

**PROCEDURAL GUIDELINES
FOR APPLYING FOR A PERMIT TO OPERATE A POKER CLUB**

I. Application Procedure

A. Documentary Requirements

- The applicant shall submit a Letter of Intent (format attached as Annex "A") addressed to:

MR. CRISTINO L. NAGUIAT, Jr.
Chairman and Chief Executive Officer
Philippine Amusement and Gaming Corporation
PAGCOR Corporate Office
Hyatt Hotel & Casino Manila
M.H. del Pilar corner Pedro Gil Streets
Malate, Manila

Attn: **Mr. ANDRES P. LIZARES**
General Manager/OIC
Gaming Department

The accomplished Letter of Intent shall have the following attachments:

1. Company Information
 - a) Company Profile
 - b) SEC or DTI registration, whichever is applicable
 - c) Articles of Incorporation
 - d) Personal History Statement of Incorporators and Directors
 - e) Organizational set-up
 - f) Latest Income Tax Return (ITR)
 - g) Background data of clients or partners that proponent represents including other companies that will be involved in the project
 - h) Sworn Statements of Assets and Liabilities of Incorporators and Directors
 - i) Bank Certification of deposits and/or bank certification of availability of stand-by credit issued by a commercial bank in the Philippines
 - j) Secretary's Certificate authorizing proponent to transact business with PAGCOR or to act as Official Signatory
 - k) Alien Employment Permit (for foreigners)
2. Feasibility study of the proposed operation of the club
 - a) Target foreign and local markets and marketing plan
 - b) Financial projections and assumptions
 - c) Detailed project schedule/timeline
3. Property Information
 - a) Description of proposed site
 - b) Detailed vicinity map indicating all access roads and landmarks with indications of distance from schools and places of worship
 - c) As-built floor layout of the proposed site
 - d) Certificate of Space Reservation from building owner
4. Clearances of each Incorporator/Stockholder/Director:
 - a) National Bureau of Investigation Clearance
 - b) Court Clearance
 - c) Police Clearance

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5. Certificate of No Objection issued by the local government

B. The proposed business site must meet the following requirements:

1. Acceptable Exterior Environment

- Good business location
 - a) good human traffic
 - b) density of the population in the area
 - c) situated in a commercial or busy major areas
- Must not be within a 200 meter radius from schools, churches and other places of worship
- Must be at least 1 kilometer away from a PAGCOR-licensed poker sport club whether operational or soon-to-open. (However, this restriction shall not apply to Poker Clubs already in operation at the time of the promulgation of these rules.)

2. Acceptable Club Environment

- Space must be large enough to accommodate its desired number of poker tables, teller/cage with vault, CCTV room and administrative office
- The proposed club must have at least one (1) telephone line with provisions for facsimile machine and internet access

3. Must be allowed by the local government unit to operate a poker sport club

C. Processing Fee - ₱1,000,000

D. Site Inspection

- Upon completion of the documentary requirements, the PAGCOR Technical Team shall conduct the inspection of the proposed site. Travel expenses for sites outside Metro Manila (plane fare/transportation, hotel accommodations, duty meals) shall be for the account of the proponent.

E. Sharing Scheme

- **After deduction of the five percent (5%) franchise tax** from gross collections, the following sharing scheme shall apply [to be computed from the remaining ninety-five percent(95%)]:

Category	PAGCOR share	LPO's share (exclusive of rent, utilities, etc.)
On-site (inside PAGCOR casinos)	40%	60%
Off-site (outside PAGCOR premises)	25%	75%

II. Approval

A. Evaluation of Documents submitted

- Required documents must be submitted before the application may be processed. Complete requirements shall be evaluated by a Committee composed of PAGCOR's key department representatives. Due diligence shall be conducted by PAGCOR's Legal Department. Upon completion of the initial process, the matter shall be forwarded to the Poker Department for appropriate action.

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B. Recommendation to the PAGCOR Board of Directors (BOD)

- If, after a thorough evaluation, the proposal is found feasible, grant of a Permit to Operate shall be recommended by the Poker Department to the PAGCOR Board of Directors for approval.
- The Poker Department shall immediately advise the proponent in writing regarding the BOD's decision.

C. Post-Approval Requirements:

- If and when approved, the proponent shall submit the following additional requirements prior to the issuance of a Permit to Operate:

1. Mayor's Business Permit
2. Lease Agreement/Contract with building owner
3. Floor Plan of Poker Sport Club including the design/layout of the following (subject to PAGCOR's approval):
 - Poker gaming tables
 - Cage/Teller
 - Count Room
 - CCTV room
 - Layout of surveillance cameras
 - Board/Registration Area
 - Bar, if any
 - Administrative Office
 - Space for table for PAGCOR Monitoring Staff
 - Fire exit/s
 - Outdoor signage (*please see III.F below*)
4. Final marketing plans and programs
5. Clearance from Fire Department
6. Clearance from City Engineer of the structural stability of venue
7. Authorization letter for PAGCOR to look into the company's bank account

D. Cash Bond

- The Licensed Poker Operator (LPO) shall post a cash bond (per approved poker sports club) of the following amount:

₱3,000,000 – Metro Manila poker sports clubs

₱1,000,000 – poker sports clubs outside Metro Manila

The Bond shall serve as a cash deposit to ensure the LPO's faithful compliance to the terms and conditions cited in the Permit to Operate. It shall be safely kept by PAGCOR and shall be returned to the LPO without interest at the termination of its Permit to Operate less its unpaid obligations.

- The Licensed Poker Operator shall have sixty (60) days from receipt of the advice of approval within which to comply with the above-listed requirements (C & D). Failure to comply with in the prescribed period shall automatically nullify the Board's approval unless the LPO can present/provide acceptable justification for the delay.

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E. Permit to Operate (PTO)

- Upon completion and full satisfaction of the above requirements, PAGCOR shall issue a Permit to Operate to the LPO for the approved venue.
- The Poker Department shall issue soft/hard copies of PAGCOR policies and shall orient the LPO's designated personnel regarding these matters:

1. Poker Implementing Rules and Guidelines (IRG)
2. Minimum Internal Control Standards (MICS)
3. Treasury/Remittance Procedure
4. Poker Regulatory Orders (PROs)
5. Poker Monitoring Staff and their Functions
6. Validation of LPOs' gaming personnel (dealers and floor personnel)
7. chips, playing cards and other paraphernalia

III. Operational Requirements

A. Personnel

- The LPO shall train and hire personnel aged 21 years or above, possessing a valid Gaming Employment License issued by PAGCOR. The LPO shall submit the complete roster of employees (gaming, administration, security and service crew) to PAGCOR Poker Department. An updated list shall be submitted to PAGCOR on a monthly basis.
- The PAGCOR Gaming Department shall conduct a Validation of the LPO's gaming personnel.
- There shall be no employer-employee relationship between PAGCOR and the LPO's personnel.

B. CCTV Equipment

- PAGCOR's minimum standard requirements (Annex "C") must be complied with. PAGCOR's Surveillance Technical Team shall conduct a final inspection of the location and quality of CCTV cameras prior to opening of poker sport club.

C. PAGCOR-supplied paraphernalia

- For proper monitoring, the LPO shall source the following items from PAGCOR:
 1. dropboxes
 2. dropbox housing units
 3. contents and release keys
 4. metered cabinet
 5. jackpot dropbox and keys

Payment for the above items shall be given by the LPO to PAGCOR upon delivery.

D. Chips Inventory

- A beginning inventory of chips shall be conducted by the LPO witnessed by a PAGCOR staff prior to opening of the poker sport club. An ending inventory shall be conducted at the end of the fiscal year and/or at the closing of the club for holidays, suspension or cessation of operations for any extended period of time. A corresponding beginning inventory shall again be done at the start of the fiscal year and/or re-opening of the club.

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E. Notification

- The LPO shall notify PAGCOR Poker Department two (2) weeks prior to the opening date of the poker sport club. The latter shall conduct a final inspection of the venue and its facilities, equipment and paraphernalia at least two (2) days before expected opening date.

F. Logo and Outdoor Signage

- The logo of poker operators/clubs must not show playing card graphics.
- Design of the outdoor signage with the poker sport club's name appended by "Poker Sports Club" shall be in accordance to PAGCOR's prescribed layout and shall be subject to PAGCOR's final approval.

G. Marketing Activities

- The LPO shall conduct marketing activities necessary to promote its poker sport club and to create its own market. It must submit to PAGCOR its schedule of activities as well as the mechanics of its promotional events and tournaments for approval.

IV. Others

- Other concerns such as effectivity of the PTO and grounds for termination shall be defined in the PTO.