



**Internet Gaming – Licensing and Regulation Group
Offshore Gaming Licensing Department**

REGULATORY FRAMEWORK FOR REMOTE PLAY POKER

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EXECUTIVE SUMMARY

This Regulatory Framework shall regulate the operations of online poker games catering exclusively to foreign players located outside Philippine territory. This type of game offering shall be known as Remote Play Poker.

Remote Play Poker is defined as the game of poker or playing poker in a virtual venue where players may play player-to-player poker games. It utilizes a live dealer to cause the distribution of pocket cards or player cards to players after which they interact in real time by proceeding with necessary actions in the game. Player accounts may be funded via third-party payment solutions through which the same account content may be withdrawn. It shall cover all types of online poker such as Texas Hold'em, Omaha, and Seven Card Stud and other poker game variations (cash games, tournaments, bad beat jackpot).

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REGULATION 1. CITATION, INTERPRETATION, DEFINITIONS

Section 1. This framework shall be referred to as the “Regulatory Framework for Remote Play Poker.”

Section 2. In these regulations and subsequent issuances for Remote Play Poker, unless the context otherwise requires:

“Authorized Player” refers to players of the licensee who can access its games through the latter’s website with the following criteria:

- 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 twenty-one (21) years old;
- c. Must be registered and must have established a player account.

“Entry Fee” also called administrative fee or registration fee, refers to the amount of money entered by a participant into the tournament to pay the house for running the tournament and does not go to the prize pool.

“Gaming Laboratory” refers to the entities responsible for the testing of gaming systems, hardware, and software, using industry’s accepted and established standards for gaming jurisdictions worldwide.

“Jackpot Administrative Fee” refers to the amount of money that the licensee deducts from the jackpot rake collected from eligible poker games pots to fund a progressive jackpot promotion. The fee is subjected to a ceiling determined by the licensee based on guidelines set by PAGCOR.

“PAGCOR Monitoring Team (PMT)” refers to a group of PAGCOR CMED-IG personnel whose task is to monitor and enforce the Remote Play Poker Operator’s compliance with PAGCOR’s regulations.

“Rake” means taking a percentage of the pot by the house as its means of making money on the game.

“Remote Play Poker” refers to poker games operations conducted within the casino or authorized location by PAGCOR through remote gaming platforms, catering exclusively to foreign players located outside Philippine territory.

“Remote Play Poker Game Platform” is the virtual venue where players may play player-to-player poker games. It may be web-based or accessed via a mobile application.

“Remote Play Poker Licensee” is the entity duly licensed and authorized by PAGCOR to conduct Remote Play Poker.

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REGULATION 2. REQUIREMENT OF A LICENSE

Section 1. No person shall provide or carry out Remote Play Poker operations in the Philippines or through a Philippine legal entity, except when in possession of a valid license under these regulations.

Section 2. The terms and conditions of the Remote Play Poker License are set forth in Regulation 4 of this framework.

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REGULATION 3. LICENSE ELIGIBILITY

Section 1. Qualifications of a licensee

- a. Must be of good repute, considering character, honesty, and integrity;
- b. Must not be associated with any person who is not of good repute or has undesirable or unsatisfactory financial resources;
- c. Must be duly registered with the Securities and Exchange Commission (SEC);
- d. Must have good financial standing and satisfactory corporate structure; and
- e. Must not be among those excluded from engaging in gaming under these regulations or any other law, ordinance, or issuance.

Section 2. Requirements

A. Documentary

1. Letter of intent addressed to the Chairman and Chief Executive Officer of PAGCOR;
2. Duly accomplished and notarized application form;
3. Securities and Exchange Commission (SEC)* registration;
4. Latest General Information Sheet (GIS)* with beneficial ownership declaration page;
5. Articles of incorporation and by-laws duly stamped and received by the SEC;*
 - i. The articles of incorporation and by-laws must show that casino gaming is one of the primary purposes of business; if secondary, a copy of the board resolution ratifying the same should be submitted.
 - ii. Authorized capital stock of at least one hundred million pesos (Php 100,000,000.00) with a paid-up capital stock of at least twenty-five million pesos (Php 25,000,000.00).
 - iii. Compliance with Executive Order No. 65, otherwise known as "Promulgating the Eleventh Regular Foreign Investment Negative List" requires that foreign equity shall be limited only to 40% for all forms of gambling (Republic Act No. 7042 as amended by Republic Act No. 8179) except those covered by investment agreements with PAGCOR (Presidential Decree No. 1869, as amended by Republic Act No. 9478).
6. Company overview and profile;
7. Organizational chart indicating the names of persons occupying the positions;
8. Business profile detailing the company's business model, plans, and projections;
9. Board Resolution of Secretary Certificate appointing Authorized Representative
10. Money Laundering and Terrorist Financing Prevention Plan (MTPP);
11. Duly accomplished and notarized Personal Disclosure Sheet (PDS) of all officers of the corporation with the following attachments:
 - i. For Filipino citizens – copy of government-issued ID
 - ii. For foreign nationals – copy of valid passport
12. Result of evaluation issued by an accredited probity checker of the OGLD;
13. BIR Certificate of Registration*
14. Mayor's Permit/Business Permit*; and
15. Proof of payment of the application fee.

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B. Locational/Business

1. The number of remote play poker tables in an operating site shall only be, at maximum, 25% of the allowed number of tables/machines for land-based casino operations, subject to the maximum area/space allotment for gaming operations;
2. Remote Play Poker operations manual of the corporation;
3. Operating site may only be within a PAGCOR-approved Poker Clubs, PAGCOR-operated casinos or licensed casinos with a junket agreement or Integrated Resorts; provided, that the host casino or Integrated Resort must give its consent to the proposed remote play operations.
4. Lease contract or certificate of ownership of operating site, indicating floor area; and
5. In the absence of a city or municipal ordinance stating otherwise, original or certified true copy of Letter of No Objection (LONO) or Resolution of No Objection (RONO) issued by the local government unit where the licensee's operations will be located.

C. Pre-operational

1. Posting of the performance bond in the amount equivalent to six (6) months Minimum Guaranteed Fee or equivalent to six (6) months fees for the existing tables, whichever is higher;
2. Submission of the website where Remote Play Poker will be conducted;
3. Certification from a PAGCOR-accredited independent testing laboratory of the following standards and requirements:
 - i. GLI 19 – chapter 2: Platform/System Requirements" and "Chapter 4: Game Requirements" of GLI-19: Standards for Interactive Gaming Systems, Version 3.0 (Revision Date: July 17, 2020)
 - ii. Certification attesting to the Internet Protocol (IP) blocking of all Philippine IP addresses excluding an IP address designated by PAGCOR
4. Onsite access for the purpose of viewing and extraction of essential data from the back office. The access should have a download or export function to allow efficient data gathering and analysis;
5. AMLC Certificate of Registration;
6. Manpower list;
7. Responsible gaming program;
8. Permit to Possess;
9. Pre-operational inspection and walkthrough by the OGLD and other relevant departments; and
10. Notice to Commence Operations issued by the OGLD.

Section 3. Prohibited Acts

a. Allowing access to games through the registered website to the following persons:

1. Filipino citizens, wherever located and foreign nationals while within the territorial jurisdiction of the Philippines.
2. Players below twenty-one (21) years of age.

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3. Eligible players who have not registered and established a gaming account on the website.

- b. Allowing the registered website to be accessed within Philippine territory or in territories where online gaming is prohibited.

It is the responsibility of the licensee to ensure that the targeting of any games to players based in any jurisdiction is so targeted in full compliance with the laws of that jurisdiction.

It shall be required for the licensee's registered website's terms and conditions to state that it is the player's responsibility to establish whether their gaming activity is legal according to the laws of the country where the player is based.

- c. Allowing the conduct of indecent and immoral activities which are contrary to public morals and interest.
- d. Being involved in any activity which jeopardizes the integrity of PAGCOR.
- e. Allowing other companies/ groups to use or operate under its license by entering into agreements;
- f. Conducting activities other than gaming inside the operating sites;

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REGULATION 4. THE LICENSE

Section 1. Nature of the License

The **Remote Play Poker License** is a business-to-consumer (**B2C**) license to offer or carry out remote play poker operations catering exclusively to foreign players located outside Philippine territory.

Section 2. Remote Play Poker License

- a. The license shall be evidenced by a certificate issued by the OGLD.
- b. The validity of the license for the initial issuance shall be for three (3) years and shall be renewable for another three (3) years.
- c. The certificate shall bear the following information:
 1. License number;
 2. Complete name of the company;
 3. Complete address of the company;
 4. Date of issue; and
 5. Period of validity
- d. The certificate must be signed by the Chairman and Chief Executive Officer of the PAGCOR and must contain the PAGCOR seal.
- e. The certificate is site-specific and is not valid outside the exact address indicated therein.
- f. The reproduction of the certificate by any means shall be considered a violation of these regulations. In case a duplicate is needed, the licensee shall request for a certified true copy citing compelling reasons for the duplication, subject to the evaluation and approval of the OGLD.
- g. The certificate shall be released after the licensee has successfully passed the pre-operational requirements, posted the performance bond, and settled other applicable fees.
- h. Upon expiration of the license, the certificate must be returned to the OGLD within five (5) working days. If the licensee has successfully applied for its renewal, the return of the old certificate is a requisite for the release of the new certificate.
- i. The licensee shall be responsible for ensuring that upon expiration of its license, all its operations related to gaming are immediately ceased. Continued operations shall be tantamount to illegal gambling and shall be immediately reported to law enforcement agencies for appropriate action.

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- j. The license is non-assignable and non-transferrable, unless approved by the Board and such assignment or transfer shall be subject to fees deemed reasonable by the Board.
- k. The license is a permit and a mere privilege and is not a contract between PAGCOR and the licensee. Thus, it may be amended, supplemented, and cancelled in accordance with the provisions of these rules and regulations and other pertinent laws, ordinances, and issuances.
- l. The license is not a property of the licensee, nor does it create any vested right or interest.
- m. The suspension or cancellation of the license must be approved, confirmed, or noted by the Board.

Section 3. Renewal of license

- a. The licensee shall signify its intent to renew its existing license prior to its expiration.
- b. Renewal application and requirements:
 - 1. The licensee shall submit a letter of intent to renew its license together with the complete documentary requirements at least one (1) month prior to the expiration of its license;
 - 2. The licensee must have no outstanding financial obligations;
 - 3. Payment of renewal fees;
 - 4. A licensee who is renewing its license for a third consecutive time since it submitted requirements for a new application shall be deemed as a new applicant for purposes of submission of documentary requirements; and
 - 5. The licensee who incurs 151 demerit points at the end of its license validity shall not be eligible for renewal.
- c. Documentary requirements:
 - 1. Letter of intent to renew license addressed to the Chairman and Chief Executive Officer of PAGCOR;
 - 2. Latest General Information Sheet (GIS)* with beneficial ownership declaration page;
 - 3. Duly accomplished and notarized Personal Disclosure Sheet (PDS) of Authorized Representative and key officers of the corporation;
 - 4. Duly accomplished and notarized application form for renewal;
 - 5. If there are material changes in the corporate structure:
 - i. New organizational chart indicating names of the persons occupying the positions;
 - ii. Board Resolution or Secretary's Certificate appointing new authorized representative; and
 - iii. Specimen signature.
 - 6. Result of evaluation by an accredited probity checker;
 - 7. Latest Income Tax Return;
 - 8. AMLC Certificate of Registration; and

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9. Proof of payment of the renewal fee.

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- d. Any license renewal shall in all cases be subject to the continued compliance by the licensee, during the preceding original or renewed term of the license, with these regulations, all applicable regulatory instruments, and all other applicable laws.
- e. No renewal of license shall take place if such renewal is contrary to public interest or public policy in place at the time of renewal or is reasonably anticipated to come into place during the proposed renewal term of a license.

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REGULATION 5. LICENSING PROCEDURE

Section 1. The Application Kit

- a. Upon receipt of an application, OGLD shall perform an initial evaluation of the applicant's business model;
- b. After the initial evaluation, OGLD shall issue a Deposit Notice and Payment Form for the payment of the application fee;
- c. The OGLD shall then issue a pre-numbered application kit together with the list of requirements and notice of the assigned probity checker to the applicant after submission of the proof of payment of the application fee;
- d. The forms contained in the application kit must be duly accomplished, with complete documentary requirements, and must be submitted within three (3) months from the date of issuance.
- e. The application kit shall be returned to the applicant if it has:
 1. Incomplete documents; and/or
 2. Exceeded the prescribed period for submission. In such case, the application shall be deemed withdrawn and all fees paid are forfeited in favor of PAGCOR.
- f. Submission of the application kit and payment of application fee is not a guarantee of the approval of the application.
- g. Additional documentary requirements may be required for submission as may be deemed necessary.
- h. Any misrepresentation or false information in the submitted requirements shall result in the denial of the application and a one (1)-year ban from re-application. In case the license has been granted and the misrepresentation or false information is later discovered, the license shall be immediately cancelled and a ten (10)-year ban from holding a license under these regulations shall be imposed.

Section 2. Submission of the Application Kit

The applicant shall submit the application kit with complete documentary requirements and other pertinent documents to:

Offshore Gaming Licensing Department
 Room 625, 6F, PAGCOR Executive Office
 1588 M.H. Del Pilar St. corner Pedro Gil Street
 Malate, Manila

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Section 3. Payment of Applicable Fees

- a. Payment of the applicable fees shall be made only upon issuance of a Deposit Notice and Payment Form by the OGLD.
- b. Application fees are not refundable. Payment of this fee is NOT a guarantee of the approval of the application.
- c. Posting of performance bond shall be made within thirty (30) days upon approval of the application by the Board and shall be a requisite for the issuance of the Notice to Commence Operations. Failure to pay within the prescribed period may incur corresponding demerits and possible administrative penalties.

Section 4. Evaluation of Application

The PAGCOR, acting in line with the agency's regulatory objectives, shall refuse to grant a license in any of the following circumstances:

- a. If the application is not submitted in accordance with the established form or in accordance with applicable procedure.
- b. If the applicable fees have not been paid.
- c. If PAGCOR, in its reasonable discretion, is not satisfied that the applicant and all relevant persons, including but not limited to all persons having qualified interest in the applicant, are fit and proper.
- d. If it transpires that any information or submission made to the PAGCOR is false, misleading, inaccurate, or incomplete in a material respect.
- e. If the PAGCOR, in its reasonable discretion, is not satisfied that:
 - i. The applicant is capable of sustainably financing its operations; or,
 - ii. The applicant has the necessary competence, technical know-how and resources to carry out the remote play poker operations; or
 - iii. The applicant has a business model to carry out the operations in a viable way that is compliant with the applicable regulations.

Section 5. Evaluation of Declared Operating Sites

Pre-operational inspection and systems walkthrough shall be done not later than three (3) months from the date of Board approval of the application;

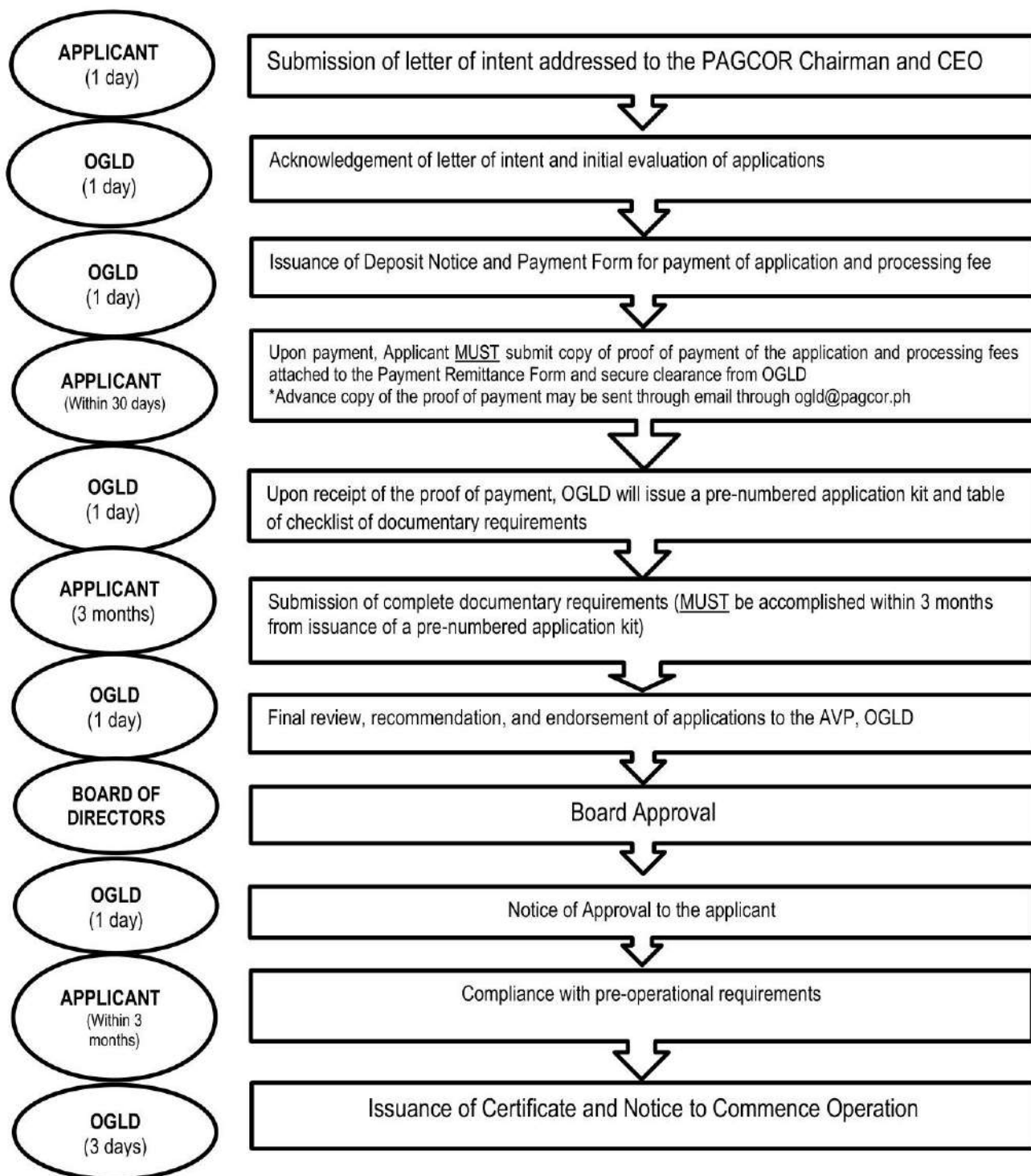
Applicant will be advised by the OGLD of the date of inspection, walkthrough, and regulatory inspections, which may be conducted at any time and as may be deemed necessary.

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Section 6. Notice to Commence Operations (NCO)

- a. Upon approval of the Board of Directors of the application for a license, a Notice of Approval shall be issued by the OGLD.
- b. A Notice to Commence Operations shall only be issued by the OGLD to the licensee upon:
 - i. Settlement of all financial requirements and the posting of the performance bond;
 - ii. Submission of a Notice of Intent to Commence Operations;
 - iii. Submission of Pre-operational documentary requirements; and
 - iv. Conduct of Site Inspection and Systems Walkthrough.
- c. The licensee is given three (3) months from Board-approval of its application for license to commence its operations. Failure to operate within the prescribed period shall warrant the imposition of the Minimum Guaranteed Fee (MGF) and incur possible administrative penalties.
- d. For cases when the licensee cannot commence its operations within the prescribed period of three (3) months, a Letter of Appeal must be filed, together with the settlement of an Appeal Fee amounting to \$50,000.00 for the consideration and approval of the Board. Extension of the period to commence operations shall be limited to two (2) Letters of Appeal.
- e. The licensee shall not commence its operations without the required Notice to Commence Operations. Operating without the requisite Notice to Commence Operations shall result in the automatic suspension of license.

Process Flow for License Application



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REGULATION 6. REMOTE PLAY POKER PLATFORM REQUIREMENTS AND STANDARDS

Section 1. The applicant's gaming protocols must comply with the minimum requirements and standards set forth hereunder.

Section 2. The Remote Play Poker Platform shall have documentations/manuals, *i.e.*, website and/or desktop and/or mobile application documents indicating, among others, the main functions, web design, and contents, accounting documents, and other salient details.

Section 3. The Remote Play Poker Platform shall not accept bets coming from within Philippine territory and shall not be accessible in any way whatsoever inside the Philippines or by Filipinos abroad.

Section 4. The proposed Remote Play Poker Platform must comply with the following standards:

A. Player Registration

The Remote Play Poker Platform's player registration or Know-Your-Customer (KYC) process must have the following minimum capabilities and/or functionalities:

- i. Requires the prospective Player to submit his/her:
 - a. Full Name,
 - b. Date and place of Birth,
 - c. Contact Number,
 - d. Current Address,
 - e. Permanent Address
 - e. Nationality
 - g. Proof of identification or identification number
 - h. Nature of work, Name of employer, Nature of self-employment/business
 - f. Source of funds
- ii. Only persons twenty-one (21) years of age and above shall be allowed to register.
- iii. Requires the prospective Player to submit a recent photo of himself/herself.
- iv. Requires the prospective Player to submit a copy of the bio page of his/her valid passport.
- v. Requires the prospective Player to declare the following information:
 - a. That he/she is at least twenty-one (21) years of age; and
 - b. That he/she is not among any of those persons disqualified under the law to engage in gambling.
- vi. A screenshot of a mandatory real-time photo ID to verify player eligibility and identity.

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- vii. Prior to account confirmation, each player must read and accept the Terms of Use of the Remote Play Poker Platform. The Licensee shall submit its Remote Play Poker Terms of Use and must be approved by the OGLD prior to implementation in the Remote Play Poker Platform. A Player's violation of any provisions of the Terms of Use shall be a ground for cancellation of his/her account.
- viii. Failure to provide all requirements during registration shall result to incomplete registration which will prevent a prospective player from playing.
- ix. The Player Registration System, as herein mentioned, may be performed by a government-regulated payment systems/channels/solutions or money transfer service.

B. Membership Verification and Monitoring

1. The Remote Play Poker Platform shall have the capability to ensure that only the registered player is using his/her account to bet. Hence, either of the following functionalities for membership verification shall be mandatorily implemented in the platform:
 - a. Biometrics verification
 - i. Facial verification;
 - ii. Fingerprint scanning;
 - iii. Iris scanning.

or
 - b. OTP Verification where the system sends a randomly generated one-time-PIN (OTP) to the registered number of the player which must be inputted by the player to allow access to the platform.
2. Face to Face Registration- the prospective player may also physically register his/her account in the office/registration area of the Licensee which must be within the operations area and witnessed by CMED-IG personnel.

C. Responsible Gaming

The Remote Play Poker Platform must show infographics or short video clips to the player upon log-in which shows the responsible gaming reminders of PAGCOR.

D. Game Play Requirements

- a. The Remote Play Poker Platform must clearly provide notice that connivance between players is not permitted and is considered cheating, and such player/s may be sanctioned accordingly.
- b. Systems must be capable of recovering from failures that cause interruptions to gaming, including where appropriate, the capability to void the games (with or without manual intervention), the capability to suspend the games, and takes

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all reasonable steps to retain sufficient information to be able to restore events to their pre-failure state. Players' fund shall be returned for any voided games.

E. Conduct of Gaming

The conduct of Remote Play Poker shall be subject to the licensee's own Operations Manual and Implementing Rules and Guidelines which are to be submitted to the OGLD for evaluation and approval. This shall include the following but not limited to submission of gaming lay-out, surveillance plan, rake collection, minimum buy-in, bad beat jackpot, cash game tournament mechanics and marketing programs.

Bad Beat Jackpots and Poker Tournaments offering are optional and their implementation requires PAGCOR's prior approval.

REGULATION 7. FINANCIAL REQUIREMENTS, REPORTING, REMITTANCE

Section 1. Application Fee

The application fee shall be paid upon the advice of OGLD through the issuance of a Deposit Notice and Payment Form. Proofs of payment for application fee form part of the requirements and are requisite to processing of applications and recommendation for board approval. It is the duty of the applicant to make sure to surrender the proofs of payments using the Remittance Form within thirty (30) calendar days from payment with validation from the bank to the OGLD.

Type of Application	Application Fee
First issuance – valid for three (3) years	\$ 100,000.00
Renewal per three (3) years	\$ 100,000.00

Section 2. Regulatory Fee

The licensee shall be imposed of a monthly regulatory fee computed based on whichever is highest among the following:

- a. \$15,000.00 for the first twenty (20) tables and \$1,500.00 per table in excess thereof;
- b. 20% of the PAGCOR Share.

The PAGCOR Share is the total collection of gross rake contribution from cash games, tournament entry fees, jackpot rake, administrative fees; and

- c. Minimum Guaranteed Fee (MGF) amounting to \$15,000.00.

Section 3. Performance Bond

Licensees are subject to the posting of a performance bond prior to the release of license. A performance bond is a monetary requirement which shall guarantee completion and fulfillment of contract and obligations with PAGCOR. The performance bond is refundable upon expiration/cancellation of the license, subject to the settlement of any outstanding obligation.

The performance bond shall be in the amount equivalent to six (6) months Minimum Guaranteed Fee or equivalent to six (6) months fees for the existing tables, whichever is higher.

A. Guidelines on Performance Bond

- i. The performance bond is non-transferrable, unless otherwise approved by the Board.
- ii. The performance bond shall be used to cover for any unpaid financial liabilities of the licensee/authorized entity/accredited entity.

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- iii. If the performance bond is less than the licensee's accounts payable to PAGCOR, the remaining amount after forfeiture of the performance bond is still due and demandable to the licensee.
- iv. The licensee shall replenish its performance bond within thirty (30) calendar days in the event of usage to cover for unsettled accountabilities with PAGCOR incidental to its operations.

B. Processing of Refund

1. The licensee entity shall submit to the OGLD a letter-request for the refund of the performance bond, surrender the certificate of license, including the following documentary requirements:
 - a. Official Receipt of the performance bond;
 - b. General Information Sheet;
 - c. Notarized Board Resolution and/or Secretary's Certificate authorizing the person to claim and receive the refund or bank details where the performance bond shall be refunded, if issued abroad, the same must be apostilled; and
 - d. Certificate of Tax Clearance from the BIR.
2. Only a licensee/authorized entity/accredited entity who is clear of all financial obligations with PAGCOR is entitled to a refund.
3. All requests for refund shall be subject to the approval of the Board.
4. Board-approved requests for refund shall be forwarded to the Accounting Department for their appropriate action.
5. The refund of the performance bond is subject to completion of documents which may be prescribed by PAGCOR.

C. Forfeiture of Performance Bond

- a. Upon cancellation of a license, the performance bond of the licensee shall be forfeited in favor of PAGCOR, and the former adhere to the following guidelines within thirty (30) days from the receipt of the Notice/Order of Cancellation of License, unless approved to be extended for meritorious reasons:
 1. The licensee shall remove all physical signages, logos, symbols, emblems, stickers, and other advertising and promotional collaterals within its premises. The licensee shall do the same for its website, mobile applications, web advertising and other virtual expression or presence in social media and the internet.
 2. All regulated gaming equipment and paraphernalia shall be accounted for and store in a secure location while awaiting approval for disposal.
 3. The licensee should file a formal request for disposal of above regulated assets. Physical disposal shall be applied according to any of the following means:
 - i. Return/Ship out to original supplier
 - ii. Destruction
 - iii. Transfer/Sale to another licensee
 - iv. Donation to PAGCOR
 4. Once duly approved and advised by PAGCOR, the licensee shall promptly carry out all undertakings required to implement disposal within the prescribed

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timeframe, including processing permits/approvals by concerned government offices, coordination with authorities, engagement of third-party providers and the like. All expenses incurred to properly dispose regulated gaming items according to these guidelines shall be for the account of the licensee.

5. Storage media of computer servers, surveillance services, audio/video records and all other digital and analog recording or storage shall in the same principle be purge, erased, and/or destroyed within the prescribed timeframe in the presence of the assigned PAGCOR Monitoring Team, who shall witness, document, and certify the activity.
6. In case the licensee fails to dispose regulated gaming assets within the prescribed timeframe, the same shall be impounded or confiscated in favor of PAGCOR.

b. In the event of cancellation of a license, the OGLD shall:

1. Advise/coordinate with concerned corporate departments on the request for disposal of regulated gaming assets by the licensee.
2. Inspect the licensee premises for full compliance to the proper disposal of regulated gaming equipment and paraphernalia and certify the same.
3. Advise Accounting Department to implement the final forfeiture upon approval by the Board.

Section 4. Additional Site/Transfer of Site Fee

Application for additional site or transfer of operating site to a building other than that of the existing operating site shall be \$20,000.00 inclusive of inspection fee and printing of one certificate.

Section 5. License Reprinting/Certified True Copy of Certificate

- a. Request for Certified True Copy (CTC) of certificate shall be \$100.00 per document.
- b. PAGCOR shall impose a fee of \$3,000.00 for requests for certificate reprinting.

Section 6. Shipment Clearance Fee

A shipment processing fee of One Thousand Pesos (Php 1,000.00) shall be charged to the applicant for each Shipment Clearance Request to cover for the administrative costs during evaluation and preparation of all documentary requirements.

Section 7. Permit to Possess Gaming Paraphernalia (PTP)

A licensee who intends to possess gaming tables, gaming equipment and gaming paraphernalia shall apply for a PTP. This certificate is coterminous with the license and may be renewed thereafter. The PTP is site-specific and is issued for the operating site where the gaming tables, gaming equipment and/or gaming paraphernalia are located.

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In cases when the gaming tables are transferred to another operating site, the PTP issued for the previous operating site will thus be considered null and void. Accordingly, the licensee shall apply for a new PTP bearing the correct operating site address, subject to the rules on change of address or operating site.

- a. The application fee for the PTP is \$100,000.00 valid for three (3) years and is coterminous with the license.
- b. For other kinds of applications for PTP, the following shall apply:
 1. For the additional site of PTP, the rates for additional site fee shall apply
 2. For the transfer of site of PTP, the rates for transfer of site fee shall apply.
- c. Once the license is expired or cancelled, the licensee may request for a grace period or an extension of the PTP only for the purpose of decommissioning and/or disposing of the gaming tables, equipment and/or paraphernalia.

Section 8. Billing and Collection of Regulatory Fee

The following procedure shall apply in the billing and collection of licensees' regulatory fee:

- a. The billing shall be submitted until every 5th of the month to the AD, copy furnished the OGLD.
- b. AD is given until every 10th of the month to reconcile the submitted billing report and send to the licensees their respective billing statements.
- c. The Licensees are given until every 15th of the month to settle their billing.
- d. For protests on the billed regulatory fee, the following shall apply:
 1. The Licensee must first settle the billed amount prior to the filing of protest with AD.
 2. AD shall process the filed protest according to its existing policies, rules, and procedures pertinent to the same.
 3. Protests filed fifteen (15) days after the deadline of payment shall no longer be considered.
- e. For cases when the licensee fails to settle its regulatory fee for two (2) months, the following shall apply:
 1. For Accounting Department (AD)
 - i. Upon due evaluation by the AD, a Notice of Delinquency shall be issued to the concerned licensee. This notice shall be different and separate from the monthly billing statements sent by the AD to all licensees.
 - ii. If the licensee still fails to settle its financial obligations on the given deadline, AD shall effect the forfeiture of the posted performance bond, subject to the latter's internal rules and procedures.
 - iii. AD shall inform the licensee of the application of the bond as well as the requirement to replenish the same in full within thirty (30) calendar days from forfeiture.

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iv. AD shall likewise inform the OGLD of the forfeiture for the latter's monitoring.

2. For OGLD

- i. OGLD shall monitor compliance of the licensee with the requirement to replenish the performance bond in full within thirty (30) calendar days from its forfeiture.
- ii. Pending replenishment of the performance bond, all transactions of the concerned licensee with this office shall be held in abeyance.
- iii. Failure to replenish the performance bond in full shall warrant the suspension of license.
- iv. Upon bond replenishment, OGLD shall notify the AD for the latter's reference and future action.

c. Collection of the corresponding cash penalty for demerits imposed:

1. Upon issuance of a Notice of Demerit, the licensee is given fifteen (15) working days from receipt thereof to settle the equivalent cash penalty.
2. Requests for reconsideration of the Notice of Demerit shall be allowed within fifteen (15) working days from receipt of the Notice, subject to the following requisites:
 - i. Letter of reconsideration specifying date of receipt and citing reasons for the request;
 - ii. Supporting documents; and
 - iii. A non-refundable/ non-transferrable reconsideration fee of \$ 500.00.
3. In case no request for reconsideration is made and no reconsideration fee has been paid within the allowable period, the Notice of Demerit shall become final.
4. Once it has become final, OGLD shall notify the licensee of the forfeiture of the equivalent cash penalty from the performance bond, copy furnished AD.
5. The licensee whose bond has been forfeited shall be required to replenish the same within three (3) banking days from the date of forfeiture. Pending replenishment, all transactions of the licensee shall be deferred.
6. Continued non-compliance for thirty (30) calendar days from the issuance of the additional demerit points shall result in the suspension of license.

d. Procedures in the processing of requests for reconsideration

1. All letters of reconsideration must be filed within fifteen (15) working days from receipt of the Notice of Demerit.
2. The OGLD shall resolve the request for reconsideration within fifteen (15) working days from receipt thereof and payment of the reconsideration fee.
3. The licensee shall be furnished a copy of the resolution to lift the demerits or deny the request.
4. Once denied, no further reconsideration shall be entertained. The licensee shall be given seven (7) working days to settle the cash penalty, otherwise, the same shall be forfeited from the performance bond pursuant to these regulations.

Section 9. Issuance of Deposit Notice and Payment Form

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- a. FOCAS-OGLD is the unit solely tasked with the issuance of deposit notices. The Deposit Notice and Payment Form or OG Form 13 authorizes the applicant to proceed with the payment for application/s filed with the OGLD. The Deposit Notice and Payment Form or OG Form 13 shall contain:
 1. Name of licensee/ applicant;
 2. Type of Application;
 3. Particulars of Payment;
 4. Amount to be paid;
 5. Reference Number;
 6. Authorized OGLD Signatory on the Form/Signature/Position/Date; and
 7. Validity period of the Deposit Notice and Payment Form
- b. All deposit notices are valid only for thirty (30) days upon date of issuance, unless otherwise provided.
- c. All proofs of payment together with the deposit notice issued must be surrendered to the OGLD for proper accounting within thirty (30) days after payment.
- d. Failure to submit proof of payment within one (1) year shall result in the forfeiture of the amount deposited in favor of the PAGCOR.

Section 10. Proof of Payment

Proof of payment must be surrendered to the OGLD within thirty (30) days from payment, together with a copy of the deposit notice issued to the applicant. This forms part of the requirement for applications for license.

- a. Original copy of proof of payment must be attached to the Payment Remittance Form containing the following pertinent information is acceptable:
 1. Date of Payment;
 2. Amount Paid;
 3. Bank's Validation;
 4. Name of Payee; and
 5. Reference Number/Description/Particulars of the payment.
- b. Submitted Proof of Payment is subject to verification with the Land Bank of the Philippines.
- c. All fees indicated in this regulation are non-refundable except for the performance bond.
- d. For Bank Wire Money transfer, acknowledgement of the receiving bank is necessary. Mere order/proof of transfer or application for payment will not be accepted.

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REGULATION 8. ANTI-MONEY LAUNDERING AND TERRORIST FINANCING

All licensees shall comply with the provisions set forth in the Anti-Money Laundering Act (AMLA), as amended, the Terrorism Financing Prevention and Suppression Act (TFPSA), their Implementing Rules and Regulations (IRRs), the 2021 AML/CTF Guidelines for Designated Non-Financial Business and Persons, and other regulatory issuances of the Anti-Money Laundering Council (AMLC).

Accordingly, they shall comply with documentary requirements, compliance checking requirements, and other submissions as may be required by the Anti-Money Laundering Council, and its equivalent regulating unit in PAGCOR, covering the overall money laundering and terrorism financing (ML/TF) risk management and control framework of the licensees.

OGLD shall be copy furnished in all submissions.

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REGULATION 9. ENFORCEMENT MEASURES

Section 1. The enforcement measures which the OGLD may take are the following:

- a. An Order, howsoever named, directing the licensee to do, or to refrain from doing something or to otherwise correct its conduct and, or operations; and/or
- b. A Warning, howsoever named, directing the licensee to do, or refrain from doing, something in the future, and/or
- c. Adding, removing, or amending conditions attached to the license held by the relevant licensee; and/or
- d. A Demerit based on Section 2, Regulation 5 of these Regulations; and/or
- e. In the case of a breach which is not a violation enumerated by the regulations, imposing the administrative penalty of Fines; and/or
- f. Suspension of license/authorization; and/or
- g. Cancellation of license/authorization.

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Section 2. Table of violations, demerit points

A. Table of Violations

VIOLATION	DEMERIT POINTS	ENFORCEMENT MEASURES		
		1 ST COMMISSION	2 ND COMMISSION	CONTINUED NON-COMPLIANCE
1. The Licensee's Owner/s, Director/s, and/or employee/s of Managerial level is/are convicted of an offense in violation of anti-gambling laws of the Philippines	-	<i>Upon commission of such violations, the following shall be imposed:</i> - Forfeiture of performance bond in favor of the PAGCOR; and - Cancellation of the license/authorization.		
2. The Licensee's Owner/s, Director/s, and/or employee/s of Managerial level is/are convicted of any serious offense under any other law	-			
3. Licensee obtains the license by a materially false or misleading representation	-			
4. Falsification of the Licensee of documents/ requirements submitted to PAGCOR	-			
5. Fraud, misrepresentation, or any other form of deceit in the conduct of its business of the Licensee	-			
6. Failure to operate by the Licensee within a period of three (3) months from the issuance of its license without justifiable cause	20	<i>Upon commission of this offense, a Warning and Notice of Demerit shall be issued. Continued non-operation of fifteen (15) days following the issuance of the Notice of Demerit shall warrant the cancellation of the license/authorization, unless otherwise approved by the Board.</i>		

7.	Failure by a Licensee to declare an operating site	20	Warning/ Notice of Demerit	Suspension of license	Cancellation of license
8.	Failure by a Licensee to declare or misdeclaration of actual operations	20	Warning/ Notice of Demerit Order to apply for appropriate license	Suspension of license	Cancellation of license
9.	Preventing the PAGCOR Monitoring Team from entering the operating address starting from the gates or entrances of a building, and from accessing all areas, rooms, and other openings	20	Show Cause Order with fine of \$20,000.00	Cancellation license and forfeiture of the performance bond	
10.	Preventing the taking of pictures or video by the inspection team of the premises, machines, and equipment to document the conduct of inspection	20	Show Cause Order with fine of \$20,000.00	Cancellation of license and forfeiture of the performance bond	
11.	Being found in possession of the travel documents of their employees for no valid reason	20	Show Cause Order with fine of \$20,000.00	Cancellation license and forfeiture of the performance bond	
12.	Licensee is found to have employed undocumented and/or improperly documented foreign national/s	20	Show Cause Order with fine of \$20,000.00	Suspension of license	Cancellation of license
13.	Failure by a licensee to declare a gaming website, and/or available games in operation for auditing of the	10	Warning/ Notice of Demerit	Suspension of license	Cancellation of license

	third-party audit platform.				
14.	Licensee is found to have employed personnel of prohibited age	10	Warning/ Notice of Demerit	Suspension of license	Cancellation of license
15.	Failure to cooperate with a PAGCOR-accredited probity checker, independent testing laboratory, and/or third-party audit platform.	10	Warning/ Notice of Demerit	Suspension of license	Cancellation of license
16.	Failure of the licensee to comply with an order from PAGCOR and to address/ reply to complaints of players	10	Warning	Notice of Demerit	Suspension of license, Cancellation of license
17.	Failure to notify PAGCOR when the licensee ceases operation for one (1) week and cannot explain the causes thereof; or attempts in any way to abscond from its obligations to its players	10	Warning/ Notice of Demerit	Suspension of license	Cancellation of license
18.	Violation by the licensee of policies, rules, regulations, and subsequent issuances of OGLD	10	Warning/ Notice of Demerit	Suspension of license	Cancellation of license
19.	Failure of the licensee to notify the OGLD regarding new or additional, reduction, or movement of gaming tables at least three (3) days prior to implementation	10	Warning/ Notice of Demerit	Suspension of license	Cancellation of license

20.	Failure of the licensee to notify the OGLD regarding disposal of gaming table or equipment at least three (3) days prior to implementation	10	Warning/ Notice of Demerit	Suspension of license	Cancellation of license
21.	Failure of the licensee to submit documents, or other requirements as may be prescribed by PAGCOR	10	Warning	Notice of Demerit	Suspension of license, Cancellation of license
22.	Tampering of sealed certificates	5	Warning	Notice of Demerit	Suspension of license, Cancellation of license

B. Assessment of Demerits

1. The licensee shall have three hundred (300) merit points for the validity of its license whether upon first application or renewal. Demerits incurred throughout the license validity will be recorded and deducted from the total merit points.
2. Based on the nature of the offense, each offense will correspond to demerits with equivalent monetary penalties. Each demerit point is equivalent to \$1,000.00.
3. Corresponding monetary penalty will be collected from the licensee. Non-payment of the monetary penalty within the prescribed period shall result in the forfeiture of the amount from the performance bond.
4. OGLD may issue additional list of offenses with corresponding penalties, as it may deem necessary.
5. Notwithstanding the imposition of penalties and payment of fines, demerit points will be taken into consideration in the renewal of license. At the expiration of the license, those which incur a total number of 151 demerit points will not be eligible to renew their license.
6. For licensees who are eligible to apply for the renewal of their license, application is subject to the payment of arrears and settlement of financial obligations, to include cash penalty for demerits.

Section 3. Grounds for Suspension and Cancellation of the License

- A. The Board shall have the power to *motu proprio* suspend a license in the following instances:

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1. The PAGCOR is satisfied that the licensee, or a person holding a direct or indirect interest in the licensee, or a person holding a key function in the licensee, is not, or has ceased to be, in the opinion of the Board, fit and proper to hold such license;
 2. The licensee has failed to comply with an order issued by PAGCOR;
 3. The licensee has failed to comply with one or more applicable obligations in terms of any regulations or any other applicable law of the Philippines;
 4. The licensee has failed to discharge financial commitments for its operations or the PAGCOR has reason to believe that such failure is imminent;
 5. The licensee is in breach of laws or regulations at any time in force for the prevention of money laundering and financing of terrorism;
 6. Circumstances arise which, had they been present and known to the PAGCOR at the time of issuance of the license, would have led the PAGCOR not to issue such license;
 7. The licensee has failed to pay in a timely manner any and all amounts due to the PAGCOR;
 8. The Board, in its discretion, has determined that there is material and sufficient reason for suspension of the license.
- B. The Board shall have the power to *motu proprio* cancel a license in the following instances:
1. One of the grounds under Section 3 (A) of this Regulation arises and the Board, in its discretion, determines that cancellation of the license is the most appropriate measure;
 2. The Board has suspended the license in terms of Section 3 (A) of this Regulation and, in the circumstances of the case, it becomes satisfied that the matter which led to the suspension cannot be rectified.
- C. The suspension or cancellation of the license shall not affect any liability of the licensee for anything done or omitted to be done, or for any amounts due which may have already accrued before the date of suspension or cancellation.
- D. Without prejudice to any applicable law, the liability of the licensee to pay any applicable compliance contribution, gaming devices levy and, or gaming tax shall stop accruing during any period in which the license is suspended:

Provided that the licensee shall have no right to recover any applicable dues paid in advance.

Section 4. Cancellation of License

For cases when the Board cancels a license and orders the closure of an operating site and cessation of internet gaming operations under these regulations, the following shall apply:

1. The licensee shall be banned from re-applying with OGLD for a period of one (1) year or a longer period as may be determined by the Board reckoned from the date of license cancellation.

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2. The original certificate/s to the licensee shall be surrendered immediately upon license cancellation.
3. The Performance Bond shall be forfeited in favor of PAGCOR subject to the guidelines under the Internet Gaming Licensing Regulations.
4. Payment of outstanding financial obligations due to PAGCOR.

Section 5. Request for Reconsideration

1. For cases when the concerned licensee files a Request for Reconsideration on the cancellation of the previously granted license, its operations shall remain suspended pending decision of the Board.
2. In meritorious cases when the Board grants the Request for Reconsideration, the licensee shall resume its operations only upon issuance by the OGLD of a Notice to Resume Operations.

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REGULATION 10. RESPONSIBLE GAMING

The licensee shall institute a Responsible Gaming Program in accordance with PAGCOR's Responsible Gaming Code of Practice.

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REGULATION 11. MISCELLANEOUS PROVISIONS

Section 1. Separability Clause

If, for any reason, any provision of these rules is declared unconstitutional or contrary to law, the other parts, or provisions hereof which are not affected thereby shall continue to be in full force and effect.

Section 2. Effectivity

These rules shall become effective upon approval by the PAGCOR Board of Directors. Upon becoming effective, these rules shall be applied to all applicants for license and all licensees to the extent that they are applicable.