

Gambling Licensing in Philippines (Jun, 2023)

1. INTRODUCTION

Whilst gambling for Philippines citizens is not permitted under Philippines law, the gambling industry has seen incredible growth in Philippines over the past decade, ostensibly to service foreign clients. To this end, border towns such as Baviet and Poipet have a large number of casinos to allow citizens of neighbouring countries, where gambling is illegal, to partake. In addition, the southern town of Sihanoukville has seen incredible growth in the number of casinos in the past decade, culminating in a nationwide total of 193 casinos in 2020. To bring clarity and increased oversight to the sector, the Royal Government introduced the Law on Management of Commercial Gaming in 2020, and further clarified the regulations in subsequent Sub-Decrees. This newsletter will focus primarily on the licensing and requirements for casino-based gambling.

2. GAMBLING ZONES

The Law on Commercial Gambling Management separated the commercial gambling zones into two types: (1) prohibited zones and (2) permitted zones. In prohibited zones, all or certain types of commercial gambling are prohibited for the purpose of preserving culture, religion, or other reasons. The permitted zones are those geographical areas located outside of the prohibited zones. Permitted zones also cover casino games and betting which are only permitted within the premises of a casino.

3. COMMERCIAL GAMBLING REGULATOR

The Commercial Gambling Committee of Philippines (CGCC) is the competent authority responsible for issuing all relevant licenses relating to centers operating commercial gambling and commercial gambling activities in Philippines. Commercial gambling refers to casino gambling, betting gambling, luck-based gambling and/or other commercial gambling operated for the purpose of making profits or for business purposes. Pursuant to the Gambling Law, subject to the types of commercial gambling and related activities, the CGC may issue the following licenses:

- Casino gambling
- Betting gambling
- Luck-based gambling
- Other commercial gambling
- Special employees
- Promoters (junkets) and
- Manufacturers, installers, importers, sellers and/or distributors of equipment and/or gambling software.

4. TYPES OF CASINO LICENCES

N°	Casino License Type	Validity	Annual License Fee
1	Casinos located inside the integrated resorts	Not exceed 20 years (subject to renew)	KHR 400,000,000 (approx. US\$ 100,000)
2	Casinos located outside of the integrated resorts	Not exceed 5 years (subject renew)	KHR 400,000,000 (approx. US\$ 100,000)
3	Existing Casino (prior to the promulgation of the Prakas) (considered as a preferential type)	Shall fulfil the requirements determined by new regulations.	Phase 1: Year 1-Year 3: KHR 200,000,000 (approx. US\$ 50,000) Phase 2: Year 4-Year 6: KHR 240,000,000 (approx. US\$ 60,000) Phase 3: Year 7-Year 9: KHR 280,000,000 (approx. US\$ 70,000) Phase 4: Year 10-Year 12: KHR 320,000,000 (approx. US\$ 80,000) Phase 5: Year 13-Year 15: KHR 360,000,000 (approx. US\$ 90,000)

5. Meetings

The requirements for an application for a casino gambling licence are as follows:

- Being a company legally established and registered (with company and tax registration) under Philippines Laws and having a governing structure which clearly determines the duties and responsibilities, ensuring accountability, transparency, effectiveness, and good corporate governance.
- Having enough financial and human resources with the required knowledge, ability and experience based on their position in the company.
- Having enough infrastructure and IT system to provide service as casino operator and Backup System to ensure safe and effective operation.
- Having location equipped with enough instruments for casino operation.
- Having system and policy on risk management and internal control.
- Having business control mechanism on casino operation.

6. MINIMUM CAPITAL REQUIREMENTS

The minimum capital requirement for casino operators within integrated resorts shall be at least KHR 800,000,000,000 (approx. US\$ 200 million), whilst that for casino operators outside integrated resorts shall be at least KHR 400,000,000,000 (approx. US\$ 100 million).

Prior to the enactment of the Law, there were no integrated resorts as all existing casino operations were considered as stand-alone operations (i.e., outside integrated resorts). For these existing casino operators duly licensed to operate prior to the enactment of the Law, the minimum capital requirement of at least KHR 400,000,000,000 (approx. US\$100 million) must be satisfied over a period of time. This minimum capital requirement shall be implemented in five phases as follows:

Phase	Duration	Minimum Capital Requirement
1	Year 1	at least KHR 50,000,000,000 (approx. US\$ 12,500,000)
2	Year 4	at least KHR 100,000,000,000 (approx. US\$ 25,000,000)
3	Year 7	at least KHR 200,000,000,000 (approx. US\$ 50,000,000)
4	Year 11	at least KHR 300,000,000,000 (approx. US\$ 75,000,000)
5	Year 15	at least KHR 400,000,000,000 (approx. US\$ 100,000,000)

7. LICENSING PROCEDURE & TIMEFRAME

N°	Procedure	Comments/ Timeframe
1	The applicant (BoD Chairperson or person authorized by BoD that can be a director or CEO) applies for Casino to General Secretariat (GS) of CGCC	-
2	The GS of CGCC shall study, search, and decide on application	GS can ask applicant for additional documents and to explain the points or information as needed.
3	The GS of CGCC notify in writing to applicant on approval or rejection on licence application	Not later than 60 days commencing from the day of receiving application and fully attached documents
4	Application for licence renewal	At least, 6months before the expiry of licence

8. APPLICATION & STUDY FEE

N°	Casino License Types	Application Fee	Study Fee
1	Casino inside the integrated commercial gambling resort	KHR 4,000,000 (approx. US\$ 1,000)	KHR 80,000,000 (approx. US\$ 20,000)
2	Casino outside the integrated commercial gambling resort	KHR 2,000,000 (approx. US\$ 500)	KHR 40,000,000 (approx. US\$ 10,000)

The information provided here is for information purposes only and is not intended to constitute legal advice. Legal advice should be obtained from qualified legal counsel for all specific situations. For more details or any question related to the **Gambling Licensing in Philippines**, please contact our professionals via [\[email protected\]](#).



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