



INTERNET GAMING – LICENSING AND REGULATION GROUP
Offshore Gaming Licensing Department

INTERNET GAMING
DEFINITIONS REGULATIONS

Rev. No: 1
Effectivity:

*Revision pertains only to the form, i.e. change of logo. All provisions, terms and conditions, table of offenses, as well as applicable penalties under the Internet Gaming Licensing Regulations which was approved by the Board on July 6, 2023, shall remain in force and effect.

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This manual shall be referred to as the "Internet Gaming Definitions Regulations".

In these regulations and subsequent issuances for Internet Gaming, unless the context otherwise requires:

"Authorized players" refer to players of the licensee who may access its games through the latter's website with the following conditions:

- a. Any individual who is physically in a country other than the Philippines; this excludes Filipino citizens even if abroad and individuals in territories where online gaming is prohibited;
- b. Age of at least 21 years old;
- c. Must be a registered player with an established gaming account in the licensee's website;

"Authorization Fee" refers to monthly fee for allowing an Authorization to provide gaming content or support to Internet Gaming Licensees or Online Gaming Operators licensed by a reputable gaming authority abroad, for Gaming Content Providers with live tables, said amount shall depend on the number of its live tables;

"Board" shall mean the PAGCOR Board of Directors;

"Foreign currency" are notes and coins other than Philippine peso which are valid tender in the country of issue;

"Gaming" means an activity consisting in participating in an internet game, offering an internet gaming service, or providing internet gaming content or support, and shall be construed accordingly depending on the context;

"Gaming Content Provider" - one who supplies or manages gaming contents for the gaming websites

"Independent Testing Laboratories" refer to entities responsible for the testing of gaming systems and software of all Licensees and ensuring that the same pass technical standards established and accepted by gaming jurisdictions worldwide;

"Gaming Paraphernalia" means apparatus, furnishing, or accessories used in or necessary in the conduct of gaming operations;

"Gross Gaming Revenue" means gross bets less the total amount of payout.

"Internet Gaming" refers to the offering of a PAGCOR licensee of authorized online games of chance or sporting events via the internet exclusively to foreign players abroad;

"IP Address" refers to the numerical label assigned to a device in a computer network that uses internet protocol for communication. An IP address serves two principal functions: host or network interface identification and location addressing;

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“Letter of no objection (LONO)” is a letter or resolution issued by the local government unit (LGU) stating that they have no objection in the establishment and conduct of internet gaming operations in their jurisdiction;

“License” means an Internet Gaming License in terms of the Internet Gaming Licensing Regulations and “licensee” or “license holder” shall be construed accordingly;

“Management of gaming content/support” means the provision of ongoing active maintenance and support which is indispensable to the provision of the online gaming service.

“Minimum Guaranteed Fee (MGF)” refers to the minimum monthly regulatory fee imposable on an Internet Gaming Licensee.

“Notice to Explain” refers to the memorandum issued to a licensee/authorized provider upon observation of conduct and/or operations which are not, or may not be, in accordance with applicable regulations during the conduct of Compliance Checking.

“Operating Site” refers to one (1) floor in the operations of a licensee/authorized provider, the legitimacy of it shall be evidence by a certificate.

“PAGCOR Monitoring Team (PMT)” refers to the group of inspections comprised of PAGCOR representatives from the Compliance Monitoring and Enforcement Department whose main task is to check a licensee’s compliance with internet gaming regulations;

“Performance Bond” refers to the amount posted by a licensee/authorized provider to guarantee the fulfillment of its monetary obligations to the PAGCOR;

“Permit to Possess” is a certificate issued by the PAGCOR to licensees/authorized providers authorizing them to possess gaming equipment and paraphernalia;

“Player’s account” means a record kept by the license holder, as may be applicable, which record shall at all times be accessible to the player, which shows the player’s credit against such license holder, taking into account all wagers placed and all prizes won by such player and any other debits or credits as may be permitted by regulations;

“Probity Checker” refers to entities responsible for the verification of an applicant’s identity, to include all officials of the corporate applicant, finances, integrity, competence, and criminal associations;

“Service Agreement” refers to the legal contract entered into by the Internet Gaming Licensee and the Support Provider in which the latter commits to provide gaming support to the latter for its internet gaming operation;

“Shipment Clearance” refers to the authorization issued by the PAGCOR to importations of gaming equipment and paraphernalia needed by licensees in the

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conduct of their internet gaming operations. A Permit to Possess is required prior to issuance of shipment clearance.

“Show Cause Order” refers to the issuance upon existence of reason/s to suspect that a licensee/authorized provider is conducting its affairs in serious breach of any applicable regulations or laws in the Philippines or is otherwise no longer suitable to hold a license/authorization during the conduct of a Compliance Review.

“Support Provider” – one who supplies support services to necessary facets of gaming operations; to include customer service, marketing, customer registration (KYC), payment solutions, odds making, office support, leasing of office space, and other similar services which must prove to be indispensable for gaming operations.