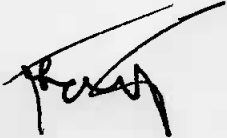




# Philippine Economic Zone Authority

MEMORANDUM CIRCULAR NO. 2017 - 023

TO : Information Technology (IT) Enterprises  
PEZA Economic Zone Administrators/Managers/OICs  
All Concerned

FROM : Director General BGen CHARITO B. PLAZA, MNSA, PhD 

SUBJECT : EXECUTIVE ORDER NO. 13 dated 02 February 2017

DATE : 05 June 2017

---

On 02 February 2017, President Rodrigo R. Duterte issued Executive Order (E.O.) No. 13 entitled "*Strengthening the Fight Against Illegal Gambling and Clarifying the Jurisdiction and Authority of Concerned Agencies in the Regulation and Licensing of Gambling and Online Gaming Facilities, and for other purposes*".

Illegal Gambling was defined under Section 2 of the EO, *viz.*:

**"SECTION 2. Illegal Gambling Defined.** Pursuant to existing laws, illegal gambling is committed by any person who, in any manner, shall directly or indirectly take part in any game scheme, regardless of whether winning thereat is dependent upon chance or skill or both, wherein wagers consisting of money, articles of value or representative of value are at stake or made, when such game scheme is not authorized or licensed by the government agency duly empowered by law or its charter to license or authorize the conduct of such games, or is conducted in a manner that violates the terms and conditions duly prescribed by the said government agency.

All gambling activities, and **activities and services directly or indirectly related to or in support of such gambling activities**, conducted beyond the territorial jurisdiction of the government authority which issued the license therefor, shall be dealt with as illegal gambling." (underscoring ours for emphasis)

During our meetings and discussions with the Office of the President and other government agencies, it was revealed that a significant number of PEZA-registered IT Enterprises are engaged in activities and services that support online gambling activities.

Section 4 of the EO directs government agencies and authorities including the Philippine Economic Zone Authority (PEZA) to fully cooperate with and lend assistance to the Office of the President to suppress illegal gambling and improve the government efforts to raise revenue from legitimate gambling activities.

In view of the foregoing, all concerned PEZA-registered IT enterprises are hereby directed to disclose in writing to the Office of the PEZA Director General, any activity/ies that are related, **directly or indirectly**, to gambling activities as defined under EO No. 13. You are hereby given until **09 June 2017** within which to comply with this directive.

The full text of Executive Order No. 13 dated 02 February 2017, which has taken effect on **10 February 2017**, may be downloaded at the Official Gazette website: <http://www.gov.ph/2017/02/02/executive-order-no-13-s-2017/>

For strict compliance.



MALACAÑAN PALACE  
MANILA

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 13

**STRENGTHENING THE FIGHT AGAINST ILLEGAL GAMBLING AND  
CLARIFYING THE JURISDICTION AND AUTHORITY OF CONCERNED  
AGENCIES IN THE REGULATION AND LICENSING OF GAMBLING  
AND ONLINE GAMING FACILITIES, AND FOR OTHER PURPOSES**

**WHEREAS**, the State condemns the existence of illegal gambling activities as a widespread social menace and source of corruption, as it has become an influential factor in an individual's disregard for the value of dignified work, perseverance and thrift;

**WHEREAS**, Presidential Decree (PD) No. 1602 (s. 1978) defines illegal gambling activities and imposes penalties upon persons who take part in and knowingly permit illegal and unauthorized forms of gambling;

**WHEREAS**, PD No. 1869 (s. 1983), as amended, granted the Philippine Amusement and Gaming Corporation (PAGCOR) the privilege and right to operate and license gambling casinos, gaming clubs and other similar recreation or amusement places and gaming pools, whether on land or sea, within the territorial jurisdiction of the Philippines, while providing that its regulatory authority shall not extend to those authorized, licensed and regulated by, in, and under existing franchises or other regulatory bodies, special laws, and local government units;

**WHEREAS**, Republic Act (RA) No. 7922 created the Cagayan Economic Zone Authority (CEZA) to manage and operate the Cagayan Special Economic Zone and Free Port and authorizes it to operate on its own, either directly or through a subsidiary entity, or license to others, tourism-related activities, including games and amusements such as gambling casinos;

**WHEREAS**, RA No. 9490, as amended by RA No 10083, created the Aurora Pacific Economic Zone and Freeport Authority (APECO) to manage and operate the Aurora Pacific Economic Zone and Freeport, and authorized it to operate on its own, either directly or through a subsidiary entity, or concession or license to others, tourism-related activities, including games and amusements such as casinos and online game facilities;

**WHEREAS**, RA No. 9728 created the Authority of the Freeport Area of Bataan (AFAB) to manage and operate the Freeport Area of Bataan, and authorized it to operate on its own, either directly or through a license to other tourism-related activities, including games, amusements, recreational and sports facilities, subject to the approval and supervision of the PAGCOR;

**WHEREAS**, confusion with regard to the jurisdiction and scope of authority of the different gambling regulators contributes to the proliferation of illegal gambling and gaming;

THE PRESIDENT OF THE PHILIPPINES

**WHEREAS**, clarifying the extent of authority of gambling regulators, particularly with regard to online gambling, will not only facilitate the detection and suppression of unauthorized gambling activities, but will also help ensure that gambling regulators act within the bounds of their respective mandates, as well as strengthen the efforts of the National Government to monitor and collect revenues from legitimate gambling activities;

**WHEREAS**, Section 17 of Article VII of the 1987 Constitution states that the President shall have control over all executive departments, and shall ensure that the laws are faithfully executed;

**NOW, THEREFORE, I, RODRIGO ROA DUTERTE**, President of the Republic of the Philippines, by virtue of the powers vested in me by the Constitution and existing laws, do hereby order:

**SECTION 1. Law Enforcement and Government Agencies to Curb Illegal Gambling.** The Philippine National Police (PNP), the National Bureau of Investigation (NBI) and other law enforcement agencies are hereby ordered to intensify the fight against illegal gambling, in coordination with concerned agencies such as the Department of Justice (DOJ), Department of the Interior and Local Government (DILG), and the Department of Information and Communications Technology (DICT).

The same law enforcement agencies are further directed to coordinate and promptly act on requests of gambling regulatory authorities to investigate and put a stop to illegal gambling activities in their respective jurisdictions.

**SECTION 2. Illegal Gambling Defined.** Pursuant to existing laws, "illegal gambling" is committed by any person who, in any manner, shall directly or indirectly take part in any game scheme, regardless of whether winning thereat is dependent upon chance or skill or both, wherein wagers consisting of money, articles of value or representative of value are at stake or made, when such game scheme is not authorized or licensed by the government agency duly empowered by law or its charter to license or authorize the conduct of such games, or is conducted in a manner that violates the terms and conditions duly prescribed by the said government agency.

All gambling activities, and activities and services directly or indirectly related to or in support of such gambling activities, conducted beyond the territorial jurisdiction of the government authority which issued the license therefor, shall be dealt with as illegal gambling.

**SECTION 3. Clarification on Online Gambling.** No duly licensed online gambling operator, or provider of activities and services related to or in support of online gambling activities, shall directly or indirectly allow persons who are physically located outside the territorial jurisdiction of the licensing authority to place bets, or in any way participate, in the games conducted by such operator, whether through an online portal or similar means. Nothing herein, however, shall prohibit the duly licensed online gambling operator from allowing the participation of persons physically located outside Philippine territory.

The license to operate online gambling granted to qualified operators shall not be assigned, shared, leased, transferred, sold or encumbered to any other party. Any gambling operator desiring to operate outside the jurisdiction of the government

authority which issued its existing license shall apply for a separate license with the appropriate authority.

**SECTION 4. Oversight Function.** The Office of the President, through its duly authorized representative, shall exercise oversight in the implementation of this Order. As may be necessary, such representative shall, in coordination with relevant agencies, recommend to the President the issuance of rules, regulations and directives for the suppression of illegal gambling and the improvement of government efforts to raise revenue from legitimate gambling activities.

All government agencies and authorities such as PAGCOR, CEZA, AFAB, APECO, Bureau of Internal Revenue, Bureau of Immigration, Bureau of Customs, Anti-Money Laundering Council, DILG, DICT, and Philippine Economic Zone Authority, are hereby directed to fully cooperate with and lend their assistance to the Office of the President or its duly authorized representative in the performance of the tasks and functions herein provided.

**SECTION 5. Reporting Requirement.** PAGCOR, CEZA, AFAB, APECO and other similar regulatory entities, in coordination with the relevant law enforcement agencies, shall submit to the Office of the President, through the authorized representative mentioned in Section 4 above, a consolidated report on the progress of the fight against illegal gambling in their respective jurisdictions, within six (6) months from the effective date of this Order and every six (6) months thereafter.

**SECTION 6. Funding.** The amounts necessary to carry out the provisions of this Order shall be taken from available appropriations in the CY 2017 General Appropriations Act of the concerned agencies, subject to applicable budgetary rules and regulations. Thereafter, appropriations for the implementation of this Order shall be incorporated in the regular budget of the concerned agencies.

**SECTION 7. Repeal.** All executive orders, rules and regulations and other issuances or parts thereof which are inconsistent with this Executive Order, are hereby revoked, amended, or modified accordingly.

**SECTION 8. Separability.** If any provision of this Executive Order is declared invalid or unconstitutional, the other provisions not affected thereby shall remain valid and subsisting.


**SECTION 9. Effectivity.** This Executive Order shall take effect immediately upon its publication in a newspaper of general circulation.

**DONE**, in the City of Manila, this 2nd day of February, in the year of Our Lord, Two Thousand and Seventeen.

By the President:

  
**SALVADOR C. MEDIALDEA**  
Executive Secretary



  
**CERTIFIED COPY:**

  
**MARIANITO M. DIMAANDAL**  
DIRECTOR IV  
MALACARANG RECORDS OFFICE  
2-8-2017