

AMENDMENTS TO THE REGULATORY MANUALS

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Application of 5% Franchise Tax on income, exclusion from Payouts of the final tax on Player's jackpot winnings exceeding Ten Thousand Pesos (PhP10,000.00) and the corresponding amendments to the Gaming Site Regulatory Manuals (GSRM) version 3.0 for Bingo Games:

A. Electronic Bingo (eBingo) Games

1. Reversion to pre-RMC 33-2013 set-up, where the 5% Franchise Tax is applied to the Gross Gaming Revenues (GGR) **prior to sharing** by and between PAGCOR and the Bingo Operator. In effect, both PAGCOR and the Bingo Operator shall pay the 5% Franchise Tax. Consequently, PAGCOR and the Bingo Operator share 50%-50% on the GGR after deducting the 5% franchise tax.
2. Amendment of Regulation 22 Section 1 (b) of the Gaming Site Regulatory Manual for Bingo Games version 3.0 as amended to (i) exclude the Prize Tax in the determination of Total Payouts, and (ii) to include the 5% franchise tax deduction in the formula, as follows:

FROM	
Section 1. Computation of PAGCOR Share	
	xxx
(b) Electronic Bingo (eBingo) Games:	
Gross Collection	xxx
Less: Total Payout	
(inclusive of taxes on Jackpot Prizes of above PhP10,000.00)	xxx
GROSS GAMING REVENUE (GGR)	xxx
PAGCOR Share (PS)* = 50.00% of GGR	
*PAGCOR Share is for remittance to PAGCOR	

TO	
Section 1. Computation of PAGCOR Share	
	xxx
(b) Electronic Bingo (eBingo) Games:	
Gross Collection	xxx
Less: Total Payout	
(excluding taxes on Jackpot Prizes of above PhP10,000.00)	xxx
Gross Gaming Revenue (GGR)	xxx
Less: Franchise Tax (5% of GGR)*	xxx
GROSS GAMING REVENUE AFTER FRANCHISE TAX	xxx
PAGCOR Share (PS)* = 50.00% of GGR after Franchise Tax	
* PAGCOR Share and Franchise Tax are for remittance to PAGCOR	

B. Traditional Bingo Games, Rapid Bingo, Gaming Arts and Pull Tab Bingo

1. For Traditional Bingo, reversion to pre-RMC 33-2013 set-up, where the 5% Franchise Tax is applied to the Gross Gaming Revenues (GGR). PAGCOR's 15% share in Gross Ticket Sales is preserved and the franchise tax amount is shouldered by the Operator.
2. In the case of Rapid Bingo, Gaming Arts and Pull Tab Bingo, reversion to pre-RMC 33-2013 set-up, where the 5% Franchise Tax is applied to the Gross Gaming Revenues (GGR) **with a modification in the revenue sharing scheme such that PAGCOR's 15% share in Gross Sales is preserved and the franchise tax amount is shouldered by the Operator, similar to Traditional Bingo.**
3. Amendment of Regulation 22 Section 1 (a) of the Gaming Site Regulatory Manual for Bingo Games version 3.0 as amended to (i) exclude the Prize Tax in the determination of Total Payouts, and (ii) include the remittance of the 5% franchise tax, as follows:

FROM	
Section 1. Computation of PAGCOR Share	
	xxx
(a) Traditional Bingo Games including Instant Games and Bingo game variants:	
Gross Sales (GS)	xxx
PAGCOR Share (PS)*	= 15.00% of GS
*PAGCOR Share is for remittance to PAGCOR	
TO	
Section 1. Computation of PAGCOR Share	
	xxx
(a) Traditional Bingo Games including Instant Games and Bingo game variants such as but not limited to Rapid Bingo, Gaming Arts and Pull Tab Bingo:	
Gross Sales (GS)	xxx
PAGCOR Share (PS)*	= 15.00% of GS
Gross Sales	xxx
Less: Total Payout (excluding taxes on Jackpot Prizes of above PhP10,000.00)	xxx
Gross Gaming Revenue (GGR)	xxx
Franchise Tax**	= 5.00% of GGR
* PAGCOR Share is for remittance to PAGCOR	
** Franchise Tax is for remittance to PAGCOR	

Implementation of the 5% Franchise Tax on Bingo game offerings shall take effect on the first (1st) quarter of 2018 i.e. beginning January 1, 2018.

C. Final Tax on Player's Jackpot Winnings from Bingo Games exceeding Ten Thousand Pesos (PhP10,000.00)

1. Amendment of Regulation 8 Section 10 (c) of the Gaming Site Regulatory Manual for Bingo Games version 3.0 as amended to include the Operator's option to shoulder the final tax on player's jackpot winnings, as follows:

FROM
Section 10. Final Tax on player's jackpot winnings from bingo games
xxx
(c) The Operator shall report to CMED all taxes withheld on players' jackpot winnings and proof of payment thereof within fifteen (15) days from payment or deadline of payment, whichever comes first.

TO
Section 10. Final Tax on player's jackpot winnings from bingo games
xxx
(c) The Operator shall withhold the final tax on player's jackpot winnings from Bingo games exceeding Ten Thousand Pesos (PhP10,000.00).
(d) The Operator has the option to shoulder the final tax on player's jackpot winnings stated in subsection (a) above, although remittance should still be in accordance with existing revenue regulations.
(e) The Operator shall remit the final taxes withheld on players' winnings in accordance with existing revenue regulations. The Operator shall report to CMED all taxes withheld on players' jackpot winnings and proof of payment thereof within fifteen (15) days from payment or deadline of payment, whichever comes first.

2. Amendment of Regulation 18-B Part I Section 7 (a)-5 of the Gaming Site Regulatory Manual for Bingo Games version 3.0 as amended to include the revised guidelines on payment of the final tax for prizes of more than ten thousand pesos (PhP10,000.00), as follows:

FROM
Section 7. Prizes
(a) Guidelines for prizes
xxx
5. Any single prize of more than Ten Thousand Pesos (PhP10,000.00) when awarded to a winner is tax-paid. In effect, all prizes are net of the applicable taxes. Total gross amount of the prize as computed includes the applicable taxes. Operator, as the withholding agent shall file the appropriate tax return and remit the total prize taxes for the period covered.

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6. The aggregate value of all prize payouts awarded to winners and those forfeited, **and** the applicable tax imposed on these prizes must be at least thirty percent (30%) of the total gross receipts from sale of bingo cards/tickets for the month. If the average actual payout percentage falls below the required, the difference in amount shall be set aside to form a common prize fund to be given later as additional prizes for special game(s) or as bonus prize in any regular or special game to be awarded within the year; otherwise, the amount shall be forfeited in favor of PAGCOR to be utilized as source of funds for responsible gaming programs. For this purpose, the Operator shall account for all prize payouts to determine the required amount to maintain the 30% payout, if any, as of the end of the month, using the Monthly Sales Report for Traditional Bingo.

xxx

TO

Section 7. Prizes

- (a) Guidelines for prizes

xxx

5. **Final tax for any single prize of more than Ten Thousand Pesos (PhP10,000.00) shall be shouldered by the Player. However, the Operator may opt to shoulder said final tax. In effect, all prizes exclude the applicable taxes. Total gross amount of the prizes as computed excludes the applicable taxes.** The Operator, as the withholding agent, shall file the appropriate tax return and remit the total prize taxes for the period covered.
6. The aggregate value of all prize payouts awarded to winners and those forfeited **excluding** the applicable tax imposed on these prizes must be at least thirty percent (30%) of the total gross receipts from sale of bingo cards/tickets for the month. If the average actual payout percentage falls below the required, the difference in amount shall be set aside to form a common prize fund to be given later as additional prizes for special game(s) or as bonus prize in any regular or special game to be awarded within the year; otherwise, the amount shall be forfeited in favor of PAGCOR to be utilized as source of funds for responsible gaming programs. For this purpose, the Operator shall account for all prize payouts to determine the required amount to maintain the 30% payout, if any, as of the end of the month, using the Monthly Sales Report for Traditional Bingo.

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3. Amendment of Regulation 18-C Section 2 (b) of the Gaming Site Regulatory Manual for Bingo Games version 3.0 as amended to delete the non-deduction of the final tax from the prize due to the winner, as follows:

FROM

Section 2. Prizes

xxx

- (b) All prizes over ten thousand pesos (PhP10,000.00) shall be subject to the twenty percent (20%) withholding tax which the Operator will withhold and subsequently remit to the BIR. **However, the 20% withholding tax shall not be deducted from the prize due to the winner. For recording purposes, computation of the total payout for each winner of jackpot prize over PhP10,000.00 shall include the 20% prize tax imposed on this prize.** Operator shall be required to submit to CMED proof of remittance of the same to the BIR on the period prescribed.

xxx

TO

Section 2. Prizes

xxx

- (b) All prizes over ten thousand pesos (PhP10,000.00) shall be subject to the twenty percent (20%) withholding tax which the Operator will withhold and subsequently remit to the BIR. The Operator shall be required to submit to CMED proof of remittance of the same to the BIR on the period prescribed.

xxx

4. Amendment of Regulation 21 Section 3 last paragraph of the Gaming Site Regulatory Manual for Bingo Games version 3.0 as amended to redefine Payouts (PO), as follows:

FROM

Section 3. Definition of Gross Gaming Revenue

Gross Gaming Revenue (GGR) is equal to Gross Collection less Payouts (PO), where

xxx

PO shall be the total amount paid out by the Cashier for redeemed electronic bingo receipts or vouchers **plus** the twenty percent (20%) prize tax for all jackpot prizes above ten thousand pesos (PhP10,000.00). PO shall be net of all unredeemed electronic bingo receipts or vouchers.

xxx

TO

Section 3. Definition of Gross Gaming Revenue

Gross Gaming Revenue (GGR) is equal to Gross Collection less Payouts (PO), where

xxx

PO shall be the total amount paid out by the Cashier for redeemed electronic bingo receipts or vouchers **excluding** the twenty percent (20%) prize tax for all jackpot prizes above ten thousand pesos (PhP10,000.00). PO shall be net of all unredeemed electronic bingo receipts or vouchers.

xxx

5. Amendment of Regulation 21 Section 4 (c) of the Gaming Site Regulatory Manual for Bingo Games version 3.0 as amended to revise the guidelines on accounting of payouts, as follows:

FROM

Section 4. Determination of Gross Gaming Revenue from electronic bingo games

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- (c) Payouts shall be accounted **(taking into consideration the applicable tax on jackpot prizes thereon)** less whatever electronic bingo receipts or vouchers that remained unredeemed after the closing of the previous trading day's operation, i.e. forfeited, to arrive at the total paid payouts for the day.

xxx

TO

Section 4. Determination of Gross Gaming Revenue from electronic bingo games

xxx

- (c) Payouts shall be accounted **(excluding the applicable twenty percent [20%] prize tax on jackpot prizes thereon)** less whatever electronic bingo receipts or vouchers that remained unredeemed after the closing of the previous trading day's operation, i.e. forfeited, to arrive at the total paid payouts for the day.

xxx

Implementation of the revised guidelines in the Gaming Site Regulatory Manual for Bingo Games version 3.0 as regards the final tax on player's jackpot winnings from Bingo Games exceeding Ten Thousand Pesos (PhP10,000.00) shall take effect on the date of publication of these amendments to the GSRM at the PAGCOR Regulatory website.