

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Batasan Hills, Quezon City
Twentieth Congress
First Regular Session

House Bill No. **1351**



Introduced by Honorable Representatives
JOSE MANUEL TADEO "CHEL" I. DIOKNO (Akoyan Partylist)
PERCIVAL V. CENDAÑA (Akoyan Partylist)
DADAH KIRAM ISMULA (Akoyan Partylist)
ARLENE "KAKA" J. BAG-AO (Dinagat Islands)

**AN ACT REGULATING ONLINE GAMBLING IN THE PHILIPPINES, REDUCING
GAMBLING-RELATED ADDICTION AND HARM, ESTABLISHING A HARM
MITIGATION LEVY, AND FOR OTHER PURPOSES**

EXPLANATORY NOTE

The Kontra e-Sugal Act of 2025 seeks to establish a framework to regulate online gambling in the Philippines. Its goals are to safeguard public welfare, protect vulnerable groups, and ensure responsible gambling practices.

Online gambling is accessible anytime, anywhere and often anonymously, making it particularly addictive and harmful to minors, persons who may be vulnerable to the lure of gaining easy money, and those desperate to make ends meet. Online gambling thus poses unique and costly risks, not only for those who gamble but also their families, communities, and Philippine society. The absence of regulatory controls has led to a rise of gambling-related problems, including financial meltdowns, family breakdowns, gambling addiction, depression, and other mental health issues.

The Constitution mandates the State to "promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies that provide adequate social services, promote full employment, a rising standard of living, and an improved quality of life for all."¹ Yet there is presently no law specifically regulating online gambling platforms in the country. The State, in the

¹ Article II, Section 13, 1987 Constitution.

exercise of its inherent police power, must act decisively to protect the physical, mental, and social well-being of its citizens from the growing harms associated with online gambling.

Hence this proposed legislation, which seeks to (1) establish strict age verification protocols; (2) prescribe limits on advertising and promotion; (3) implement a national-self-exclusion registry; (4) impose betting loss limits; (5) prescribe minimum guidelines for player protection; (6) create a harm mitigation levy; (7) recognize gambling disorder as a public health condition; (8) ban campaign contributions from gambling operators; and (9) implement strict penalties for unlicensed operators and non-compliant persons.



**JOSE MANUEL TADEO
"CHEL" I. DIOKNO
Akbayan Representative**



**PERCIVAL V. CENDANA
Akbayan Representative**



**DADAH KIRAM ISMULA
Akbayan Representative**



**KAKA J. BAG-AO
Dinagat Islands Representative**

**Republic of the Philippines
HOUSE OF REPRESENTATIVES
Batasan Hills, Quezon City
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First Regular Session**

House Bill No. 1351

**Introduced by Honorable Representatives
JOSE MANUEL TADEO "CHEL" I. DIOKNO (Akbayan Partylist)
PERCIVAL V. CENDAÑA (Akbayan Partylist)
DADAH KIRAM ISMULA (Akbayan Partylist)
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*Be it enacted by the Senate and the House of Representatives of the Philippines in
Congress assembled:*

1 **SECTION 1. Short Title.** - This Act will be known as the "*Kontra e-Sugal Act of*
2 *2025*".

3 **Sec. 2. Declaration of Principles and Policies.** – Article II, Section 5 of the
4 Constitution provides that "the maintenance of peace and order, the protection of life,
5 liberty, and property, and the promotion of the general welfare are essential for the
6 enjoyment by all the people of the blessings of democracy." Article II, Section 9 of the
7 Constitution provides that "[t]he State shall promote a just and dynamic social order
8 that will ensure the prosperity and independence of the nation and free the people
9 from poverty through policies that provide adequate social services, promote full
10 employment, a rising standard of living, and an improved quality of life for all." In line
11 with these fundamental principles and policies, the State adopts the principle that
12 online gambling must be strictly regulated to protect the general welfare, promote the
13 well-being of the youth, preserve family harmony, and break the cycle of poverty. The
14 State, moreover, adopts the policy that gambling disorders pose a risk to public health
15 and economic well-being which requires that the State take a comprehensive,

1 evidence-based, and multi-sectoral approach to prevent and mitigate gambling-related
2 harms.

3 **Sec. 3. Definition of Terms.** - For the purposes of this Act, the following
4 definitions apply:

- 5 a. **"Online Gambling"** refers to the conduct of chance-based games or taking of
6 wagers consisting of money or articles of value using the internet or digital
7 devices, including the offering of online gambling games or wagering via online
8 gambling platforms outside the gaming area of a land-based casino.
- 9 b. **"Online Gambling Platform"** refers to a web or mobile-based system that
10 allows registered users to gamble remotely online.
- 11 c. **"Online Gambling Operator"** refers to a licensed individual or entity that
12 runs online gambling platforms or service providers providing indispensable
13 service to the online gambling operation.
- 14 d. **"Self-Exclusion"** refers to a system that allows individuals to voluntarily ban
15 themselves from gambling activities.
- 16 e. **"Super App"** refers to a single mobile/web app offering multiple services like
17 messaging, e-commerce, finance, transport, delivery, or more.
- 18 f. **"Harm Mitigation Levy"** refers to a tax on online gambling operators to fund
19 programs that reduce gambling-related harms.
- 20 g. **Know Your Customer (KYC) standards** are a set of security procedures
21 financial institutions and other regulated entities use to verify the identity of
22 their customers and assess the legitimacy of their activities.
- 23 h. **"Uniform Resource Locator (URL)"** refers to the unique identifying address
24 used to access resources on the internet.

25 **I. ACCESS RESTRICTIONS**

26 **Sec. 4. Age restrictions.** Only individuals twenty-one (21) years of age or older
27 are allowed to register and participate in online gambling platforms. All licensed online
28 gambling operators must implement age verification systems using government-
29 issued or equivalent digital identification consistent with existing Know-Your-Customer
30 (KYC) standards.

1 The Philippine Amusement and Gaming Corporation (PAGCOR) will issue guidelines,
2 conduct audits, and impose administrative sanctions, including fines, suspension, or
3 revocation of license for non-compliance with the minimum age verification standards.

4 ***Sec. 5. Access Restrictions via electronic wallets and super apps.***

5 Electronic wallets and super apps are prohibited from linking to online gambling
6 platforms through uniform resource locators (URLs), app links, hyperlinks, and other
7 similar methods. Existing links must be removed upon the passage of this Act.
8 All account funding and withdrawals must go through Anti-Money Laundering Council
9 (AMLC)-compliant channels, such as over-the-counter and online banking; *Provided,*
10 that account funding through credit cards or other credit facilities will only be allowed
11 for accounts with low financial risk, based on PAGCOR and existing KYC standards.

12 Electronic wallets and super apps are prohibited from advertising online gambling
13 within their platforms.

14 ***Sec. 6. Self-exclusion.*** A National Online Gambling Self-Exclusion Registry will
15 be established upon the effectivity of this Act, to be maintained and administered by
16 PAGCOR in coordination with licensed online gambling operators.

17 Individuals who wish to voluntarily restrict their access to online gambling activities
18 may enroll themselves in the Self-Exclusion Registry through a secure digital platform
19 to be developed and maintained by PAGCOR. Once enrolled, the individual's existing
20 online gambling accounts will immediately be suspended, and a block will be imposed
21 on new registration during the period of self-exclusion.

22 All licensed operators must:

- 23 a. Integrate their platforms with the National Online Gambling Self-Exclusion
24 Registry and comply with real-time data synchronization protocols prescribed
25 by PAGCOR;
- 26 b. Suspend or deactivate any gambling account linked to an individual listed in
27 the registry and prevent re-registration attempts for the duration of self-
28 exclusion;

- 1 c. Enforce a minimum period for self-exclusion of six (6) months, renewable by
2 the user, with reactivation subject to psychological screening and a cooling-
3 off period as may be determined by PAGCOR;
4 d. Display self-exclusion options and information on gambling harm on their
5 platforms.

6 PAGCOR will oversee compliance, conduct regular audits, set technical standards, and
7 protect data under the Data Privacy Act of 2012.

8 **Sec. 7. Family member-initiated player banning.** Immediate family
9 members, which include the spouse, parent, adult child, or guardian, may request a
10 temporary ban on the access to online gambling platforms of an individual showing
11 signs of harmful gambling behavior. PAGCOR will define procedures, and all operators
12 must enforce these bans across all platforms. Any misuse or abuse of this remedy by
13 a family member or guardian, including false or malicious allegations, will be penalized
14 under applicable laws on perjury and civil damages.

15 **Sec. 8. Betting loss limits.** Operators must enforce daily, weekly, and
16 monthly maximum limits on betting and losses. PAGCOR, in coordination with the
17 Bangko Sentral ng Pilipinas (BSP) will set and update these limits based on evidence-
18 based harm prevention standards, income data, and financial profiles. Once the
19 maximum limit is reached, the player is suspended for a mandatory cooling-off period
20 of not less than thirty (30) calendar days. Reactivation requires consent, gambling risk
21 reminders, and additional identity verification.

22 Operators are prohibited from offering promotions, bonuses, or targeted advertising
23 to any user under suspension and within seven (7) days after the expiration of the
24 cooling-off period. PAGCOR is tasked to audit the compliance of operators with this
25 Section. Non-compliance may lead to fines, suspension, or license revocation, without
26 prejudice to other civil, criminal, or administrative liabilities.

27 **II. ENHANCED DUTY OF CARE AND PLAYER PROTECTION**

28 **Sec. 9. Mandatory Checks on Affordability and Sources of Funds.**
29 Online gambling platforms must implement mandatory affordability checks on players

1 at the point of account registration and periodically thereafter. These checks will look
2 into the player's source or sources of funds, and assess whether the player can afford
3 to gamble without facing financial harm, based on income, expenses, and other
4 relevant financial indicators. PAGCOR, in consultation with the Bangko Sentral ng
5 Pilipinas (BSP) and the Anti-Money Laundering Council (AMLC), will provide detailed
6 guidelines on the methodology, thresholds, and permissible data sources for these
7 checks, which must comply with the Data Privacy Act of 2012 (RA 10173).

8 **Sec. 10. Restriction of Play Based on Affordability.** When mandatory
9 checks provided in Section 9 find that a player cannot afford to gamble without facing
10 financial harm, or has unclear or questionable source of funds, the online gambling
11 platform must immediately restrict his or her ability to deposit or wager. The
12 restrictions may come in the form of setting deposit limits, restricting access to high-
13 stakes games, or suspending or terminating the player's account. The platform must
14 also clearly inform the player and offer support resources.

15 **Sec. 11. Proactive Monitoring of Player Activity.** Online platforms must
16 use real-time systems to track player behavior for signs of gambling harm. These
17 systems should flag unusual spending, long play times, sudden changes in behavior
18 or signs of distress, use or non-use of gambling management tools, and other relevant
19 account indicators as defined by PAGCOR. PAGCOR will issue detailed guidelines on
20 the specific behavioral indicators of harm and the technical standards for such
21 monitoring systems.

22 **Sec. 12. Tailored and Escalating Interventions.** When signs of harm are
23 detected, platforms must take timely and appropriate action. These interventions may
24 include:

- 25 a. automated personalized messages;
- 26 b. mandatory 'reality checks' or 'take a break' prompts that temporarily halt
27 gameplay at defined intervals or after significant play duration or
28 cumulative loss;
- 29 c. direct human interaction with staff specifically trained in harm
30 identification;

- 1 d. temporary account suspensions for players exhibiting escalating risk
- 2 profiles;
- 3 e. stoppage of all marketing communications for players identified with
- 4 moderate to high indicators of harm; and

5 PAGCOR will issue and periodically update guidelines specifying the types of
6 interventions, their triggers, and the escalation protocols to be followed by licensed
7 operators.

8 ***Sec. 13. Algorithmic Integrity, Evaluation, and Player Rights.*** Any
9 algorithms used to detect risky behavior or make automated decisions must be audited
10 regularly by independent, accredited third-party organizations. These audits must
11 ensure fairness and prevent misuse. Platforms must also review how effective their
12 interventions are, and show PAGCOR proof of reduced gambling harm.

13 ***Sec. 14. Game Integrity.*** All online gambling platforms must ensure the
14 integrity and fairness of their games through the mandatory use of certified Random
15 Number Generators and transparent Return to Player metrics.

16 (a) Random Number Generators (RNGs)- All games offered by online gambling
17 platforms that rely on random outcomes must utilize a certified Random Number
18 Generator (RNG). RNGs must be independently tested and certified by an accredited
19 third-party testing laboratory to ensure statistical randomness, unpredictability, and
20 non-repeatability of outcomes. Certification reports must be submitted to PAGCOR
21 annually.

22 (b) Return to Player (RTP) Metrics- Each game must clearly show its RTP (theoretical
23 payout rate). This information must be easy for players to see before and during the
24 game. PAGCOR will set minimum RTP standards to ensure fairness. PAGCOR is
25 directed to establish minimum RTP standards.

26 (c) Audits and Compliance- PAGCOR must regularly audit online gambling platforms
27 and may require third-party checks to ensure compliance with RNG and RTP rules.

28

1 **III. MARKETING AND ADVERTISING RESTRICTIONS**

2 **Sec. 15. Ban on Public Space Advertising.** Online gambling advertisements
3 are strictly prohibited in public spaces, including but not limited to billboards, transit
4 advertisements, building wraps, posters, LED screens, and other out-of-home or
5 street-level media. Advertisements are only allowed within licensed venues where
6 minors are prohibited; *Provided* that, advertisements must be at least 100 meters
7 away from schools, churches, or play areas.

8 **Sec. 16. Prohibited Media Channels.** Advertisements for online gambling
9 services are prohibited in traditional media channels such as TV, radio, print, and
10 digital platforms including social media, mobile apps, websites, or other internet-based
11 communication channels accessible to the public.

12 **Sec. 17. Responsible Gambling Messages.** All permissible advertisements
13 must include visible warnings about gambling risks and helpline information, as
14 prescribed by PAGCOR.

15 **Sec. 18. Ban on Sponsorships and Donations.** Online Gambling Operators
16 are strictly prohibited from sponsoring educational, sports, cultural, religious, or public
17 events. Community sponsorships as part of corporate social responsibility are allowed
18 only if no branding or gambling references appear on merchandise or donations.

19 **IV. TAX ON ONLINE GAMBLING**

20 **Sec. 19. Harm Mitigation Levy.** To finance the social costs of online
21 gambling and finance programs aimed at minimizing its harmful effects, a ten percent
22 (10%) levy on gross revenues of online gambling operators will be collected by the
23 BIR and placed in a Special Gambling Harm Reduction Fund, managed by the
24 Department of Health (DOH), in coordination with PAGCOR, the Department of Budget
25 and Management (DBM), and the Department of Finance (DOF).

26 The Fund Allocation is as follows:

- 1 f. Forty (40%) – Establishment of treatment and rehabilitation centers for
- 2 individuals with gambling addiction;
- 3 g. Thirty (30%) – Public education and awareness campaigns on gambling risks
- 4 to be implemented by the DOH, DepEd, and the Presidential Communications
- 5 Office (PCO);
- 6 h. Twenty (20%) – Regulatory enforcement and capacity-building of PAGCOR and
- 7 other concerned agencies; and
- 8 i. Ten (10%) – Research and policy evaluation.
- 9 Non-payment may result in license suspension, revocation, or penalties.

10 All disbursements from the Fund are subject to existing auditing and
11 accountability laws and will be reported annually to Congress by the DOH and
12 PAGCOR, with full transparency and public disclosure requirements. Failure to pay the
13 Harm Mitigation Levy constitutes a ground for license suspension or revocation, in
14 addition to applicable fines, surcharges, and penalties under the National Internal
15 Revenue Code, as amended.

16 **V. PUBLIC HEALTH APPROACH**

17 ***Sec. 20. Public health interventions to gambling disorders.*** Gambling
18 disorder is hereby recognized as a public health issue. Funded by the 40% share from
19 the Levy as discussed in Section 14, the DOH must ensure access to treatment for
20 persons with gambling disorders, including:

- 21 **a. Establishment of Gambling Addiction Treatment Centers** – The DOH, in
- 22 coordination with the DSWD establish and accredit treatment and rehabilitation
- 23 centers for gambling addiction, provide clinical assessment and diagnosis,
- 24 Cognitive Behavioral Therapy, counseling, and peer support systems.
- 25 **b. Community-Based Programs and Support** – The DOH and DSWD will
- 26 develop intervention programs, including:
 - 27 a. 24/7 hotline services for individuals and families in crisis;
 - 28 b. Mobile mental health teams trained in gambling-related harm;
 - 29 c. Outreach and education sessions in schools, barangays, and
 - 30 workplaces.

- 1 c. **Accreditation and Training** – This Act authorizes the DOH to develop
2 training programs and guidelines for the certification of providers treating
3 gambling addiction.
- 4 d. **PhilHealth Coverage** – Gambling disorder treatment is integrated into the
5 Philippine Health Insurance Corporation’s (PhilHealth) benefit packages as a
6 covered mental health condition under the Universal Health Care Act. Gambling
7 disorder is hereby included into the National Mental Health Program of the DOH.
- 8 e. **Monitoring and Evaluation.** PAGCOR and DOH will establish an annual
9 monitoring and evaluation framework to asses and evaluate program outcomes
10 and impact. The data gathered will be publicly reported and used to improve
11 program design.

12 In formulating the interventions under this Section, the DOH is directed to create an
13 advisory group composed of relevant stakeholders like medical associations, non-
14 government organizations, and patients’ rights networks, to ensure updated,
15 evidence-based, rights-based and victim centered interventions and effective service
16 delivery. Persons in recovery will be protected from discrimination and stigma, with
17 gambling disorder covered under RA 11036 or the Mental Health Act.

18 **VI. ONLINE GAMBLING AND PUBLIC OFFICERS**

19 ***Sec. 21. Gambling Ban for Public Servants.*** – All government employees,
20 including AFP and PNP personnel, are prohibited from engaging in online gambling.
21 Violations of this provision shall constitute administrative misconduct.

22 ***Sec. 22. Ban on Political Contributions.*** Online gambling operators are
23 prohibited from making political contributions in any form, directly or indirectly, to
24 influence elections.

25 **VII. PENALTIES**

26 ***Sec. 23. Penalties.*** Without prejudice to other applicable laws, the following
27 penalties apply:

- 1 a. **Unlicensed Operators** – Any person found to facilitate online gambling
2 operations without the necessary licenses mentioned under Section 4 of this
3 Act will suffer the penalty of imprisonment of six (6) to eight (8) years and a
4 fine of ₱10 million for any person.
- 5 b. **Allowing Prohibited Users** – Online gambling platforms that allow access to
6 minors, individuals in self-exclusion, or public officers will be fined ₱100,000 for
7 each minor, self-excluded individual or public officer allowed to gamble; and
8 suspension of the operations of the online gambling platform for one (1) to
9 thirty (30) calendar days.
- 10 c. **Illegal Access via E-Wallets or Super Apps** – Platforms allowing access
11 through the channels mentioned in Section 5 of this Act will be fined five million
12 pesos (P5,000,000.00), permanent deactivation of the platform, and revocation
13 of the license of the operator. The penalty also applies to the e-wallet or super
14 app.
- 15 d. **Enhanced Duty of Care and Player Protection Violations** – Any online
16 gambling platform which violates the provisions of Chapter II will suffer the
17 penalty of a fine of not less than Five hundred thousand pesos (P500,000.00)
18 for the first offense, and for subsequent offenses, a fine of not less than One
19 million pesos (P1,000,000.00) and suspension of operation for thirty (30) to
20 ninety (90) calendar days.
- 21 e. **Marketing & Advertising Violations** – Any person who violates the
22 provisions of Chapter III will suffer the penalty of fines between one million
23 pesos (P1,000,000.00) to a maximum of five million pesos (P5,000,000.00), as
24 determined by the court.
- 25 f. **Other Violations** – A fine of one hundred thousand pesos (₱100,000) and
26 thirty (30) to (90) days suspension for any other violation of this Act. The
27 maximum penalty will be applied for a second violation of the same offense. A
28 third violation will result in the permanent deactivation and revocation of the
29 operator's license.
- 30 g. **Public Officers** – Any public officer charged with ensuring compliance with
31 the provisions of this Act, who commits negligence in performing his or her
32 duties under this Act, will suffer the penalty of one (1) to six (6) months

1 imprisonment. Any public officer who willfully violates the provisions of this Act
2 will suffer the penalty of six (6) months and one (1) day to six (6) years
3 imprisonment, dismissal from the service, and perpetual disqualification from
4 public office, as may be determined by the court.

5 **Sec. 24. Implementing rules and regulations.** Within sixty (60) days from
6 the effectivity of this Act, the Department of Information and Communications
7 Technology (DICT), in consultation with PAGCOR, BSP, special economic zone
8 authority, TIEZA, freeport authority, or any investment promotion agency, is directed
9 to issue the Implementing Rules and Regulations (IRR). That the absence of the IRR
10 within the specified period will not prevent the automatic implementation and
11 execution of the specific provisions of this Act.

12 **Sec. 25. Separability Clause.** - If for any reason, any part or provision of this
13 Act is held unconstitutional or invalid for any reason, the remaining parts or provisions
14 not affected will continue in full force and effect.

15 **Sec. 26. Repealing Clause.** - All laws, decrees, executive orders, proclamations,
16 rules and regulations, and other issuances, or part or parts thereof, inconsistent with
17 the provisions of this Act, are hereby repealed, amended, or modified accordingly.

18 **Sec. 27. Effectivity.** - This Act takes effect fifteen (15) days after its publication
19 in two (2) newspapers of general circulation.

Approved,