



**PHILIPPINE AMUSEMENT AND GAMING CORPORATION**

**IMPLEMENTING RULES AND  
GUIDELINES FOR FOUNDATIONS  
FOR THE RESTORATION OF  
CULTURAL HERITAGE**

**Rev. No. 6**

**Effectivity: February 20, 2020**

**Gaming Licensing and Development Department**

# Table of Contents

## **Part I. General Provisions**

Section 1. Title .....	1
Section 2. Purpose .....	1
Section 3. Construction .....	1
Section 4. Declaration of Policy .....	1
Section 5. Definition of Terms .....	1

## **Part II. Powers of the Parties**

Rule 1. PAGCOR Board of Directors .....	6
Rule 2. The Foundation .....	6

## **Part III. Guidelines for Creation and Operation of the Foundation**

<b>Rule 1. Creation</b> .....	<b>7</b>
Section 1. Foundation .....	7
Section 2. Who will incorporate .....	7
Section 3. SEC Requirements for Incorporation .....	7
Section 4. Annual Submissions to the SEC .....	8
<b>Rule 2. Operation</b>	
Section 1. Main Source of Funds .....	8
Section 2. Other Sources of Funds .....	8
Section 3. Disbursements .....	8
Section 4. Utilization of Funds .....	9

## **Part IV. Documentary Requirements of PAGCOR**

Section 1. Incorporation Papers .....	12
Section 2. Financial Records .....	12

Section 3. External Auditor .....	12
Section 4. Monthly Submission .....	12
Section 5. Annual Submission .....	12
<b>Part V. Dissolution .....</b>	<b>14</b>
<b>Part VI. Final Provision .....</b>	<b>15</b>

## Annexes

<b>A</b>	<b>Procedural Guidelines for Projects with Government Agency Partner with Flowchart</b>	
<b>B</b>	<b>Procedural Guidelines for Projects without Intermediation of a Government Agency with Flowchart</b>	
<b>C.1</b>	<b>Authority to Proceed Template for Projects with Government Agency Partner</b>	
<b>C.2</b>	<b>Authority to Proceed Template for Projects without Intermediation of a Government Agency</b>	
<b>D.1</b>	<b>Compliance Verification Checklist for Projects with Government Agency Partner</b>	
<b>D.2</b>	<b>Compliance Verification Checklist for Projects without Intermediation of a Government Agency</b>	
<b>E</b>	<b>Certificate of Credit Template</b>	

## Forms

<b>A.1</b>	<b>Sample MOA for Projects with Government Agency Partner</b>	
<b>A.2</b>	<b>Sample MOA without Intermediation of a Government Agency</b>	
<b>B.1</b>	<b>Certificate of Acceptance</b>	
<b>B.2</b>	<b>Undertaking to Reinstate Disallowed Disbursements</b>	

## GENERAL PROVISIONS

**Section 1. *Title.*** - These Rules will be known and referred to as the "*Implementing Rules and Guidelines for Foundations for the Restoration of Cultural Heritage.*"

**Original: Section 2. *Purpose.*** - These Rules are promulgated to prescribe the procedures and guidelines for creation and operation of the Foundation for the restoration of cultural heritage as stated in the Provisional License and define the powers and functions of PAGCOR and the Foundation.

**Section 3. *Construction.*** - These Rules will be liberally understood to carry out the policy of adopting an accurate, systematic and comprehensive creation and operation of the Foundation for the Restoration of Cultural Heritage.

**Section 4. *Declaration of Policy.*** - It is the policy of PAGCOR to adopt an accurate, systematic, and comprehensive creation and operation rules and guidelines, which will:

- a. Enhance the value of the Foundation as well as PAGCOR's corporate social responsibility;
- b. Concretize creation of the Foundation through its incorporation with the Securities and Exchange Commission;
- c. Assist the Foundation in conforming with the original terms and conditions of the Provisional License and these Rules, and
- d. Regulate utilization of the Foundation funds.

**Section 5. *Definition of Terms.*** – For purposes of these Rules, these terms will be understood to have the following meaning:

- a. **Board** – refers to PAGCOR Board of Directors.
- b. **Cultural Heritage** – refers to the totality of cultural property preserved and developed through time and passed on to posterity.<sup>1</sup> It comprises:

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<sup>1</sup> Section 3(l) Article II of R.A. 10066 otherwise known as the National Cultural Heritage Act of 2009

- tangible inheritance - the land, seas, fauna and flora and other natural resources, including the hazards, dangers and pitfalls in the Philippine islands.
- intangible inheritances – language, literature, religion, beliefs, values, heroes, villains, psychological and emotional disposition.

State sponsored socio-cultural institutions are important transmitters of culture for they also serve to identify what of the nation's culture are "significant", some relevant transmitters are as follows<sup>2</sup>:

- b.1 *National Museum* – repository and custodian of the nation's natural and cultural heritage
- b.2 *National Library* – repository of all publications
- b.3 *National Archive* – repository and custodian of all documents and other archival materials
- b.4 *National Historical Commission* – repository and custodian of historical documents, publications and historical artifacts
- b.5 *National Commission for Culture and the Arts* – oversees and funds research, publications and cultural performances; responsible for culture and the arts in the Philippines.
- b.6 *Cultural Center of the Philippines* – repository and custodian of works of art
- b.7 *Department of Education (DepEd)* - oversees the teaching of Philippine culture in elementary and high school as well as training of teachers.
- b.8 *Commission on Higher Education (CHED)* - oversees the teaching of Philippine culture in colleges and universities as well as training of teachers.
- b.9 *Department of Tourism (DOT)* – encourages and facilitates travel throughout the country; with attached agencies such as Intramuros Administration
- b.10 *Department of Environment and Natural Resource (DENR)* - identifies, conserves Philippine natural environment and resources
- b.11 *University of the Philippines (UP)* – undertakes teaching, research, publication, public forums, workshops, conferences on Philippine culture, also serves as repository of Philippine cultural artefacts in its museums and collections.

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<sup>2</sup> excerpts from "Cultural Heritage in Philippine Society" by Aurora Roxas-Lim, University of the Philippines, pages 4-6

b.12 *Museong Pambata* – promotes art and culture among young people

The following are considered as part of “cultural heritage”<sup>3</sup>:

- **Immovable Cultural Heritage**
  - monuments*: architectural works, works of monumental sculpture and painting, elements or structures of an archaeological nature, inscriptions, cave dwellings and combination of features, which are of outstanding universal value from the point of view of history, art or science;
  - groups of buildings*: groups of separate or connected buildings which, because of their architecture, their homogeneity or their place in the landscape, are of outstanding universal value from the point of view of history, art or science;
  - sites*: works of man or the combined works of nature and of man, and areas including archaeological sites which are of outstanding universal value from the historical, aesthetic, ethnological or anthropological points of view.
- **Movable Cultural Property**<sup>4</sup>
  - all movable objects which are the expression and testimony of human creation or of the evolution of nature and which are of archaeological, historical, artistic, scientific or technical value and interest.
- **Intangible Cultural Heritage**<sup>5</sup>
  - refers to practices, representations, expressions, knowledge and skills, as well as the instruments, objects, and artifacts associated therewith, that communities, groups and individuals recognize as part of their cultural heritage, such as but not limited to:
    - (i) oral traditions, languages and expressions;
    - (ii) performing arts;
    - (iii) social practices, rituals and festive events;
    - (iv) knowledge and practices concerning nature and the universe; and
    - (v) traditional craftsmanship.

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<sup>3</sup> Essentially based on definition adopted at UNESCO Convention in Paris, November 16, 1972, Definition of Cultural Heritage, References to Documents in History, Selected by J. Jokilehto, page 20

<sup>4</sup> Definition of Cultural Heritage References to Documents in History Selected by J. Jokilehto, page 27

<sup>5</sup> Section 3(x) of Article II of Republic Act 10066 otherwise known as the National Cultural Heritage Act of 2009

- **Natural Heritage**<sup>6</sup> – the following will be considered “natural heritage”:  
natural features consisting of physical and biological formations or groups of such formations, which are of outstanding universal value from the aesthetic or scientific point of view;

geological and physiological formations and precisely delineated areas which constitute the habitat of threatened species of animals and plants of outstanding universal value from the point of view of science or conservation;

natural sites or precisely delineated natural areas of outstanding universal value from the point of view of science, conservation or natural beauty.

- c. **Elementary Education** – refers to the second stage of compulsory basic education which is composed of six (6) years.<sup>7</sup>
- d. **Foundation** – refers to a non-stock, non-profit corporation established for the purpose of extending grants or endowments to support its goals or raising funds to accomplish charitable, religious, educational, athletic, cultural, literary, scientific, social welfare or other similar objectives.<sup>8</sup> This also refers to the beneficiary foundation devoted for the restoration of cultural heritage to be created and established by the Licensees as stated in their respective Provisional License issued by PAGCOR.
- e. **Non-Stock Corporation** – refers to a corporation where no part of its income is distributable as dividends to its members, trustees, or officers, subject to the provisions of the Corporation Code of the Philippines on dissolution; Provided, that any profit which a non-stock corporation may obtain as an incident to its operations will, whenever necessary or proper, be used for the furtherance of the purpose or purposes for which the corporation was organized, subject to the provisions of this Title. There are various purposes for the establishment of above corporations as enumerated by the Code, namely: 1) charitable; 2) religious; 3) educational; 4) professional; 5) cultural; 6) fraternal; 7) literary; 8) scientific; 9) social; 10) civic service or similar purposes like trade, industry, agricultural, and like chambers, or any combination thereof.<sup>9</sup>
- f. **PAGCOR** - refers to the Philippine Amusement and Gaming Corporation
- g. **Restoration** – refers also to the following terms; safeguarding, identification, protection, conservation, renovation, maintenance, and revitalization of cultural heritage

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<sup>6</sup> <http://whc.unesco.org/> Convention Concerning the Protection of the World Cultural and Natural Heritage

<sup>7</sup> Section 4, Republic Act No. 10533: Enhanced Basic Education Act of 2013

<sup>8</sup> Sec. 1 of SEC Memorandum Circular No. 8 Series of 2006

<sup>9</sup> Section 87 of the Corporation Code of the Philippines

- h. **Rules** – refers to these Implementing Rules and Guidelines.
- i. **Secondary education** – refers to the third stage of compulsory basic education. It consists of four (4) years of junior high school education and two (2) years of senior high school education.<sup>10</sup>
- j. **State of Calamity** – a condition involving mass casualty and/or major damages to property, disruption of means of livelihoods, roads and normal way of life of people in the affected areas as a result of the occurrence of natural or human-induced hazard.<sup>11</sup>
- k. **Tertiary education** – refers to post-secondary technical/vocational education and training, as well as higher education programs.<sup>12</sup>

The following offers "tertiary education"<sup>13</sup>:

- State universities and colleges (SUCs)
- Local universities and colleges (LUCs)
- CHED Supervised Institutions
- Government schools
- Higher Education Institutions (HEIs)
- Technical Education and Skills Development Authority (TESDA)<sup>14</sup>

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<sup>10</sup> Section 4, Republic Act No. 10533: Enhanced Basic Education Act of 2013

<sup>11</sup> <http://www.gov.ph/2011/12/23/briefer-on-the-state-of-national-calamity-as-declared-by-proclamation-no-303-s-2011/>

<sup>12</sup> Section 5 (27) Manual on Regulations for Private Higher Education, Commission on Higher Education

<sup>13</sup> <http://ched.gov.ph>

<sup>14</sup> Dr. Augusto Syjuco, The Philippine Technical Vocational Education and Training (TVET) System, page 1



## POWERS OF THE PARTIES

### **RULE 1. PAGCOR BOARD OF DIRECTORS**

**Section 1. *Board of Directors.*** The powers of PAGCOR will be vested and exercised by its Board of Directors.

All major substantial, procedural and operational matters affecting the creation and operation of the Foundation for the restoration of cultural heritage, with the effect of amending these Rules will be effective only upon prior approval of the Board of Directors.

### **RULE 2. THE FOUNDATION**

**Section 1. *Board of Trustees.*** The powers of the Foundation will be vested and exercised by its Board of Trustees. The elected Board of Trustees will hold office for one (1) year and until their successors are duly elected and qualified.

The qualifications of trustees will be duly stipulated within the By-laws.

**Section 2. *Officers.*** The Foundation will elect the following officers to perform the duties and responsibilities for the same: President, Vice President, Secretary and Treasurer. The Foundation may however elect other officers if they deemed necessary.

The said officers will be elected by the Board of Trustees and will hold office for a period of one (1) year and until their successors are duly elected and qualified.

The qualifications, functions and powers of the officers will be duly stipulated within the By-laws.

# GUIDELINES FOR CREATION AND OPERATION OF THE FOUNDATION

## RULE 1. CREATION

**Section 1. *Foundation.*** – Chosen beneficiary foundation should be incorporated with the Securities and Exchange Commission (“SEC”) located at SEC Building, Greenhills, Mandaluyong City Metro Manila, Philippines.

**Section 2. *Who will incorporate.*** – Incorporation will be done by the Licensee holding a duly executed Provisional License with PAGCOR for their chosen beneficiary foundation.

**Section 3. *SEC Requirements for Incorporation.*** – In order to be duly incorporated, the licensee will submit to SEC the following required application forms and supporting documents in six (6) copies with cover sheets:

1. Name verification slip
2. Articles of Incorporation and By-laws (A sample format can be downloaded at the SEC website - <http://www.sec.gov.ph>)
3. Affidavit of an incorporator or director undertaking to change corporate name
4. List of members, certified by the Corporate Secretary
5. List of contributors and amount contributed certified by the treasurer

Note: Items 3, 4, and 5 need not be submitted if already stated in the Articles of Incorporation

#### Additional Requirements

6. For Foundations: Notarized Certificate of Bank Deposit of the contribution of not less than P1,000,000.00; and
7. Statement of willingness to allow the Commission to conduct an audit

**Section 4. *Annual Submissions to the SEC.*** All registered foundations will submit the following documents to SEC:

1. General Information Sheet [within thirty (30) calendar days after the stated annual stockholders' meeting]
2. Audited Financial Statements
3. Certification which states that the Foundation has not received government funds nor received donations/grants/contributions within the said threshold for their operations<sup>15</sup>.

## **RULE 2. OPERATION**

**Section. 1. *Main Source of Funds.*** The main source of fund will be the casino being operated by the Licensee where two percent (2%) of the total gross gaming revenue generated from non-junket tables will be set aside for the Foundation. Monthly remittance will be made on or before the 10<sup>th</sup> day of the following month.

Said monthly remittance from 2% of the total gross gaming revenue generated from non-junket tables will be deposited to the account of the Foundation in a reputable banking institution regulated by the Bangko Sentral ng Pilipinas (BSP).

**Section 2. *Other Sources of Funds.*** The Foundation shall be allowed to, on its own, generate and receive funds from other sources from time to time, in the form of contributions, donations and endowments from persons, partnerships, corporations and other entities and supporters thereof, whether domestic, foreign and such property as may be acquired by the Foundation by deed, grant, device, bequest or gifts. Such funds shall be deposited in a separate bank account and shall not be subject to the monitoring, control and approval of PAGCOR. It shall be kept distinct and separate from funds set aside from gaming revenue and shall be exempt from the reportorial requirements mentioned in Part IV, Section 4 (Monthly Submission) of these Rules.

However, the documentation of the use of such funds shall be subjected to compliance with the Anti-Money Laundering Law, rules and regulations to avoid inappropriate use of the Foundation's juridical personality.

**Section 3. *Disbursements.*** Withdrawal of funds accumulated from gaming revenue will be made thru issuance of checks duly signed by the Treasurer and countersigned by the President of the Foundation. In the alternative, the Board of Trustees may designate other signatories. No withdrawal will be authorized except for the amount stated in the Authority to Proceed issued by PAGCOR for a specific project.

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<sup>15</sup> SEC Memorandum Circular No. 15, Series of 2016

**Section. 4. Utilization of Funds.** The following will govern the usage of funds of the Foundation:

- a. Funds of the foundation will be principally used for the following activities:
  1. Cultural Heritage
    - (a) Identification, protection, conservation, restoration, renovation, maintenance and revitalization of Cultural Heritage sites in the Philippines;
    - (b) Acquisition of movable cultural heritage and/or cost of acquisition, development and/or maintenance of immovable cultural heritage;
    - (c) Conduct of activities related to the preservation, safeguarding, and promotion of Cultural Heritage;
  2. Education
    - (a) Uplift and improve public education, from early childhood care/daycare, preschool, elementary, secondary and tertiary education, including enhancement of learning materials and teacher trainings, with endorsement from the relevant Local Government Units, the Department of Social Welfare and Development, Department of Education, Commission on Higher Education or other tertiary school authority whichever is applicable;
  3. Environment and Health
    - (a) Undertake projects and initiatives for the protection, safeguarding and conservation of the environment; and
    - (b) Quality healthcare services and infrastructure and medical assistance to uplift communities.

a.1 The Foundation may undertake the following projects without intermediation of a relevant government agency:

1. Distribution of medicines to individual beneficiaries in medically underserved areas as these areas may be determined and justified by the Foundation from time to time.<sup>16</sup>
2. Distribution of relief goods to individual beneficiaries during calamities<sup>17</sup>

Allowable amount for items 1 and 2 shall not exceed a total of five hundred thousand pesos (Php500,000.00) per month, unless approved by PAGCOR.

3. Grants and Scholarships for cultural heritage programs<sup>18</sup>
4. Sponsorship of activities, researches and workshops for the development and preservation of Filipino intangible cultural heritage<sup>19</sup>

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<sup>16</sup> For the purpose of fund allocation, expenses for this project shall be charged under the category, **“Environment and Health”**.

<sup>17</sup> For the purpose of fund allocation, expenses for this project shall be charged under the category, **“Environment and Health”**.

<sup>18</sup> For the purpose of fund allocation, expenses for this project shall be charged under the category, **“Cultural Heritage”**.

<sup>19</sup> For the purpose of fund allocation, expenses for this project shall be charged under the category, **“Cultural Heritage”**.

The budget allocation for the three (3) focus areas, computed based on the monthly remittances are as follows:

Cultural Heritage	25%
Education	5%
Environment and Health	70%

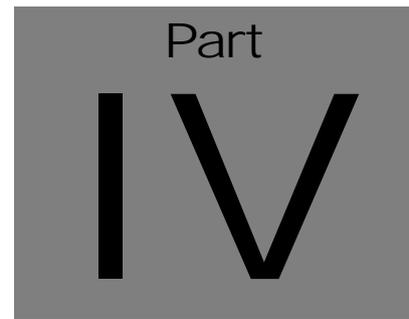
Reports on the list of programmed donations with corresponding budget allocations per focus area shall be submitted to PAGCOR on a semi-annual basis, every June 30<sup>th</sup> and December 30<sup>th</sup> of each year.

- b. The annual administrative expenses of the Foundation shall not exceed Ten Million Pesos (Php10,000,000.00) or thirty percent (30%) of the total donations and gifts for the taxable year, whichever is lower, and shall not be subject to the prior approval of PAGCOR before utilization.

The 2% GGR monthly remittance should be devoted for the total project cost only. In the event that there are no donations and gifts, therefore, the administrative expenses involved should be borne by concerned Licensees.

- c. No part of the asset, property or income which the Foundation may obtain as an incident to its operation shall be distributed as dividends to its members, trustees or officers subject to the provision of the Corporation Code on dissolution or shall inure to the benefit of any member, officer, organizer or any individual person.
- d. Trustees shall not receive any compensation nor any type of remuneration in cash or in kind for their services rendered as members of the Board of Trustees.
- e. Any profit obtained by the Foundation as a result of its operation, whenever necessary or proper shall be used for the furtherance of the purposes of the foundation as enumerated in the Articles of Incorporation, subject to the provision of Title XI of the Corporation Code of the Philippines.
- f. No profits, dividends and/or income in cash or in kind shall be distributed by the Board of Trustees nor inure to the benefit of any of its officers or members, organizer or any individual person, nor shall any individual member be entitled to any of the real or personal properties of the Foundation or a portion thereof, nor may any member, upon separation from the Foundation for any reason whatsoever, make a claim, demand for or receive any monies or properties for services rendered, funds, or property contributed to the Foundation.

- g. Not later than the 15<sup>th</sup> day of the third month after the close of the accredited nongovernment organizations taxable year in which contributions are received, the Foundation makes utilization directly for the active conduct of the activities constituting the purpose or function for which it is organized and operated, unless an extended period is granted by the Secretary of Finance in accordance with the rules and regulations to be promulgated, upon recommendation of the Commissioner (RA No. 8424).



## DOCUMENTARY REQUIREMENTS OF PAGCOR

**Section 1. *Incorporation Papers.*** The following documents will be submitted to PAGCOR upon incorporation of the Foundation:

1. Certificate of Incorporation from SEC
2. Copy of Articles of Incorporation duly stamped received by SEC
3. Copy of By-Laws duly stamped received by SEC

**Section 2. *Financial Records.*** The Foundation will maintain the necessary financial records which are required by the different governing agencies of the Philippines like the BIR or SEC.

**Section 3. *External Auditor.*** The Foundation will at its own expense engage the services of an independent external auditor for the purpose of the audit of financial position of the foundation.

**Section 4. *Monthly Submission.*** PAGCOR requires the submission of the following monthly reports/documents from the foundation on or before the 20<sup>th</sup> day of the succeeding month:

1. Monthly bank statement of account showing the funds received and the funds released
2. Report of Funds Received for the month
3. Report of Funds Released for the month summarized on a per project basis

**Section 5. *Annual Submission.*** PAGCOR requires that the annual submission of the following documents pertaining to the Foundation:

1. General Information Sheet within thirty (30) calendar days after the stated annual stockholders' meeting
2. Annual Plans and Programs of the Foundation

3. Audited Financial Statements duly stamped received by the BIR on or before June 1 of the following year.
4. Certification which states that the Foundation has not received government funds nor received donations/grants/contributions within the said threshold for their operations.

Part



## DISSOLUTION

The Foundation is co-terminus with the Provisional License or the Regular Casino Gaming License. Subject to PAGCOR's approval, all assets net of liabilities must be fully applied to eligible projects as defined herein before the dissolution of the Foundation; or conveyed and transferred to another non-stock, non-profit domestic corporation organized for similar purpose or purposes as specified by the corporation, or to the government of the Republic of the Philippines for public purpose, at the option of the Foundation.



## FINAL PROVISIONS

Effectivity. This IRG will take effect upon approval by PAGCOR's Board of Directors.

## **PROCEDURAL GUIDELINES FOR PROJECTS WITH GOVERNMENT AGENCY PARTNER**

### **I. PROJECT CONCEPT**

The Foundation and Licensee propose to PAGCOR for approval the project concept with the following information:

1. description of the project with significant details
2. relevant government agency partner
3. estimated cost and coverage

### **II. TECHNICAL WORKING GROUP**

If the project concept is approved, a Technical Working Group (TWG) must be created, composed of at least one representative each from the Licensee, Foundation, relevant government agency and/or Local Government Unit (LGU). The TWG will determine the general specifications of the materials, area survey, cost estimates and other technical details of the proposed project. Minutes of the meeting may be submitted to PAGCOR for reference.

### **III. MEMORANDUM OF AGREEMENT**

A Memorandum of Agreement (MOA) will be executed between the parties which include the Licensee, Foundation, relevant government agency and/or Local Government Unit.

The following will be the main obligations of the parties:

1. Licensee will coordinate with the Foundation and give consent to implement the project.
2. Foundation will secure the necessary approval from PAGCOR, facilitate the funding of the project, oversee the implementation of the project and turning over the project to the government agency.
3. Relevant Government Agency
  - a. refers to the government body in charge of education, health, environment, tourism and the like, such as Department of Education, Department of Health, Department of Environment and Natural Resources, Department of Tourism, and Local Government Unit

(LGU) as may be relevant, who will be the owner of the project and the site.

- b. In cases where the site of the project is owned by a different government agency, the government agency which owns the site, such as the LGU, will also be made party to the MOA.

Refer to sample formats:

Form A.1 – Sample MOA for Projects with Government Agency Partner

Form B.1 – Certificate of Acceptance by the government agency

#### **IV. AUTHORITY TO PROCEED**

Pre-requisites for the issuance of an Authority to Proceed (ATP) to be submitted to PAGCOR are:

1. Duly signed MOA among Licensee, Foundation, relevant government agency, and site owner, if applicable with supporting documents;
2. Letter-request from Licensee and Foundation for issuance of the ATP.

The request is presented to the PAGCOR Board of Directors for approval to issue the ATP to the Licensee and Foundation duly signed by the President and Chief Operating Officer. A sample ATP is attached as Annex C.1.

#### **V. CERTIFICATE OF CREDIT**

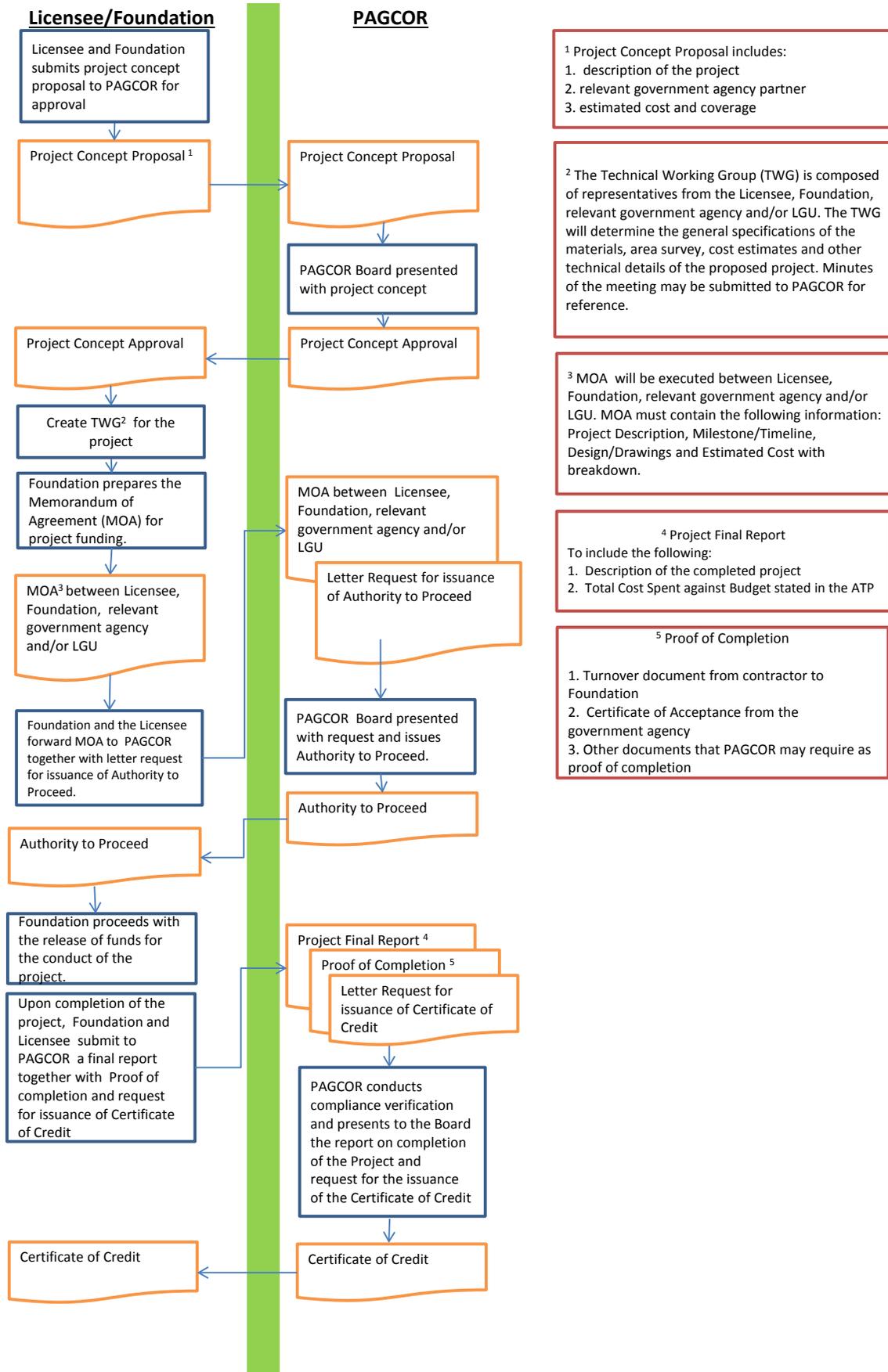
Upon completion of the project, the Licensee and the Foundation submit the following to PAGCOR:

1. Final Report to include:
  - a. description of the completed project
  - b. total cost spent against budget stated in the ATP
2. Proof of Completion:
  - Turnover document from contractor to Foundation
  - Certificate of Acceptance by the government agency (Form B.1)
  - Other documents that PAGCOR may require as proof of completion
3. Proof of deposit to the Foundation account of unused project fund, if any; and
4. Request letter from Licensee and Foundation for issuance of Certificate of Credit

PAGCOR conducts compliance verification to confirm project completion. The Compliance Verification Checklist is attached as Annex D.1. Once verification is complete and the project requirements are fulfilled, the request for issuance of Certificate of Credit is presented to the PAGCOR Board of Directors for approval.

Upon approval, PAGCOR issues a Certificate of Credit duly signed by the President and Chief Operating Officer. The actual amount spent is credited as the Licensee's compliance to either Article IV, Section 20 of the Provisional License and Article IV, Section 21 of the Addendum to the Gaming License. A sample Certificate of Credit is attached as Annex E.

## FLOWCHART FOR PROCEDURAL GUIDELINES FOR PROJECTS WITH GOVERNMENT AGENCY PARTNER



## **PROCEDURAL GUIDELINES FOR PROJECTS WITHOUT INTERMEDIATION OF A GOVERNMENT AGENCY**

### **I. PROJECT CONCEPT**

The Foundation and Licensee propose to PAGCOR for approval the project concept with the following information:

For distribution of medicines and relief goods:

1. Project details (i.e. items for distribution and estimated cost)
2. Covered area or community
3. Target distribution date
4. Target beneficiaries

Allowable amount for these purposes shall not exceed a total of five hundred thousand pesos (Php500,000) per month, unless approved by PAGCOR.

For grants, scholarship and sponsorships:

1. Description of the project
2. Fields and level of study
3. Cost coverage (i.e. tuition fees, miscellaneous expenses, allowances or stipend; sponsorship packages, research grants, workshop)
4. Target beneficiaries

### **II. TECHNICAL WORKING GROUP**

If the project concept is approved, a Technical Working Group (TWG) must be created, composed of at least one representative each from the Licensee, Foundation, and the partner organization, if any. The TWG will determine the mechanics and cost of the proposed project. Minutes of the meeting may be submitted to PAGCOR for reference.

### **III. MEMORANDUM OF AGREEMENT**

A Memorandum of Agreement (MOA) will be executed between the Licensee, Foundation, and the partner organization, if any.

The following will be the main obligations of the parties:

1. Licensee will coordinate with the Foundation and give consent to implement the project.

2. Foundation will secure the necessary approval from PAGCOR, facilitate the funding and implementation of the project, and distribute the items to the beneficiaries.

The Foundation will execute an Undertaking to reinstate the disbursed amount in full if the Commission on Audit (COA) successfully challenges the use of Foundation funds for distribution of medicines to underserved areas and relief goods during calamities in the future.

Refer to sample formats:

Form A.2 – Sample MOA without Intermediation of a Government Agency  
Form B.2 – Undertaking to Reinstate Disallowed Disbursements

#### **IV. AUTHORITY TO PROCEED**

Pre-requisites for the issuance of an Authority to Proceed (ATP) to be submitted to PAGCOR are:

1. Duly signed MOA between Licensee and the Foundation with supporting documents; and
2. Letter request from Licensee and Foundation for issuance of the ATP.

The request is presented to the PAGCOR Board of Directors for approval to issue the ATP to the Licensee and Foundation duly signed by the President and Chief Operating Officer. A sample ATP is attached as Annex C.2.

#### **V. CERTIFICATE OF CREDIT**

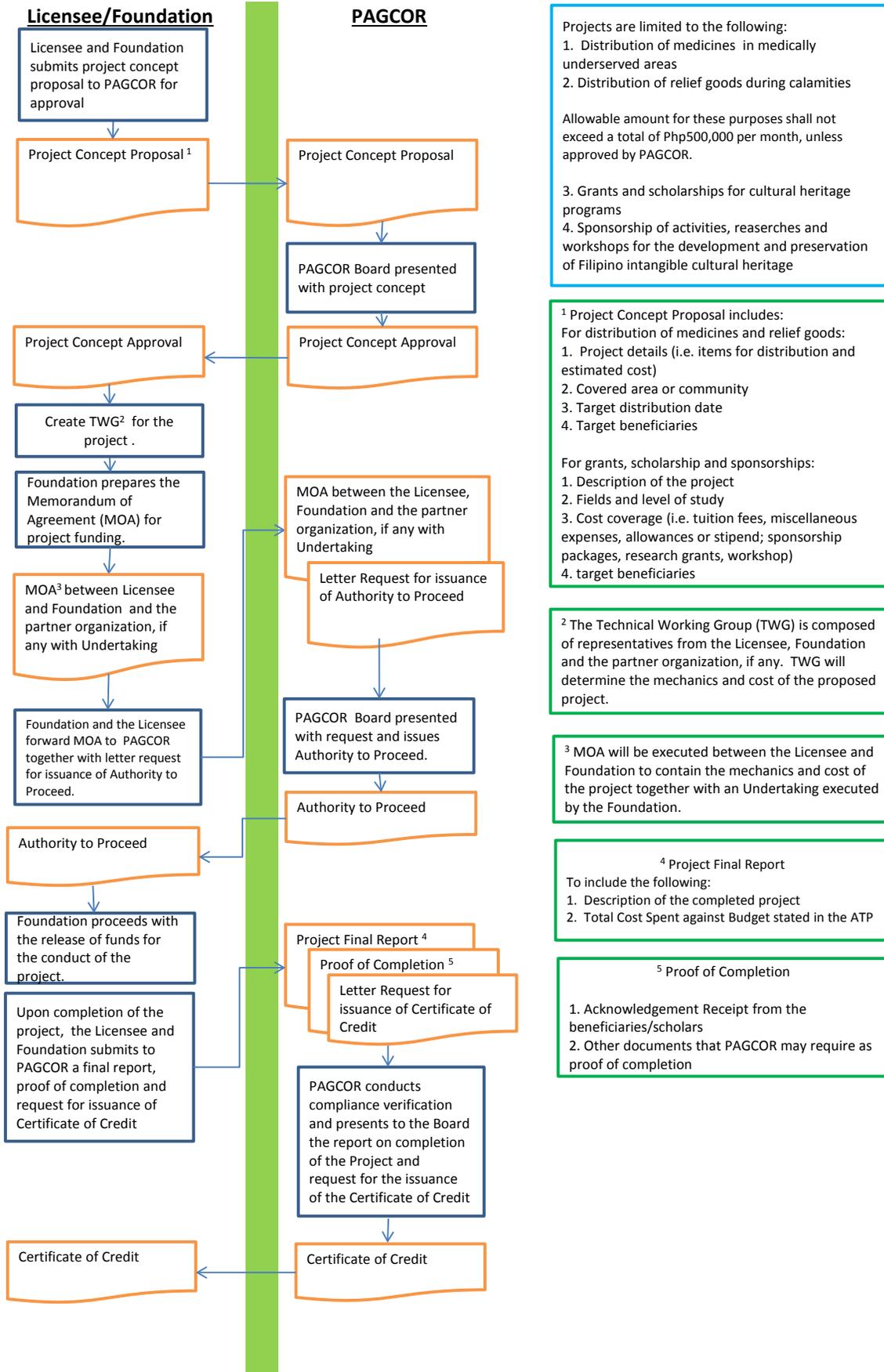
Upon completion of the project, the Licensee and the Foundation submit the following to PAGCOR:

1. Final Report to include:
  - a. description of the completed project, and
  - b. total cost spent against budget stated in the ATP
2. Proof of Completion:
  - Acknowledgement receipt from the beneficiaries / scholars
  - Other documents that PAGCOR may require as proof of completion
3. Proof of deposit to the Foundation account of unused project fund, if any; and
4. Request letter from Licensee and Foundation for issuance of Certificate of Credit

PAGCOR conducts compliance verification to confirm project completion. The Compliance Verification Checklist is attached as Annex D.2. Once the verification is complete and project requirements are fulfilled, the request for issuance of Certificate of Credit is presented to the PAGCOR Board of Directors for approval.

Upon approval, PAGCOR issues a Certificate of Credit duly signed by the President and Chief Operating Officer. The actual amount spent is credited as the Licensee's compliance to either Article IV, Section 20 of the Provisional License and Article IV, Section 21 of the Addendum to the Gaming License. A sample Certificate of Credit is attached as Annex E.

**FLOWCHART FOR PROCEDURAL GUIDELINES FOR  
PROJECTS WITHOUT INTERMEDIATION OF A GOVERNMENT AGENCY**



Projects are limited to the following:

1. Distribution of medicines in medically underserved areas
2. Distribution of relief goods during calamities

Allowable amount for these purposes shall not exceed a total of Php500,000 per month, unless approved by PAGCOR.

3. Grants and scholarships for cultural heritage programs
4. Sponsorship of activities, researches and workshops for the development and preservation of Filipino intangible cultural heritage

<sup>1</sup> Project Concept Proposal includes:

For distribution of medicines and relief goods:

1. Project details (i.e. items for distribution and estimated cost)
2. Covered area or community
3. Target distribution date
4. Target beneficiaries

For grants, scholarship and sponsorships:

1. Description of the project
2. Fields and level of study
3. Cost coverage (i.e. tuition fees, miscellaneous expenses, allowances or stipend; sponsorship packages, research grants, workshop)
4. target beneficiaries

<sup>2</sup> The Technical Working Group (TWG) is composed of representatives from the Licensee, Foundation and the partner organization, if any. TWG will determine the mechanics and cost of the proposed project.

<sup>3</sup> MOA will be executed between the Licensee and Foundation to contain the mechanics and cost of the project together with an Undertaking executed by the Foundation.

<sup>4</sup> Project Final Report

To include the following:

1. Description of the completed project
2. Total Cost Spent against Budget stated in the ATP

<sup>5</sup> Proof of Completion

1. Acknowledgement Receipt from the beneficiaries/scholars
2. Other documents that PAGCOR may require as proof of completion

Date

**ADDRESSEE OF LICENSEE/FOUNDATION**

Position

**LICENSEE NAME**

**FOUNDATION NAME**

Address

Subject : **AUTHORITY TO PROCEED (ATP)**

Project : **NAME OF PROJECT**

Dear Addressee:

The **Memorandum of Agreement (“MOA”)** between the Licensee, Foundation, Government Agency, and LGU (if land owner is not the Government Agency) having been duly signed and executed for the brief description of project at Name of Project, Address (hereafter referred to as the “Name of Project”), the **Philippine Amusement and Gaming Corporation (PAGCOR)**, hereby:

- A. Issues this Authority to Proceed to Licensee and Foundation to undertake the Name of Project.
- B. Authorizes the release of funds amounting to **Pesos: Amount in Words (Amount in Figures)**. An additional fund not to exceed 5% of the total cost in the amount of **Pesos: Amount in Words (Amount in Figures)** is allocated for duly approved change orders in the course of construction.
- C. Upon acceptance of the completed project by Government Agency, authorizes the credit of the amount of Pesos: Amount in words (Amount in Figures) or the actual amount spent, whichever is lower, as Licensee’s compliance with Article IV, Section (20 or 21) of the Provisional License and Part III, Rule 2, Section 4.a of the Implementing Rules and Guidelines of Foundations for the Restoration of Cultural Heritage. In case of non-completion of the Name of Project for reason/s not attributable to the fault or negligence of Licensee and Foundation, PAGCOR shall credit the actual amount spent or disbursed for the Project as certified and accepted by (Government Agency).

All terms and conditions specified under the MOA are hereby adopted in full and made an integral part of this Authority to Proceed.

The parties to the MOA shall be responsible for fulfilling and performing their respective warranties and obligations under the terms and conditions of the MOA and this Authority to Proceed.

Very truly yours,

**ALFREDO C. LIM**  
President and COO

cc: The Chairman and CEO, PAGCOR  
The Vice President, LRG, PAGCOR

Date

**ADDRESSEE OF LICENSEE/FOUNDATION**

Position

**LICENSEE NAME**

**FOUNDATION NAME**

Address

Subject : **AUTHORITY TO PROCEED (ATP)**  
Project : **NAME OF PROJECT**

Dear Addressee:

The **Memorandum of Agreement (“MOA”)** between the **Licensee and the Foundation** having been duly signed and executed for the **brief description of project at Name of Project, Address** (hereafter referred to as the “**Name of Project**”), the **Philippine Amusement and Gaming Corporation (PAGCOR)**, hereby:

- A. Issues this Authority to Proceed to **Licensee** and **Foundation** to undertake the **Name of Project**.
- B. Authorizes the release of funds amounting to **Pesos: Amount in Words (Amount in Figures)**.
- C. Upon acceptance by the (beneficiaries), authorizes the credit of the amount of **Pesos: Amount in words (Amount in Figures)**, as Licensee’s compliance with Article IV, Section (20 or 21) of the Provisional License and Part III, Rule 2, Section 4.a of the Implementing Rules and Guidelines of Foundations for the Restoration of Cultural Heritage. In case of non-completion of the **Name of Project** for reason/s not attributable to the fault or negligence of **Licensee** and **Foundation**, PAGCOR shall credit the actual amount spent or disbursed for the Project as certified and accepted by (Beneficiaries).

All terms and conditions specified under the MOA are hereby adopted in full and made an integral part of this Authority to Proceed.

The parties to the MOA shall be responsible for fulfilling and performing their respective warranties and obligations under the terms and conditions of the MOA and this Authority to Proceed.

Very truly yours,

**ALFREDO C. LIM**  
President and COO

cc: The Chairman and CEO, PAGCOR  
The Vice President, LRG, PAGCOR



**Gaming Licensing and Development Department**

<b>Page No.</b>	<b>Page 1 of 1</b>
<b>Internal Form No.</b>	<b>46</b>
<b>Revision No</b>	<b>0</b>
<b>Effectivity</b>	<b>July 17, 2019</b>

**COMPLIANCE VERIFICATION CHECKLIST  
(FOR PROJECTS WITH GOVERNMENT AGENCY PARTNER)  
Foundations for the Restoration of Cultural Heritage**

Date: \_\_\_\_\_

Review of Foundation Final Report upon completion of the project

**Name of Foundation:** \_\_\_\_\_

**Name of Project:** \_\_\_\_\_

**Location:** \_\_\_\_\_

**Brief Description:** \_\_\_\_\_

**ATP Amount:** \_\_\_\_\_

**COST VS. BUDGET**

ITEM	BUDGET	ACTUAL COST	VARIANCE

**ACCOUNT RECONCILIATION**

Official Receipts No.	Date	Amount	Payee	Month verified

**PROOF OF COMPLETION**

**Turnover Documents**

Contractor/Supplier to Foundation

Foundation to Recipient (Certificate of Acceptance)

Government Agency Beneficiary: \_\_\_\_\_

**UNUSED FUNDS**

Deposit to Foundation Account

None

**RECOMMENDATION**

Endorse for BOD Approval on Issuance of Certificate of Credit

For completion of documents \_\_\_\_\_

**NEXT ACTION:** \_\_\_\_\_

\_\_\_\_\_

Prepared by:  
\_\_\_\_\_

Reviewed by:  
\_\_\_\_\_

Noted by:  
\_\_\_\_\_

	<b>Gaming Licensing and Development Department</b>	Page No.	Page 1 of 1
		Internal Form No.	47
	<b>COMPLIANCE VERIFICATION CHECKLIST (FOR PROJECTS WITHOUT GOVERNMENT AGENCY) Foundations for the Restoration of Cultural Heritage</b>	Revision No	0
		Effectivity	July 17, 2019

Date: \_\_\_\_\_

Review of Foundation Final Report upon completion of the project

**Name of Foundation:** \_\_\_\_\_  
**Name of Project:** \_\_\_\_\_  
**Location:** \_\_\_\_\_  
**Brief Description:** \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
**ATP Amount:** \_\_\_\_\_

**COST VS. BUDGET**

ITEM	BUDGET	ACTUAL COST	VARIANCE

**ACCOUNT RECONCILIATION**

Official Receipts No.	Date	Amount	Payee	Month verified

**PROOF OF COMPLETION**

**Turnover Documents**

Foundation to Beneficiaries/Scholars (Acknowledgement Receipt)

**UNUSED FUNDS**

Deposit to Foundation Account                       None

**RECOMMENDATION**

Endorse for BOD Approval on Issuance of Certificate of Credit  
 For completion of documents \_\_\_\_\_

**NEXT ACTION:** \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Prepared by:  
 \_\_\_\_\_

Reviewed by:  
 \_\_\_\_\_

Noted by:  
 \_\_\_\_\_

Date

**ADDRESSEE OF LICENSEE/FOUNDATION**

Position

**LICENSEE NAME**

**FOUNDATION NAME**

Address

Subject : **CERTIFICATE OF CREDIT**

Project : **NAME OF PROJECT**

Dear Addressee:

**Philippine Amusement and Gaming Corporation (PAGCOR)**, hereby:

- A. Acknowledges the completion of the Name of Project undertaken by Licensee and Foundation.
- B. Authorizes the credit of the amount of **Pesos: Amount in Words (Amount in Figures)** as Licensee's compliance with Article IV, Section (20 or 21) of the Provisional License and Part III, Rule 2, Section 4.a of the Implementing Rules and Guidelines of Foundations for the Restoration of Cultural Heritage.

Very truly yours,

**ALFREDO C. LIM**  
President and COO

cc: The Chairman and CEO, PAGCOR  
The Vice President, LRG, PAGCOR

## MEMORANDUM OF AGREEMENT

### KNOW ALL MEN BY THESE PRESENTS:

This Agreement entered into this [\_\_] day of [Month] [Year], in the City of [Place of Project], by and among:

**NAME OF RELEVANT GOVERNMENT AGENCY PARTNER** (hereafter referred to as “\_\_\_\_\_”), a government agency/institution organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal address located at [Address], represented by its [Designation], **[NAME OF AUTHORIZED REPRESENTATIVE];**

-and-

**NAME OF FOUNDATION (the “Foundation”)**, a non-stock, non-profit corporation duly organized and existing under the laws of the Republic of the Philippines with principal address located at [Address], and represented by its [Designation], **[NAME OF AUTHORIZED REPRESENTATIVE];**

-and-

**NAME OF LICENSEE (the “Licensee”)**, a corporation duly organized and existing under the laws of the Republic of the Philippines, with principal address located at [Address], and represented by its [Designation], **[NAME OF AUTHORIZED REPRESENTATIVE];**

### WITNESSETH THAT:

WHEREAS, [Name of Licensee] (the “Licensee”), a licensee of the Philippine Amusement and Gaming Corporation (“PAGCOR”), has incorporated and registered the Foundation, and set aside funds therefor for the following purposes: restoration of cultural heritage, education infrastructure and environment and health, and in compliance with its Provisional License / Regular Casino Gaming License dated [License Date of Issue] (hereinafter, the “License”);

[Insert applicable WHEREAS Clauses]

NOW THEREFORE, for and in consideration of the foregoing premises, the parties hereby agree and covenant as follows:

## **SECTION I THE PROJECT**

[Project description which must include the approved estimated budget cost and other important details such as location, beneficiaries, etc.]

## **SECTION II OBLIGATIONS AND UNDERTAKINGS OF THE PARTIES**

The Parties warrant to perform the following obligations and undertakings:

1. The Licensee shall coordinate with the Foundation and give consent, as may be necessary and reasonable, for the proper implementation of the Project, subject to and in accordance with the laws, rules, procedures, by-laws and guidelines applicable to or imposed upon the Licensee;
2. The Foundation shall:
  - a. Secure the Authority to Proceed (ATP) from PAGCOR, and accomplish such other forms as may be required by PAGCOR, in relation to the Project. For avoidance of doubt, the Parties agree that the obligations herein are subject to the issuance of PAGCOR's ATP which shall allow the Foundation to disburse the funds in accordance with the cost stated in Section I hereof;
  - b. Upon PAGCOR's issuance of ATP, fund the project in accordance with the cost stated in Section I hereof;
  - c. Inspect and examine the records pertaining to the Project, to verify compliance with the terms of this MOA
  - d. [Insert additional clauses, if any]
3. [Government Agency Partner] shall:
  - a. Allow the Foundation to inspect and examine the records pertaining to the project, to verify compliance with the terms of this project;
  - b. [Insert additional clauses, if any]

### **SECTION III TERM OF THE AGREEMENT**

The term of this Agreement shall be effective upon the issuance by PAGCOR of the *Authority to Proceed* and shall continue to be effective unless otherwise terminated by a party through written notice to the other Parties. Provided, that if a party has fully complied with its obligations and undertakings under this Agreement, the obligations and undertakings under this Agreement as to the Party concerned is considered fulfilled and the Agreement as to the Party concerned is terminated.

### **SECTION IV WARRANTIES AND REPRESENTATIONS OF THE PARTIES**

Each party hereby represents and warrants to the other parties that:

- a. It has full and complete corporate and legal power or authority to enter into this agreement and to deliver and perform its obligations and undertakings hereunder according to the terms of this agreement, and that it has all the necessary corporate, legal and/or other actions to authorize its entry into and performance of this Agreement;
- b. This Agreement constitutes all valid, legal and binding obligations of the parties enforceable in accordance with its terms and conditions, and the party shall do and procure such acts or formalities as may be necessary to perfect consent to this Agreement;
- c. The execution of this Agreement does not and will not contravene any provision of its articles of incorporation and by-laws or any other constitutive documents, any applicable laws and regulation of the jurisdiction of its incorporation or organization, and does not and will not conflict with or result in any breach of any contract, agreement or other obligation to which it may be bound; and
- d. The signatories to this Agreement warrant that they are the duly authorized representatives of the aforementioned Parties or have been specifically authorized to enter into this Agreement on behalf of the Parties.

### **SECTION V MODIFICATIONS**

- a. No modifications of and/or amendments to this Agreement shall be valid unless the same is made in writing and signed by the authorized representatives of all the Parties to signify mutual agreement;

- b. No waiver of any provision of this Agreement shall be valid unless made in writing and signed by the authorized representative of all the Parties to signify mutual consent to the modification;
- c. Any failure of any Party at any time to insist upon strict performance of any condition, promise, agreement, or understanding as set forth herein shall not be construed as a waiver or relinquishment of the right of the party to insist upon strict performance of the same or other condition, promise, agreement, or understanding at a future time;
- d. No failure or delay on the part of either party in exercising any power or right hereunder shall operate as a waiver thereof nor shall a party's knowledge of, or acquiescence to, any breach of any terms or conditions of this Agreement constitute a waiver of such terms or conditions; and
- e. No waiver by any party of a breach of any term or condition of this Agreement shall constitute a waiver of any subsequent breach of the same or any other term or condition, nor shall any single or partial exercise of such right or power preclude any other or further exercise thereof or the exercise of any other right or power conferred therein.

## **SECTION VI ASSIGNMENT OF RIGHTS**

Any assignment of rights, obligations or interest under this Agreement shall not be valid without prior written and express consent of all the Parties.

## **SECTION VII BINDING EFFECT**

All rights, obligations and conditions under this Agreement shall be binding upon, and inure to the benefit of the Parties and their representatives, successors and assigns.

Nothing herein shall be construed as to create a relationship of partnership, joint venture, or agency between the parties hereto and no agent, employee or contractor of either of the parties shall be deemed to be an agent, employee or contractor of the other.

## **SECTION VIII MUTUAL TRUST AND SETTLEMENT OF DISPUTES**

The Parties agree to act in good faith and fidelity in exercising their rights and obligations and to mutually lend to one another maximum assistance and cooperation to the end that the purpose and objectives of this Agreement are achieved expeditiously and harmoniously. The Parties further

agree to execute such other implementing agreements and instruments and do such other acts as may be necessary to implement the intent of this Agreement.

The Parties manifest that they would first meet, confer and sit down together for the purpose of exploring all avenues and/or possibilities to amicably settle whatever disputes, differences, controversies or issues that may arise in connection with any of the terms and conditions of this Agreement.

In case there is a failure to amicably settle the dispute, difference, controversy or issue, the Parties hereby agree that any material violation or omission of any of the provisions of this Agreement shall be ground for the cancellation or rescission of the same, with due notice to the other Party, without need for legal or court action.

## **SECTION IX FORCE MAJEURE**

Neither party will be liable for non-performance due to Force Majeure provided that there has been no delay yet on the part of the party raising the application of Force Majeure.

Force Majeure shall include, but not be limited to, strikes, accidents, natural disaster, and other fortuitous events.

## **SECTION X CONFIDENTIALITY**

Save in cases when required to be disclosed by law, regulation, or any governmental or competent regulatory authority, the Parties may NOT divulge/reveal any confidential information pertaining to or relating to the other party.

Confidential information shall mean any non-public information of a Disclosing Party including, but not limited to, business plans, products, technical data, specifications, documentation, rules and procedures, contracts, presentations, know-how, product plans, business methods, product functionality, services, data, customers, markets, competitive analysis, databases, formats, methodologies, applications, developments, inventions, processes, payment, delivery and inspection procedures, drawings, algorithms, formulas, or information related to engineering, marketing, or finance.

This confidentiality shall not be affected by this agreement's expiration, termination or nullification.

## **SECTION XI NOTICE**

All notices and communications by one Party to the other shall be in English and shall be in writing, delivered by hand, reputable courier, facsimile transmission, or electronic mail, at the address indicated below, or at such address as each Party may subsequently provide to the other Party:

For the [GOVERNMENT AGENCY PARTNER]:

Address: [Complete Address]  
Attention: [NAME OF AUTHORIZED REPRESENTATIVE]  
Designation: [Designation]  
Telephone: [Telephone Number]  
Facsimile: [Fax number]  
E-mail: [Email address]

For the [NAME OF FOUNDATION]:

Address: [Complete Address]  
Attention: [NAME OF AUTHORIZED REPRESENTATIVE]  
Designation: [Designation]  
Telephone: [Telephone Number]  
Facsimile: [Fax number]  
E-mail: [Email address]

For the [NAME OF LICENSEE]:

Address: [Complete Address]  
Attention: [NAME OF AUTHORIZED REPRESENTATIVE]  
Designation: [Designation]  
Telephone: [Telephone Number]  
Facsimile: [Fax Number]  
E-mail: [Email address]

## **SECTION XII HEADING**

Headings to clauses in this Agreement are for ease of reference only and do not affect the interpretation of this Agreement.

## **SECTION XIII SEVERABILITY**

If one or more provisions of this Agreement shall be held invalid, illegal or unenforceable, the remaining provisions shall remain in, and shall be given, full force and effect.

**SECTION XIV  
TERMINATION**

Either Party may terminate this Agreement with just cause subject to prior notice of thirty (30) days to the other party.

Either Party may terminate this Agreement with immediate effect due to breach or violation of a material provision herein by the other.

**SECTION XV  
INTEGRATION CLAUSE**

This Agreement, along with any exhibit, appendix, addendum, schedule and amendment hereto, encompasses the entire Agreement of the Parties, and supersedes all previous understandings and agreements between them, whether oral or written. The Parties hereby acknowledge and represent, by affixing their hands and seals hereto, that they have not relied on any representation, assertion, guarantee, warranty, collateral agreement or other assurance, except those set out in this Agreement, made by or on behalf of any other party or any other person or entity whatsoever, prior to the execution of this Agreement. The Parties hereby waive all rights and remedies, at law or in equity, arising or which may arise as the result of a party's reliance on such representation, assertion, guarantee, warranty, collateral agreement or other assurance, provided that nothing herein contained shall be construed as a restriction or limitation of said party's right to remedies associated with the gross negligence, willful misconduct or fraud of any person or party taking place prior to, or contemporaneously with, the execution of this Agreement.

**IN WITNESS WHEREOF**, we have hereunto set our hands on the date and place first mentioned.

**NAME OF REPRESENTATIVE**  
*[Designation]*  
**Government Agency Partner**

**NAME OF REPRESENTATIVE**  
*[Designation]*  
**[Foundation Name]**

**NAME OF REPRESENTATIVE**  
*[Designation]*  
**[Licensee Name]**

Witnessed by:

**NAME OF WITNESS**  
*[Designation]*  
**Government Agency Partner**

**NAME OF WITNESS**  
*[Designation]*  
**[Foundation Name]**

**NAME OF WITNESS**  
*[Designation]*  
**[Licensee Name]**

**ACKNOWLEDGMENT**

REPUBLIC OF THE )  
PHILIPPINES )  
CITY ) S.S.  
OF .....

BEFORE ME, a Notary Public, at the above-stated locality, on this [\_\_] day of [Month] [Year], personally appeared the following:

NAME	Gov't. Issued ID	Place and Date of Issue

who have presented to me an integrally complete **MEMORANDUM OF AGREEMENT** consisting of [no. of pages] pages, including this acknowledgment page, and are personally known to me or identified by me through competent evidence of their identities as the same persons they purport to be, and represented to me that their signatures on the foregoing Agreement were voluntarily affixed by them and that the same is their own respective free and voluntary act and deed with authority to sign in that capacity as well as the free act and deed of the corporations and individuals they represent, and they further swear under oath to the truth of the contents of the said Agreement, under penalty of law.

WITNESS MY HAND AND SEAL, on the date and at the place above-written.

**NOTARY PUBLIC**

Doc. No. : .....  
Page No. : .....  
Book No. : .....  
Series of [Year]

## MEMORANDUM OF AGREEMENT

### KNOW ALL MEN BY THESE PRESENTS:

This Agreement entered into this [\_\_] day of [Month] [Year], in the City of [Place of Project], by and among:

**[NAME OF FOUNDATION] (the “Foundation”)**, a non-stock, non-profit corporation duly organized and existing under the laws of the Republic of the Philippines with principal address at [Address], and represented by its [Designation], **[NAME OF AUTHORIZED REPRESENTATIVE]**;

-and-

**[NAME OF LICENSEE] (the “Licensee”)**, a corporation duly organized and existing under the laws of the Republic of the Philippines, with principal address at [Address], and represented by its [Designation], **[NAME OF AUTHORIZED REPRESENTATIVE]**;

### WITNESSETH THAT:

WHEREAS, [Name of Licensee] (the “Licensee”), a licensee of the Philippine Amusement and Gaming Corporation (“PAGCOR”), has incorporated and registered the Foundation, and set aside funds therefor for the following purposes: restoration of cultural heritage, education infrastructure and environment and health, and in compliance with its Provisional License / Regular Casino Gaming License dated [License Date of Issue] (hereinafter, the “License”);

[Insert applicable WHEREAS Clauses]

NOW THEREFORE, for and in consideration of the foregoing premises, the parties hereby agree and covenant as follows:

### SECTION I THE PROJECT

[Project description which must include the approved estimated budget cost and other important details such as location, beneficiaries, etc.]

## **SECTION II OBLIGATIONS AND UNDERTAKINGS OF THE PARTIES**

The Parties warrant to perform the following obligations and undertakings:

1. The Licensee shall coordinate with the Foundation and give consent, as may be necessary and reasonable, for the proper implementation of the Project, subject to and in accordance with the laws, rules, procedures, by-laws and guidelines applicable to or imposed upon the Licensee;
2. The Foundation shall:
  - a. Secure the Authority to Proceed (ATP) from PAGCOR, and accomplish such other forms as may be required by PAGCOR, in relation to the Project. For avoidance of doubt, the Parties agree that the obligations herein are subject to the issuance of PAGCOR's ATP which shall allow the Foundation to disburse the funds in accordance with the cost stated in Section I hereof;
  - b. Upon PAGCOR's issuance of ATP, fund the project in accordance with the cost stated in Section I hereof;
  - c. Inspect and examine the records pertaining to the Project, to verify compliance with the terms of this MOA
  - d. [Insert additional clauses, if any]

## **SECTION III TERM OF THE AGREEMENT**

The term of this Agreement shall be effective upon the issuance by PAGCOR of the *Authority to Proceed* and shall continue to be effective unless otherwise terminated by a party through written notice to the other Parties. Provided, that if a party has fully complied with its obligations and undertakings under this Agreement, the obligations and undertakings under this Agreement as to the Party concerned is considered fulfilled and the Agreement as to the Party concerned is terminated.

## **SECTION IV WARRANTIES AND REPRESENTATIONS OF THE PARTIES**

Each party hereby represents and warrants to the other parties that:

- a. It has full and complete corporate and legal power or authority to enter into this agreement and to deliver and perform its obligations and undertakings hereunder according to the terms of this agreement, and

- that it has all the necessary corporate, legal and/or other actions to authorize its entry into and performance of this Agreement;
- b. This Agreement constitutes all valid, legal and binding obligations of the parties enforceable in accordance with its terms and conditions, and the party shall do and procure such acts or formalities as may be necessary to perfect consent to this Agreement;
  - c. The execution of this Agreement does not and will not contravene any provision of its articles of incorporation and by-laws or any other constitutive documents, any applicable laws and regulation of the jurisdiction of its incorporation or organization, and does not and will not conflict with or result in any breach of any contract, agreement or other obligation to which it may be bound; and
  - d. The signatories to this Agreement warrant that they are the duly authorized representatives of the aforementioned Parties or have been specifically authorized to enter into this Agreement on behalf of the Parties.

## **SECTION V MODIFICATIONS**

- a. No modifications of and/or amendments to this Agreement shall be valid unless the same is made in writing and signed by the authorized representatives of all the Parties to signify mutual agreement;
- b. No waiver of any provision of this Agreement shall be valid unless made in writing and signed by the authorized representative of all the Parties to signify mutual consent to the modification;
- c. Any failure of any Party at any time to insist upon strict performance of any condition, promise, agreement, or understanding as set forth herein shall not be construed as a waiver or relinquishment of the right of the party to insist upon strict performance of the same or other condition, promise, agreement, or understanding at a future time;
- d. No failure or delay on the part of either party in exercising any power or right hereunder shall operate as a waiver thereof nor shall a party's knowledge of, or acquiescence to, any breach of any terms or conditions of this Agreement constitute a waiver of such terms or conditions; and
- e. No waiver by any party of a breach of any term or condition of this Agreement shall constitute a waiver of any subsequent breach of the same or any other term or condition, nor shall any single or partial exercise of such right or power preclude any other or further exercise thereof or the exercise of any other right or power conferred therein.

## **SECTION VI ASSIGNMENT OF RIGHTS**

Any assignment of rights, obligations or interest under this Agreement shall not be valid without prior written and express consent of all the Parties.

## **SECTION VII BINDING EFFECT**

All rights, obligations and conditions under this Agreement shall be binding upon, and inure to the benefit of the Parties and their representatives, successors and assigns.

Nothing herein shall be construed as to create a relationship of partnership, joint venture, or agency between the parties hereto and no agent, employee or contractor of either of the parties shall be deemed to be an agent, employee or contractor of the other.

## **SECTION VIII MUTUAL TRUST AND SETTLEMENT OF DISPUTES**

The Parties agree to act in good faith and fidelity in exercising their rights and obligations and to mutually lend to one another maximum assistance and cooperation to the end that the purpose and objectives of this Agreement are achieved expeditiously and harmoniously. The Parties further agree to execute such other implementing agreements and instruments and do such other acts as may be necessary to implement the intent of this Agreement.

The Parties manifest that they would first meet, confer and sit down together for the purpose of exploring all avenues and/or possibilities to amicably settle whatever disputes, differences, controversies or issues that may arise in connection with any of the terms and conditions of this Agreement.

In case there is a failure to amicably settle the dispute, difference, controversy or issue, the Parties hereby agree that any material violation or omission of any of the provisions of this Agreement shall be ground for the cancellation or rescission of the same, with due notice to the other Party, without need for legal or court action.

## **SECTION IX FORCE MAJEURE**

Neither party will be liable for non-performance due to Force Majeure provided that there has been no delay yet on the part of the party raising the application of Force Majeure.

Force Majeure shall include, but not be limited to, strikes, accidents, natural disaster, and other fortuitous events.

## **SECTION X CONFIDENTIALITY**

Save in cases when required to be disclosed by law, regulation, or any governmental or competent regulatory authority, the Parties may NOT divulge/reveal any confidential information pertaining to or relating to the other party.

Confidential information shall mean any non-public information of a Disclosing Party including, but not limited to, business plans, products, technical data, specifications, documentation, rules and procedures, contracts, presentations, know-how, product plans, business methods, product functionality, services, data, customers, markets, competitive analysis, databases, formats, methodologies, applications, developments, inventions, processes, payment, delivery and inspection procedures, drawings, algorithms, formulas, or information related to engineering, marketing, or finance.

This confidentiality shall not be affected by this agreement's expiration, termination or nullification.

## **SECTION XI NOTICE**

All notices and communications by one Party to the other shall be in English and shall be in writing, delivered by hand, reputable courier, facsimile transmission, or electronic mail, at the address indicated below, or at such address as each Party may subsequently provide to the other Party:

For the [NAME OF FOUNDATION]:

Address: [Complete Address]  
Attention: [NAME OF AUTHORIZED REPRESENTATIVE]  
Designation: [Designation]  
Telephone: [Telephone Number]  
Facsimile: [Fax number]  
E-mail: [Email address]

For [NAME OF LICENSEE]:

Address: [Complete Address]  
Attention: [NAME OF AUTHORIZED REPRESENTATIVE]  
Designation: [Designation]  
Telephone: [Telephone Number]  
Facsimile: [Fax number]  
E-mail: [Email address]

## **SECTION XII HEADING**

Headings to clauses in this Agreement are for ease of reference only and do not affect the interpretation of this Agreement.

## **SECTION XIII SEVERABILITY**

If one or more provisions of this Agreement shall be held invalid, illegal or unenforceable, the remaining provisions shall remain in, and shall be given, full force and effect.

## **SECTION XIV TERMINATION**

Either Party may terminate this Agreement with just cause subject to prior notice of thirty (30) days to the other party.

Either Party may terminate this Agreement with immediate effect due to breach or violation of a material provision herein by the other.

## **SECTION XV INTEGRATION CLAUSE**

This Agreement, along with any exhibit, appendix, addendum, schedule and amendment hereto, encompasses the entire Agreement of the Parties, and supersedes all previous understandings and agreements between them, whether oral or written. The Parties hereby acknowledge and represent, by affixing their hands and seals hereto, that they have not relied on any representation, assertion, guarantee, warranty, collateral agreement or other assurance, except those set out in this Agreement, made by or on behalf of any other party or any other person or entity whatsoever, prior to the execution of this Agreement. The Parties hereby waive all rights and remedies, at law or in equity, arising or which may arise as the result of a party's reliance on such representation, assertion, guarantee, warranty, collateral agreement or other assurance, provided that nothing herein contained shall be construed as a restriction or limitation of said party's right to remedies associated with the gross negligence, willful misconduct or fraud of any person or party taking place prior to, or contemporaneously with, the execution of this Agreement.

**IN WITNESS WHEREOF**, we have hereunto set our hands on the date and place first mentioned.

**NAME OF REPRESENTATIVE**  
*[Designation]*  
**[Licensee Name]**

**NAME OF REPRESENTATIVE**  
*[Designation]*  
**[Foundation Name]**

Witnessed by:

**NAME OF WITNESS**  
*[Designation]*  
**[Licensee Name]**

**NAME OF WITNESS**  
*[Designation]*  
**[Foundation Name]**

**ACKNOWLEDGMENT**

REPUBLIC OF THE )  
PHILIPPINES )  
CITY ) S.S.  
OF .....

BEFORE ME, a Notary Public, at the above-stated locality, on this [\_\_\_] day of [Month] [Year], personally appeared the following:

<b>NAME</b>	<b>Gov't. Issued ID</b>	<b>Place and Date of Issue</b>

who have presented to me an integrally complete **MEMORANDUM OF AGREEMENT** consisting of [no. of pages] pages, including this acknowledgment page, and are personally known to me or identified by me through competent evidence of their identities as the same persons they purport to be, and represented to me that their signatures on the foregoing Agreement were voluntarily affixed by them and that the same is their own respective free and voluntary act and deed with authority to sign in that capacity as well as the free act and deed of the corporations and individuals they represent, and they further swear under oath to the truth of the contents of the said Agreement, under penalty of law.

WITNESS MY HAND AND SEAL, on the date and at the place above-written.

**NOTARY PUBLIC**

Doc. No. : .....  
Page No. : .....  
Book No. : .....  
Series of [Year]



(Republic of the Philippines)  
(Name of Agency)  
(Address)

**CERTIFICATE OF ACCEPTANCE**

Name of Project: \_\_\_\_\_

Project Cost: \_\_\_\_\_

Address: \_\_\_\_\_

Scope of Work: \_\_\_\_\_

On behalf of the (Government Agency), I, solely authorized representative, accept turn-over of the above-described project as being fully completed in strict compliance with the plans, specification, scope of works and other related contract documents relative thereto.

\_\_\_\_\_  
Beneficiary  
Authorized Representative

Date:

Date

**UNDERTAKING**

I, [Name of Representative of the Foundation], on behalf of the [Name of the Foundation], hereby commits to reinstate the disbursed amount in full to the Foundation in the event a final and executory decision is issued by the Supreme Court of the Philippines upholding the Commission of Audit (COA) questioning the legality and the validity of the use of funds by the Foundation for the distribution of medicines in underserved areas or relief goods during calamities, pursuant to Rule XII of the 2009 Revised Rules of Procedure of COA, in relation to the 1997 Revised Rules of Civil Procedure.

NAME OF REPRESENTATIVE  
FOUNDATION