



Philippine Amusement and Gaming Corporation
A Sure Bet for Progress in Gaming, Entertainment and Nation Building

MEMORANDUM

June 23, 2017

**T O : ALL GAMING SITE OPERATORS (BINGO GAMES)
ALL GAMING SITE OPERATORS (ELECTRONIC GAMES)
ALL SERVICE PROVIDERS (ELECTRONIC GAMES)**

F R O M : THE OFFICER-IN-CHARGE, GLDD

**S U B J E C T : CONVERSION OF THE OPERATOR FROM SOLE
PROPRIETORSHIP/ PARTNERSHIP TO CORPORATION**

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The following regulatory manuals govern the establishment and operation of gaming sites for electronic games and bingo games:

1. Gaming Site Regulatory Manual (GSRM) version 3.0 (Electronic Games); and
2. Gaming Site Regulatory Manual (GSRM) version 3.0 (Bingo Games).

Regulation 2 Section 1(b) of the above GSRMs requires existing Operators operating under a Sole Proprietorship/ Partnership to register an entity with SEC, i.e. to convert to a corporation, provided that such Sole Proprietor/Partner(s) should own at least two-thirds (2/3) of the outstanding capital stock in the case of a corporation, provided further, that all requirements for Applicant-Corporation shall be complied with.

Please be advised that the PAGCOR Board of Directors approved in its meeting held on June 16, 2017 the inclusion of regulations covering the transition of valid Gaming Licenses from Sole Proprietorship/Partnership to Corporation. In this regard, the above GSRMs shall be amended to include under Regulation 6 (The License) the attached Section 5 - Amendment of License due to Operator's Conversion from Sole Proprietorship/Partnership to Corporation" (Annex A).

As contained in the amendment, the Operator shall now use the **"Request for Amendment to Gaming License Form (GS Form No. 38-B)"** for its request for conversion from Sole Proprietorship/Partnership to Corporation.

Please be guided accordingly.


RAMON STEPHEN R. VILLAFLOR

cc: CMED
OCCEO

GLDD
CTS# 20170628-104727

REGULATION 6 – THE LICENSE

Section 5 - Amendment of License due to Existing Operator's Conversion from Sole Proprietorship/Partnership to Corporation

An Operator may request for an amendment of the Gaming License upon its compliance with Regulation 2, Section 1(b) which requires existing Operators operating under a Sole Proprietorship/ Partnership to register an entity with SEC, provided that such Sole Proprietor/Partner(s) should own at least two-thirds (2/3) of the outstanding capital stock in the case of a corporation, provided further, that all requirements for Applicant Corporation shall be complied with.

- (a) The Operator shall submit to GLDD a duly accomplished Request for Amendment to Gaming License Form (GS Form No. 38-B) together with the required documentary requirements for Applicant Corporation as provided under Regulation 2, Section 6 (Applicant Documentary Requirements) of the GSRM.

1. An amendment to the existing License with the new entity name (corporation) shall be undertaken subject to the following:
 - i. The existing License of the gaming site is of good standing.
 - ii. The existing License is still valid.
 - iii. The location of the gaming site is the same as the existing gaming site.
 - iv. Submission of a Letter of No Objection (City/Municipal Council Resolution) under the new Operator-Corporation's name, if the current License was issued based on the duly received application with the Council and letter of consent from the Mayor as previously allowed prior to the amendment of this Gaming Site Regulatory Manual.
 - The Operator shall not be required to secure and submit the LONO (City/Municipal Council Resolution) under the new corporation's name, if the current Sole Proprietor/Partner(s) Operator has already submitted such LONO.
2. The request for amendment to Gaming License due to conversion of the Operator from Sole Proprietorship/Partnership to Corporation shall not be treated as new site/license application.
3. Conduct of site inspection shall not be required.
4. The validity of the amended License shall be the unexpired term of the original License.

- (b) GLDD shall proceed with the submission of recommendation to the PAGCOR Board of Directors for amendment of License covering Operator's conversion from sole proprietorship/partnership to a corporation, upon Operator's compliance with the following:
1. Sole Proprietor/Partner(s) owns at least two-thirds (2/3) of the outstanding capital stock in the case of a corporation; and
 2. Documentary requirements for Applicant Corporation.
- (c) Upon approval of the PAGCOR Board of Directors, the following shall apply:
1. GLDD shall issue a notice of approval and furnish the Operator the copy of the License under its new name as a corporation.
 2. GLDD shall thereafter issue the original copy of the License and the Operator shall assume management of the gaming site using the new name as a corporation.
 3. The Operator shall secure the Business Permit under its new name as a corporation and submit the amended Business Permit in compliance to annual submission of documents as prescribed in Section 7 under Regulation 2.



Philippine Amusement and Gaming Corporation

Gaming Licensing and Development Department
PAGCOR House, 1330 Roxas Boulevard, Ermita, Manila

REQUEST FOR AMENDMENT TO GAMING LICENSE FORM (Operator's Conversion from Sole Proprietorship/Partnership to Corporation)

GENERAL INSTRUCTIONS

1. Use this form if the Operator intends to convert from Sole Proprietorship/Partnership to a Corporation which requires for an amendment to the existing Gaming License of good standing.
2. The Operator must comply with the requirements for conversion as prescribed in Section 1-(b) under Regulation 2 and Section 5 under Regulation 6 of the Gaming Site Regulatory Manual (GSRM).
3. Type or print the needed information on the spaces provided. The Operator must provide all required information. Incomplete requirements will cause the non-processing of this request.
4. Please accomplish and submit this form together with the prescribed documentary requirements, to:

*Gaming Licensing and Development Department (GLDD)
Room 314, 3rd Floor PAGCOR House
1330 Roxas Boulevard, Ermita, Manila*

*Attention: Merlie V. Rubin
Acting Senior Regulatory Officer*

or email to

gldd.rgulicensing@pagcor.ph

gldd_ebingo@pagcor.ph

5. Cut-off for submission of applicants shall be 4:00 P.M

1. Name of Operator: _____

(If Operator is a partnership, please provide full registered name.)

Please check type of current gaming activity at gaming site

☐

Bingo Games

_____ Electronic Bingo

_____ Traditional Bingo

☐

Electronic Games

_____ InstaWin

2. Validity of Current Gaming License (GL):

From: _____ To: _____

3. Existing Gaming Site Location:

4. Registered Name as Corporation: _____

A. This request is accompanied by the following LGU document (if any) and Applicant-Corporation documents:

- (1) **Letter of No Objection (LONO) document from the concerned Local Government Unit (LGU)**

(i.e. Resolution from the City/Municipal Council)

Date issued: _____

(If the current Gaming License was issued based on duly received application with the City/Municipal Council and letter of consent from the Mayor as previously allowed prior to the amendment of the GSRM)

Note: PAGCOR reserves the right to conduct extra due diligence on submitted LGU documents.

	DATE RECEIVED by GLDD
(2) Applicant-Corporation Documents	
a. Company profile	_____
b. SEC Registration	_____
c. Latest General Information Sheet (GIS) duly stamped received by SEC	_____
d. Articles of Incorporation, By-Laws duly stamped received by SEC:	_____
Articles of Incorporation must show that gaming is one of its primary purpose of business; if secondary purpose, a copy of the Board's Ratificatory Vote on the same should be submitted; Foreign ownership, if any, must comply with the Regular Foreign Negative List B of the Foreign Investment Acts of 1991 B69 (R.A. No. 7042, as amended by R.A. No. 8179)	
If a stockholder is also a corporation, a copy of the SEC Registration, Articles of Incorporation and latest GIS of said corporation should likewise be submitted	
Authorized Capital Stock of at least FIVE MILLION PESOS (PhP 5,000,000.00), with paid-up capital of at least THREE MILLION PESOS (PhP3,000,000.00)	
e. Original bank certification [must have a minimum of THREE MILLION PESOS (PhP 3,000,000.00)] per game offering under the Applicant company's name specific requirements)	_____
f. Copy of ITR of the company (duly filed with the BIR) for the previous year for existing incorporated corporations or copy of current balance sheet of the newly incorporated corporation	_____
g. Written disclosure of the description of any of the following events that occurred during the past five (5) years up to the latest date that are material to an evaluation of the ability or integrity of any director of shareholder of the Applicant:	_____
1. Any bankruptcy petition filed by or against any business of which such person was a director or shareholder either at the time of the bankruptcy or within two years prior to that time;	
2. Any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;	
3. Being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending, or otherwise limiting his involvement in any type of business of gaming activities; and	
4. Being found by a domestic or foreign court of competent jurisdiction (in a civil action), PAGCOR, or a domestic regulatory organization to have violated gaming law or regulation, and the judgment has not been reversed, suspended, or vacated.	
h. Written disclosure of relatives in PAGCOR or other government agencies up to the 4 th civil degree of consanguinity or affinity	_____
i. Sworn undertaking that Applicant will abide by existing labor laws, including regularizing all contractual employees working for more than six (6) months and the payment of minimum wages and the benefits mandated under labor laws	_____
j. Sworn certification that the gaming site has complied/will comply with the required Performance Cash Deposit and Initial Betting Fund, as applicable.	_____
(3) For Each Member of the Board of Directors:	
Duly accomplished and notarized Personal Disclosure Statement (PDS) form - to be sent together with enclosures in a sealed brown envelope marked " CONFIDENTIAL - PDS " addressed to:	_____

Senior Manager, RGU
Gaming Licensing and Development Department
3rd Floor PAGCOR House
1330 Roxas Boulevard, Ermita, Manila

Enclosures with the PDS form are the following:

1. For Filipino citizens and foreign residents: copy of ITR (duly filed with the BIR) for the previous year; or
2. For non-resident foreigners: copy of valid passport

DECLARATION

By signing below, I/We declare that:

- 1 The information contained in this request including all documents submitted relative to this are valid, true and correct;
- 2 I/We declare and certify that the location of the gaming site is the same as the existing gaming site.
- 3 I/We declare and certify that the site location is still compliant with the distance restriction guidelines to schools, places of worship, cockpits, horse-racing outlets, public markets, informal settlers, resettlement areas, and other gaming establishments as prescribed in Section 2 under Regulation 3 of the GSRM.
- 4 I/We understand that validity of the amended Gaming License (GL) shall be the unexpired term of the original GL.
- 5 I/We have executed this statement with the knowledge that misrepresentation or failure to reveal information requested may be deemed sufficient cause for revocation of the GL of the gaming site if amendment to GL has been approved by the time such misrepresentation or act of omission is discovered.
- 6 I/We are certifying that the proposed gaming site is compliant with the LGU's requirements and regulations on the establishment; and that I/we will not hold PAGCOR liable for expenses/"business losses" brought about by closure orders and/or penalties incurred should site be found non-compliant with LGU regulations.
- 7 I/We declare that I/we shall undertake to secure an amended Business Permit to correspond with the new name as the Operator of the gaming site, should my/our request be approved.

Name: _____ Signature: _____

AUTHORIZED REPRESENTATIVE

Date: _____

EVALUATION

(to be accomplished by GLDD)

- A. ☐ Conversion from Sole Proprietorship/Partnership to Corporation is acceptable in terms of the site location and compliance with the submission of Operator-Corporation documentary requirements. Acceptability of this conversion is not a guarantee of the approval of this request. The grant of amended Gaming License of a gaming site is subject to PAGCOR Board approval.

GLDD EVALUATOR

Date

- B. ☐ Request is returned due to insufficient requirements/information:

Acknowledged by:

GLDD EVALUATOR

AUTHORIZED REPRESENTATIVE

Date: _____

Date: _____

- C. ☐ Conversion from Sole Proprietorship/Partnership to Corporation is unacceptable due to:

License is not of good standing

Location of the gaming site is not the same as the existing gaming site

Site location is currently not compliant with the distance restriction guidelines

Remarks:

Acknowledged by:

GLDD EVALUATOR

APPLICANT or AUTHORIZED REPRESENTATIVE

Date: _____

Date: _____