at p. 124-25, February 11, 2020 Hearing, Senate Committee on Labor, Employment and Human Resources Development.

NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

22 SEP -6 P 4 :05

RECEIVED BY 

SENATE

S. B. NO. 1281

Introduced by **SENATOR JOEL VILLANUEVA**

AN ACT
PROHIBITING ONLINE GAMBLING AND THE PLACING OF WAGERS
OR BETS THROUGH THE INTERNET OR ANY FORM OF ONLINE
GAMBLING ACTIVITIES, PROVIDING PENALTIES THEREFOR AND
FOR OTHER PURPOSES

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

1 **SECTION 1. Short Title.** – This Act shall be known as the "Anti-Online
2 Gambling Act."
3

4 **SEC. 2. Declaration of Policy.** – It is the policy of the State to promote
5 a just and dynamic social order that will ensure the prosperity and
6 independence of the nation and free the people from poverty through policies
7 that provide adequate social services, promote full employment, a rising
8 standard of living, and an improved quality of life for all. It is also the policy of
9 the State to guarantee the right of the workers to security of tenure, humane
10 conditions of work, and a living wage. Towards this end, the State shall adopt
11 measures to eliminate and prohibit all forms of online gambling activities as it
12 undermines the value of an individual's dignified work by allowing reckless and
13 risky expenditures at the possibility of instant monetary gain which have led
14 many Filipinos to experience dire financial situations.
15

16 **SEC. 3. Definition of Terms.** – For purposes of this Act, the following
17 terms are hereby defined as follows:
18

- 19 a) **Internet** refers to an international computer network of inter-
20 operable packet switched data networks. It includes the electronic
21 medium in which online communication takes place;
22

- 1 b) **Bet or Wager** refers to taking or risking by any person of
2 something of value upon the outcome of a contest of others, a
3 sporting event, or a game subject to chance, upon an agreement
4 or understanding that the person or another person will receive
5 something of value in the event of a certain outcome;
6
7 c) **Internet Gambling or Online Gambling** refers to placing,
8 receiving, or otherwise knowingly transmitting a bet or wager by
9 any means which involves the use, in whole or in part, of the
10 Internet.

11
12 **SEC. 4. Prohibition on Online Gambling and Similar Acts.** – Any
13 person who shall place, receive, or otherwise knowingly transmit a bet or wager
14 by any means which involves the use, in whole or in part, of the internet, shall
15 be punished by an imprisonment ranging from one (1) month to six (6) months
16 or a fine of not less than One Hundred Thousand Pesos (Php100,000.00) nor
17 more than Five Hundred Thousand Pesos (Php500,000.00), at the discretion
18 of the court.

19
20 If the offender is a corporation, partnership, or association, the maximum
21 penalty of five (5) years and the fine of Five Hundred Thousand Pesos
22 (Php500,000.00) shall be imposed upon the President, director/s, manager, or
23 managing partner/s and/or responsible officer/s thereof.

24
25 If the offender is a public officer or employee, or if such public officer or
26 employee promotes, encourages, aids or abets the promotion or conduct of
27 online gambling, the maximum penalty prescribed for the offense shall be
28 imposed. In addition, he/she shall be dismissed from the public service and
29 shall suffer the penalty of perpetual disqualification from holding any public
30 office.

31
32 **SEC. 5. Repeal of Authority to Regulate Online Gambling.** – All
33 general and special laws, decrees, executive orders, rules and regulations,
34 which are interpreted to give legal authority to regulate any forms of online
35 gambling are hereby repealed.

36
37 **SEC. 6. Implementing Rules and Regulations.** – Within thirty (30)
38 days from the effectivity of this Act, the Department of the Interior and Local
39 Government and the Department of Justice, in consultation with the appropriate
40 government agencies and other stakeholders, shall jointly promulgate the rules
41 and regulations for the effective implementation of this Act.

42
43 **SEC. 7. Separability Clause.** – If any provision of this Act shall be held
44 unconstitutional or invalid, the other provisions not otherwise affected shall
45 remain in full force and effect.

46
47 **SEC. 8. Repealing Clause.** – All laws, decrees, orders, issuances, and
48 rules and regulations or parts thereof inconsistent with the provisions of this Act
49 are hereby repealed or modified accordingly.

50

1 **SEC. 9. Effectivity Clause.** – This Act shall take effect fifteen (15) days
2 after its publication in the Official Gazette or in at least two (2) newspapers of
3 general circulation.

4

5 **Approved,**