



MEMORANDUM

April 6, 2018

T O : ALL GAMING SITE OPERATORS (BINGO GAMES)
F R O M : THE ASSISTANT VICE PRESIDENT, GLDD
SUBJECT : APPLICATION OF 5% FRANCHISE TAX ON INCOME FROM BINGO GAMES OPERATIONS OF PAGCOR-LICENSED GAMING SITES

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Please be advised that the PAGCOR Board of Directors approved the following in its meeting held on April 4, 2018:

A. Electronic Bingo (eBingo) Games

1. Reversion to pre-RMC 33-2013 set-up, where the 5% Franchise Tax is applied to the Gross Gaming Revenues (GGR) **prior to sharing** by and between PAGCOR and the Bingo Operator. In effect, both PAGCOR and the Bingo Operator shall pay the 5% Franchise Tax. Consequently, PAGCOR and the Bingo Operator share 50%-50% on the GGR after deducting the 5% franchise tax.
2. Amendment of Regulation 22 Section 1 (b) of the Gaming Site Regulatory Manual for Bingo Games version 3.0 as amended to (i) exclude the Prize Tax in the determination of Total Payouts, and (ii) to include the 5% franchise tax deduction in the formula.

B. Traditional Bingo Games, Rapid Bingo, Gaming Arts and Pull Tab Bingo

1. For Traditional Bingo, reversion to pre-RMC 33-2013 set-up, where the 5% Franchise Tax is applied to the Gross Gaming Revenues (GGR). PAGCOR's 15% share in Gross Ticket Sales is preserved and the franchise tax amount is shouldered by the Operator.
2. In the case of Rapid Bingo, Gaming Arts and Pull Tab Bingo, reversion to pre-RMC 33-2013 set-up, where the 5% Franchise Tax is applied to the Gross Gaming Revenues (GGR) **with a modification in the revenue sharing scheme such that PAGCOR's 15% share in Gross Sales is preserved and the franchise tax amount is shouldered by the Operator, similar to Traditional Bingo.**
3. Amendment of Regulation 22 Section 1 (a) of the Gaming Site Regulatory Manual for Bingo Games version 3.0 as amended to (i) exclude the Prize Tax in the determination of Total Payouts, and (ii) include the remittance of the 5% franchise tax.

Implementation of the 5% Franchise Tax on Bingo game offerings shall take effect on the first (1st) quarter of 2018 i.e. beginning January 1, 2018.

C. Final Tax on Player's Jackpot Winnings from Bingo Games exceeding Ten Thousand Pesos (PhP10,000.00) where the following provisions of the Gaming Site Regulatory Manual for Bingo Games version 3.0 shall likewise be amended:

1. Regulation 8 Section 10 (c) as amended to include the Operator's option to shoulder the final tax on player's jackpot winnings.
2. Regulation 18-B Part I Section 7 (a)-5 as amended to include the revised guidelines on payment of the final tax for prizes of more than ten thousand pesos (PhP10,000.00).
3. Regulation 18-C Section 2 (b) as amended to delete the non-deduction of the final tax from the prize due to the winner.
4. Regulation 21 Section 3 last paragraph as amended to redefine Payouts (PO).
5. Regulation 21 Section 4 (c) as amended to revise the guidelines on accounting of payouts.

The implementation of the revised guidelines in the Gaming Site Regulatory Manual for Bingo Games version 3.0 as regards the final tax on player's jackpot winnings from Bingo Games exceeding Ten Thousand Pesos (PhP10,000.00) shall take effect on the date of publication of these amendments to the GSRM at the PAGCOR Regulatory website.

To download the details of the manner of application of the Franchise tax, final tax on Player's Jackpot Winnings exceeding Ten Thousand Pesos (PhP10,000.00) and amendments to the GSRMs, kindly visit the corresponding link under Amendment heading at the "Electronic Gaming and Poker" page of the Regulatory website.

For your strict compliance.


RAMON STEPHEN R. VILLAFLOR
AVP, GLDD

cc: OCCEO
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