Republic of the Philippines
Zamboanga City Special Economic Zone Authority
Interactive Gaming Regulator - iGlobalPoint.com Corporation

THE INTERACTIVE GAMING RULES AND REGULATIONS

Chapter I. PRELIMINARY PROVISIONS

Section 1. Title – These Rules and Regulations shall be referred to as the "Interactive Gaming Rules and Regulations of the Zamboanga City Special Economic Zone Authority and iGlobalPoint.com Corporation".

Section 2. Scope – These Rules and Regulations are hereby adopted pursuant to Section 7 (f) of Republic Act No. 7903, otherwise known as the "Zamboanga Ciy Special Economic Zone Act of 1995", which provides that the Zamboanga City Special Economic Zone Authority shall have the right to license tourism-related activities, including games, amusements, recreational and sports facilities.

Section 3. Declaration of Policy – Within the framework of and subject to the mandate of the Constitution and R.A. No. 7903 and its Rules and Regulations, it is hereby declared the policy of the Authority to develop the ZAMBOAECONE into, among others, a decentralized, self-reliant and self-sustaining commercial, financial investment, and tourist center and Freeport to generate employment opportunities in and around the ZAMBOECOZONE, to attract and promote productive foreign investments, and to enhance the benefits to be derived from the ZAMBOECOZONE in order to promote the economic and social development of the Philippines in general and Zamboanga in particular.

Section 4. Definitions – For purposes of these Rules and Regulations, these terms shall be understood to have the following meanings:

"Act" refers to Republic Act No. 7903, otherwise known as the Zamboanga City Special Economic Zone Act of 1995;

"Rules" refer to these Interactive Gaming Rules and Regulations;

"ZAMBOECOZONE" refers to the Zamboanga City Special Economic Zone and Freeport created in Section 3 of the Act;

"Authority" refers to the Zamboanga City Special Economic Zone Authority created in Section 5 of the Act;

"Regulator" refers to the iGlobalPoint.com Corporation, which is the Master Licensor for online/internet/electronic/interactive gaming/interactive wagering or computer-based games of chance played via the internet within the jurisdiction of the ZAMBOECOZONE and exclusively for the international market;

"Applicant" refers to any person who, on his own behalf or on behalf of another person, has applied with the Regulator for an Interactive Gaming License or a renewal of an Interactive Gaming License;

"Application" refers to an application with the Regulator for an Interactive Gaming License or a renewal application;

"Authorized Premises" refers to a location that has been approved by the Authority and the Regulator where the operations of a licensed Interactive Game can be conducted;

"Betting" refers to the act of placing a bet or wager;

"Certificate of Registration" refers to the Certificate issued by the Authority pursuant to the Act representing the registration of the business entity as a ZAMBOECOZONE Enterprise;

"Close Relation", of an applicant for an Interactive Gaming License, means:

(a) a director or an executive officer of the Applicant; or
(b) a shareholder of the Applicant; or
(c) a person who the authority reasonably believes will, if an Interactive License is granted to the applicant, be related to the ownership or management of the Licensed Operator's operations;

"Close Relation", of a Licensed Operator, means:

(a) a director or an executive officer of the Licensed Operator; or
(b) a shareholder of the Licensed Operator; or
(c) a person who the Authority reasonably believes is related to the ownership or management of the Licensed Operator's operations;

"Game" means a contrivance, which has for its object to furnish sport, pastime, contest, recreation or amusement;

"Game of chance" means a game in which the outcome depends partly on the element of chance, chance and skill combined, and table games (craps, roulette) lotteries, bingo and keno; but does not mean a bet and/or wager or where skill or outcome is not based on chance;

"Gaming" refers an agreement, scheme, or arrangement between two or more parties to play together at a game of chance in which a prize or reward

consisting of money or some other item of value, worth, advantage, or opportunity is offered or can be won and become the property of the winner under defined conditions established for the purpose of the game;

"Gaming Records" refers to all records directly or indirectly related to the gaming operations provided by a Licensed Operator, and a player account information, wagers placed and outcomes of games played;

"Interactive Gaming License" refers to the privilege granted by the Authority and the Regulator to operate an interactive game in the ZAMBOECOZONE and exclusively for the international market;

"Interactive Game" means a game in which (a) prize consisting of money or something else of value is offered or can be won under the rules of the game; (b) a player: (i) enters the game or takes any step in the game by means of a telecommunication device, including, but not limited to the internet; and (ii) gives, or undertakes to give, a monetary payment or other valuable consideration to enter, in the course of, or for, the game; and (c) the winner of a prize is decided wholly or partly by chance. It likewise means the act of placing an interactive wager or bet, but is not limited to a sports wager and spread betting. Within this definition, a wager is a contract or agreement between at least two parties where a sum of money or other item of value to which all jointly contribute, becomes the sole property of one or some of them on the happening or the non-happening of a future event which is at present uncertain, such as a sports bet, or a question disputed between them is settled in one way or the other; and the outcome is at least partly dependent on chance; but does not mean any stake hazarded in the course of, or incidental to, a game of chance;

"Interactive Gaming Equipment" means a machine or other device (whether electronic, electrical or mechanical), computer software, or another mechanism, device, item or thing, used or suitable for use, in the conduct of a licensed Interactive Game;

"Interactive Gaming related activities" mean any activity or business that the Regulator considers reasonably related to interactive gaming or to the operation of interactive gaming, or any business that offers goods or services to persons who participate in licensed Interactive Gaming;

“Interactive Gaming Control System Guidelines” means a system of internal controls, and administrative and accounting procedures for the conduct of interactive games by a Licensed Operator;

“Interactive Gaming System” refers to the computer system or combination of computer systems that specific games are run on and that make(s) up the accounting and auditing systems of the Licensed Operator;

"Key Personnel" refers to and includes a person who: (a) occupies or acts in a managerial position, or carries out managerial functions, in relation to operations carried out under an Interactive Gaming License; or (b) is in a position to control or exercise significant influence over the operations conducted under an Interactive Gaming License; or (c) occupies or acts in a position designated as a key position;

"Key Personnel Relationship" means a relationship between a Licensed Operator and another person as a result of which the other person is a key person;

"Licensed Operator" means a business entity to which the Authority and the Regulator have issued an Interactive Gaming License under these Rules;

"Player" in relation to a game of chance or bet includes any person who is 18 years of age or over, taking part in the game or bet against whom other persons taking part in the game or bet;

"Player's Gaming Account" means an account (a) in the name of the player: (i) at a financial institution; or (ii) with a body approved by the Regulator; and (b) against which the Licensed Operator has a right to debit the amount of a wager; (c) that is established on a basis under which the player may only have direct recourse to the account: (i) to gamble or wager with the Licensed Operator; (ii) to ascertain the balance of funds in the account or to close the account; (iii) to obtain the whole or part of an amount paid into the account as a prize in an authorized game; or (iv) as authorized by the Licensed Operator or the Regulator;

"Main Site" means the Uniform Resource Locator (URL) registered with the Regulator by which a Licensed Operator's authorized games may be accessed by its players.

Chapter II. APPLICATION FOR LICENSE

Section 1. General rule – Except as permitted by these Rules, no person or entity shall engage in the operation of interactive gaming in the ZAMBOECOZONE unless he or it holds an Interactive Gaming License granted under these Rules.

Section 2. Requirements – An Applicant for an Interactive Gaming License in the ZAMBOECOZONE and exclusively for the international market must comply with the following requirements:

(a) It must be a duly constituted ZAMBOECOZONE business enterprise registered with the Authority;

(b) It must submit with the Regulator an application for an Interactive Gaming License in the form set out in Annex "A" of these Rules, to be supported by the following documents, namely:

(i) A Corporate Declaration Form as set out in Annex "B";
(ii) Key Personnel Information Form as set out in Annex “C”;
(iii) Signed conformity to the Interactive Gaming Code of Conduct as set out in Annex “D”;
(iv) Signed conformity to the Interactive Gaming Control System Guidelines as set out in Annex “F”;
(v) Such other documents that the Authority or the Regulator may require; and

(c) It must pay a non-refundable application fee as is prescribed by the Regulator.

In case the Applicant is an existing Interactive Gaming operator with a License in another jurisdiction, and desires the issuance of a Provisional License in its favor, it shall be required to submit, in addition to the aforementioned requirements, certified true copies of the License issued by another jurisdiction, Corporate Declaration results, Key Personnel License(s), and software results.

Section 3. Preliminary Evaluation – The Regulator shall conduct a preliminary evaluation to determine the completeness of all the information and documents submitted by the Applicant.

(a) In the event that the Regulator determines that all the submitted documents of the Applicant are complete and compliant with the Rules, it shall forward the License application form, Corporate Declaration Information Form, and Key Application form for a Key Personnel License to an accredited probity checker/evaluator. The Regulator shall likewise require the submission of the Applicant's Interactive Gaming System software for testing and evaluation by any of the accredited Interactive Gaming software checkers/evaluators.

(b) In the event that the Regulator determines that any of the submitted documents is incomplete or deficient, or is non-compliant with the Rules, then it shall inform the Applicant of such incompleteness, deficiency, or non-compliance in detail and shall require the latter to complete or correct them within sixty (60) days from notice. Should the Applicant fail to do so, the non-refundable deposit shall be forfeited and the Application shall be archived until revived by the Applicant upon the payment of a non-refundable revival fee.

Section 4. Compliance/Non-Compliance – (a) Should the Applicant's Corporate Declaration Form and the Application Form for a Key Personnel License be cleared by the accredited checker/evaluator, and at the same time, the Applicant's Interactive Gaming System software passes with the accredited

Interactive Gaming software checker/evaluator, then the Regulator shall approve the Application and forward it to the Authority for registration as a ZAMBOECOZONE enterprise.

(b) In the event that the Applicant's Corporate Declaration Form and the Application Form for a Key Personnel License are not cleared by the accredited checker/evaluators, and/or the Applicant's Interactive Gaming System software fails the test and evaluation conducted by the accredited software checker/evaluator, then the Application shall be deferred pending compliance with all the noted deficiencies.

Section 5. Confidentiality – All information provided by the Applicant to the Regulator shall be held in the strictest confidence and shall not be used by either the Authority or the Regulator for any purpose other than matters pertaining to this application, unless it is required for administration or enforcement of the Act or these Rules or if it is related to an official investigation.

Chapter III. EVALUATION OF APPLICATION

Section 1. Consideration of Application – Subject to the sections hereunder, the Authority and the Regulator shall promptly consider the application and shall, if possible, within thirty (30) days either: (a) grant the application and issue an Interactive Gaming License; (b) deny the application; or (c) defer the consideration of the application with request for additional information and/or document.

Section 2. Conditions – The Authority and the Regulator may grant an application for an Interactive Gaming License only if they are satisfied that: (a) the applicant is suitable to hold an Interactive Gaming License; and (b) each director, partner and chief executive officer, and each shareholder with five percent (5%) or more ownership of or controlling interest in the applicant is suitable to be related to an Applicant's operation.

The Authority and the Regulator, in their sole discretion, may deny an application even if they are satisfied of the matters mentioned in the foregoing sections. A decision by the Authority and the Regulator to deny an application is final and conclusive.

Section 3. Suitability of Applicant - The Authority and the Regulator shall consider an Applicant suitable to hold an Interactive Gaming License, if the Applicant can satisfy the Authority of the following:

(a) the application and any information or documents submitted are not false or misleading in any material matter;

(b) the good character, honesty and integrity of the Key Personnel of the Applicant;

(c) the Applicant's good business reputation, sound current financial position and financial background;

(d) the Applicant has arranged, or is arranging, a satisfactory ownership, corporate or other business structure;

(e) the Applicant has, or is able to obtain, appropriate resources and is able to maintain minimum cash reserves required by the Authority and the Regulator in order to ensure that players shall have winnings paid and deposits returned;

(f) the Applicant has the appropriate technical ability to conduct interactive gaming;

(g) the Applicant has the appropriate business ability to conduct Interactive Games under an Interactive Gaming License;

(h) the Applicant is committed to maintaining a physical presence in the ZAMBOECOZONE;

(i) the Applicant shall take appropriate measures to eliminate any pornography from the Main Site;

(j) the Applicant shall take measures to discourage a compulsive gambler from utilizing the Main Site;

(k) the Applicant is in the opinion of the Authority and the Regulator to be untainted with illegality;

(l) the Applicant shall follow policies and take affirmative steps to prevent money laundering and other suspicious transactions; and

(m) the Applicant shall comply with the policies and directives, which the Authority and the Regulator deem appropriate.

Section 4. Suitability of Applicant’s Key Personnel – The Authority and the Regulator shall consider each director, partner and chief executive officer of the applicant and each shareholder with five percent (5%) or more ownership of a controlling interest in the applicant suitable, if they are satisfied of each person's:

(a) Good character, honesty and integrity;

(b) Good business reputation, sound current financial position and financial background; and

(c) General suitability to be associated with a licensee.

Section 5. Investigation – The Authority and the Regulator shall conduct a thorough investigation into the matters referred to in the foregoing sections to determine the Applicant's suitability to hold an Interactive Gaming License and the suitability of each director, partner and chief executive officer of the Applicant, and each shareholder with five percent (5%) or more ownership of or controlling interest in the Applicant, to be related to the Licensed Operator.

Section 6. Existing License – The Authority and the Regulator may consider evidence that an Applicant has been licensed to conduct gaming in another approved jurisdiction toward a finding of the Applicant's suitability to conduct interactive gaming activities. The other licensing jurisdiction must have rules and regulations comparable to these Rules to ensure the integrity of the interactive gaming and the suitability of the operations. The Authority and the Regulator shall also consider Applicant's commitment to (a) prevent money laundering; (b) prohibit underage gaming; and (c) restrict and discourage compulsive gaming in interactive gaming.

Any Applicant conducting an Interactive Game within an approved jurisdiction recognized by the Authority and the Regulator may be granted a provisional Interactive Gaming License immediately upon submission of application and payment of the required fees.

Chapter IV. ISSUANCE OF INTERACTIVE GAMING LICENSE

Section 1. Period for Issuance – Should the application merit approval, the Authority and the Regulator shall issue a non-transferable Interactive Gaming License not later than thirty (30) calendar days following receipt of the completed application and compliance with all the requirements of these Rules.

Section 2. Form – Interactive Gaming Licenses shall be in the form prescribed by the Authority and the Regulator and shall, in addition to any other matter, specify:

(a) The name, address, telephone number, fax number, e-mail address, and the main site of the Licensed Operator;

(b) The date and issue of license and the date of expiration;

(c) The address of the Authorized Premises from which the Licensed Operator shall conduct interactive gaming or interactive gaming related activities;

(d) The authorized games that the licensee is permitted to conduct;

(e) A statement that the Licensed Operator is not transferable and that sublicensing is prohibited; and

(f) The license number as designated by the Authority and the Regulator.

Section 3. Effect of Issuance – Issuance of the Interactive Gaming License shall entitle and subject the Licensed Operator to all the benefits, privileges, and obligations under R.A. No. 7903, its Rules and Regulations, these Rules, and other regulations that may be promulgated by the Authority and the Regulator.

Section 4. Restrictions – The Interactive Gaming License issued to the Licensed Operator shall:

(a) be non-transferable;
(b) not be subject to any mortgage or encumbrance;
(c) not be subject of sale, transfer, assignment, or conveyance; and
(d) not be sub-licensed to others.

Any violation of any of the foregoing restrictions shall mean an automatic revocation of the Interactive Gaming License.

Section 5. Validity – All Interactive Gaming Licenses issued by the Authority and the Regulator shall be valid for a period of one (1) year from issuance. They may be renewed every year upon the filing of a renewal application and upon payment of the prescribed fees at least sixty (60) days prior to the expiration of the validity of the Interactive Gaming Licenses.

In the event that the Licensed Operator decides not to renew its Interactive Gaming License, it shall file a written notice of such decision within sixty (60) days prior to the expiration of the validity of such license.

Section 6. Fees – The Regulator may charge fees for the acceptance, processing, issuance and renewal of all applications for Interactive Gaming Licenses. Such fees shall be prescribed by regulations promulgated by the Regulator.

A Licensed Operator that fails to pay any fees by their respective due dates shall liable to a surcharge equivalent to one hundred percent (100%) of the prescribed fees. The fees and the surcharges shall be deemed as debts due to the Regulator by the Licensed Operator and may be collected and/or recovered in accordance with existing laws, rules and regulations.

Section 7. Interactive Gaming Levy – In addition to the Fees, a Licensed Operator shall pay an Interactive Gaming Levy imposed on the net winnings per

month of the Licensed Operator's interactive gaming operations. The monthly net winnings shall be based on the following formula:

Net winnings = Amount played – Amount of winnings – Merchant discount

where:

"Amount played" is the total amount received during the given month by the Licensed Operator from its interactive gaming operations; and

"Amount of winnings" is the total amount paid out as prizes to players during a given month by the Licensed Operator.

Section 8. Withdrawal, Suspension or Cessation of Operations – Whenever a Licensed Operator decides to withdraw, suspend, or cease its operations, written notice thereof shall be sent to the Regulator at least three (3) months prior to the implementation of action. Subject to the provisions of pertinent laws, rules and regulations, the withdrawal or cessation from business operations for a continuous period of two (2) months, unless upon written request of the Licensed Operator and the approval of the Regulator, shall have the effect of automatically canceling the Interactive Gaming License without any need of action on the part of the Authority and the Regulator.

Chapter V. SUSPENSION, REVOCATION OR CANCELLATION OF INTERACTIVE GAMING LICENSE

Section 1. Suspension, Revocation, or Cancellation of the Interactive Gaming License – Without prejudice to the imposition of penalties prescribed under these Rules, the Interactive Gaming Licenses issued by the Authority and the Regulator may be suspended, revoked, or cancelled for any of the following grounds:

(a) The application and any information or documents submitted are false or misleading in any material matter;
(b) The Licensed Operator is no longer suitable to hold the Interactive Gaming License;
(c) Failure to maintain the qualifications for registration or license as required by these Rules;
(d) Violation of these Rules; and
(e) Violation of any provision of existing laws, rules and regulations.

In the event that the Interactive Gaming License is subject for suspension, revocation, or cancellation, the Regulator shall notify the Licensed Operator in writing of the cause for such an action and the latter shall be given fifteen (15) days for an opportunity to be heard prior to the resolution of the matter. The Authority and the Regulator shall thereafter issue to the Licensed Operator a

written notice of either the suspension, revocation, or cancellation of the Interactive Gaming License. Such action by the Authority and the Regulator shall be final and unappealable.

Section 2. Effect of Suspension, Revocation, or Cancellation – A Licensed Operator whose Interactive Gaming License is suspended, revoked, or cancelled must cease to conduct all interactive games immediately upon receipt of the notice of such action. The suspension, revocation, or cancellation of the Interactive Gaming License shall remain in force until and unless reversed and set aside by the Authority and the Regulator upon motion or application by the Licensed Operator.

Chapter VI. RENEWAL APPLICATIONS

Section 1. Period – An application to renew an Interactive Gaming License must be submitted to the Regulator at least sixty (60) days prior to the expiration of the validity of the Interactive Gaming Licenses and upon the payment of the prescribed renewal fees.

Section 2. Evaluation – Subject to these Rules, the Regulator shall promptly consider the renewal application and shall:

(a) grant the renewal application and renew the Interactive Gaming License for one (1) year;
(b) Deny the renewal application, or
(c) return the renewal application with a request for additional information.

Section 3. Denial – In the event an application is denied, the Regulator shall give its reasons for the refusal in writing to the applicant. In deciding the denial of a renewal application, the Regulator shall consider any complaints, concerns or problems that may have arisen in the previous licensing period related to the Licensed Operator.

Chapter VII. KEY PERSONNEL

Section 1. General rule – A person must not accept employment as a key personnel, or agree to carry out as an employee the duties of a key personnel, unless the person has received a Key Personnel License from the Authority and the Regulator.

Section 2. Restriction – A Licensed Operator must not employ a person to carry out the functions of a key personnel, unless the person is a Key Personnel Licensee under these Rules.

Section 3. Perceived Key Personnel Relationship – (a) If the Regulator reasonably believes a person, other than a Key Personnel Licensee, is a key

person, the Regulator may, by written notice to the person, with copies to the Licensed Operator with whom a perceived key personnel relationship exists, require the person either to apply for a key person license or to terminate the perceived key personnel relationship, within seven (7) days of receiving the notice.

(b) The perceived key personnel must comply with the requirement within seven (7) days of receiving the written notice or such other period of time that the Regulator may specify in the notice.

(c) If the Regulator does not approve an application for a Key Personnel License made by a person of whom a requirement has been made under these Rules, the Authority may, by written notice to the person, with copies to the Licensed Operator with whom the key personnel relationship exists, require the person to terminate the relevant key personnel relationship within the time stated in the notice and the person must comply with the requirement within the time stated in the notice.

(d) If a requirement is made of a person under the foregoing paragraphs and the person fails to comply with the requirement, the Regulator may, by written notice to the Licensed Operator with whom the key personnel relationship exists, require the Licensed Operator to take any necessary action to terminate the key personnel relationship within the time specified in the notice and the Licensed Operator must comply with the requirement.

Chapter VIII. APPLICATION FOR KEY PERSONNEL LICENSE

Section 1. Requirement – An application for a Key Personnel License must be filed with the Regulator in the form set out in Annex "E" and must be accompanied by:

(a) A letter from the Licensed Operator addressed to the Regulator confirming the existence or proposed existence of the key personnel relationship;

(b) A Key Personnel Information Form set out in Annex "D" and completed by the proposed key personnel; and

(c) A non-refundable application fee to be prescribed by the Regulator.

Section 2. Preliminary Evaluation – The Regulator may, by written notice to an applicant for a Key Personnel License, require the applicant to provide the Regulator with further information or documentation that is necessary and reasonable to assist the consideration of the application for approval.

Section 3. Suitability – The Regulator shall consider an applicant suitable to hold a Key Personnel License if the applicant satisfies the following:

(a) The applicant's good character, honesty and integrity;
(b) The applicant's good business reputation, sound current financial position and financial background; and
(c) The applicant's general suitability to carry out the functions of a Key Personnel Licensee.

Section 4. Investigation – The Regulator shall cause the investigation and evaluation of an applicant for a Key Personnel License to assist the Regulator in deciding whether the applicant is suitable to hold a Key Personnel license.

Chapter IX. ISSUANCE OF KEY PERSONNEL LICENSE

Section 1. Period of Issuance – (a) The Regulator shall notify in writing the applicant and the Licensed Operator of the grant or denial of the application for a Key Personnel License not later than thirty (30) calendar days from the submission of all the completed application, information, and documents required of the applicant.

(b) If the Regulator denies an application for a Key Personnel License, the written notice shall include reasons for the decision. The decision of the Regulator shall be final and unappealable.

Section 2. Form – A Key Personnel License shall be in the form prescribed by the Authority and the Regulator and shall include the following:

(a) The Key Personnel Licensee's name;
(b) A recent photograph of the Key Personnel Licensee;
(c) The date of issue of the Key Personnel License;
(d) The conditions of the Key Personnel License;
(e) The Key Personnel License number as designated by the Authority and the Regulator; and
(f) Such other conditions or particulars as the Authority and the Regulator deem to be appropriate.

Section 3. Renewal – A Key Personnel License may be renewed by the Authority and the Regulator in accordance with the procedures for renewing an Interactive Gaming License as provided in these Rules. A Key Personnel License lapses if the key personnel relationship between the key personnel and the Licensed Operator ceases for a continuous period of one (1) year.

Chapter X. SUSPENDING OR REVOKING A KEY PERSONNEL LICENSE

Section 1. Grounds – A Key Personnel License may be suspended or revoked on any of the following grounds:

(a) The Licensee is not, or is no longer, suitable to hold a Key Personnel License;
(b) The Licensee has been convicted of a crime involving moral turpitude;
(c) The Licensee has contravened a condition of the Key Personnel License;
(d) The Licensee has contravened a provision of these Rules;
(e) The Key Personnel License was obtained by a materially false or misleading representation or declaration or in some other improper way; or
(f) Any act, omission or conduct of the Licensee which in the Regulator's opinion
adversely affects the integrity of the interactive gaming or affects the public interest in an adverse and material manner.

Section 2. Procedure – If the Regulator believes a ground exists for suspension or revocation of a Key Personnel License, the Regulator shall apply the principles and procedures provided in these Rules for suspending or revoking an Interactive Gaming License, adapted as required.

Chapter XI. INTERACTIVE GAMING CONTROL SYSTEM

Section 1. Control – The Licensed Operator shall dutifully abide by the provisions of the Interactive Gaming Control System Guidelines as set out in Annex “F” and such rules and procedures that will be established by the Regulator to enable the Licensed Operator to setup its Interactive Gaming Control System.

Section 2. Suitability – In deciding whether to approve a Licensed Operator’s Interactive Gaming Control System, the Regulator shall consider the following:

(a) Provisions for the Licensed Operator to know its players;
(b) Protocols for the Licensed Operator to recognize, address, and question suspicious or possible fraudulent transactions that might lead to illegal activities concerning players' gaming accounts;
(c) Protocols for the Licensed Operator to monitor and report suspicious transactions concerning players' gaming accounts to the Regulator, including any suspicious transactions related to money laundering;
(d) Specific rules and procedures for the purpose of supervising Interactive Gaming and for tracking the behaviour of the Licensed Operator’s Main Site to ensure compliance with standards prescribed by the Regulator;
(e) Capability for independent financial reporting on interactive gaming operations;
(f) Standards to ensure, on continuous basis, fair game play;
(g) Standards to monitor versions of gaming software being utilized to ensure that only tested and approved versions are being utilized, providing the capacity to detect any and all exceptions as they occur;
(h) Provisions for independent analysis of gaming transactions; and

(i) Provisions for a secure environment where data integrity and confidentiality can be ensured for the Licensed Operator and the player.

Section 3. Conduct of Operations – A Licensed Operator may conduct authorized interactive gaming operations only if:

(a) The Licensed Operator has an approved Interactive Gaming Control System; and
(b) The game is conducted under the System.

Section 4. Approval of Interactive Gaming Control System – A Licensed Operator, prior to the start of its interactive gaming operations, shall submit to the Regulator for approval of its proposed Interactive Gaming Control System.

Section 5. Particular Requirements – (a) The submission of the proposed Interactive Gaming Control System must be made in writing:

(i) At least ninety (90) days, or as soon as practicable, before the Licensed Operator proposes to start conducting interactive gaming; or
(ii) If the Regulator in its sole discretion deems it appropriate, at a later date to be determined by the Regulator.

(b) The submission of the proposed Interactive Gaming Control System must describe and explain the Licensed Operator's proposed system and in particular must include:

(i) Accounting systems and procedures and a chart of accounts;
(ii) Administrative systems and procedures;
(iii) Computer software;
(iv) the general procedures to be followed for the conduct of interactive games;
(v) The procedures and standards for the maintenance, security, storage and transportation of equipment to be used to conduct of interactive games;
(vi) The procedures for recording and paying prizes won in interactive games; and
(vii) The procedures for using and maintaining security facilities.

Section 6. Changes in Interactive Gaming Control System – (a) A Licensed Operator may change the approved Interactive Gaming Control System only:

(i) If directed by, or with the approval of, the Regulator; and
(ii) In the manner directed or approved by the Regulator.

(b) A Licensed Operator must make a written submission to the Regulator for approval of all the particular changes it proposes to make in its approved

Interactive Gaming Control System at least ninety (90) days before the Licensed Operator proposes to start implementing them.

(c) The Regulator shall consider the submission; may submit the proposed changes to testing; and, within thirty (30) days from the submission date, either:

(i) Approve the proposed changes in the previously approved Interactive Gaming Control System;
(ii) Refuse to approve the proposed changes to the approved Interactive Gaming Control System; or
(iii) Request such additional information as the Regulator may require to either approve or refuse the submission.

Section 7. *Motu Propio* Change – The Regulator may, by written notice, direct the Licensed Operator to change its approved Interactive Gaming Control System within the time, and in the manner stated in the notice and the Licensed Operator must comply with the direction within thirty (30) days of the date on which the notice is received or such other period of time as the Regulator may specify. In the event that the Licensed Operator does not comply with the Regulator's direction, the Interactive Gaming License shall be immediately suspended until further notice.

Chapter XII. APPROVED INTERACTIVE GAMING EQUIPMENT

Section 1. A Licensed Operator shall provide to the Regulator a certification that:

(a) The Interactive Gaming Equipment proposed to be used in the conduct of authorized game has been satisfactorily tested by one of the testing agencies approved by the Regulator; or

(b) Any modification of regulated interactive Gaming equipment used in the conduct of authorized game by the Licensed Operator has been satisfactorily tested by one of the testing agencies approved by the Regulator.

Section 2. Contents of Certification – The certification must provide the Regulator with the following information:

(a) The name of the owner of the gaming software;
(b) The name of the company or individual who conducted the testing and evaluated the equipment;
(c) All companies involved in the process must submit their company credentials;
(d) All individuals involved in the process must submit their professional credentials;
(e) The gaming programme present on the gaming software;

(f) The server protocols, communication protocols, and other specifications which are part of the gaming programme (e.g. game control, recording);
(g) Whether the system is fully secured and guaranteed;
(h) Whether or not software can be changed without having to rewrite the entire gaming software programme;
(i) Any other material information regarding the specific gaming software; and
(j) a declaration that the gaming programmes in the software is fair and reliable.

Section 3. Review – Subject to the foregoing section, the Authority shall review the application and certification and either approve or refuse to approve the application and promptly notify the Licensed Operator with its written decision.

Section 3. Restrictions – (a) A Licensed Operator must not use any Interactive Gaming Equipment in conducting an authorized game unless the equipment is approved Interactive Gaming Equipment.

(b) An agent of a Licensed Operator must not use any Interactive Gaming Equipment for the conduct of an authorized game by the Licensed Operator unless the equipment is an approved Interactive Gaming Equipment.

(c) A Licensed Operator must not modify an approved Interactive Gaming Equipment unless the modification is approved by the Regulator in writing.

Section 4. Regulation – The Regulator has the right to reject, test, check, verify, and re-verify the gaming software of the Licensed Operator at any time.

Chapter XIII. AGE VERIFICATION

Section 1. Age Limit – A Licensed Operator must not allow a person under the age of eighteen (18) years to participate:

(a) in operations related to the conduct of authorized games;
(b) as a player in an authorized game.

Section 2. Controls – A Licensed Operator must institute control measures that will require players to affirm that they are of lawful age in their jurisdiction. A Licensed Operator shall likewise institute reasonable measures to corroborate this information, including but not restricted to the use of age and identity verification services.

Chapter XIV. RESPONSIBLE GAMING

Section 1. Restrictions of Bets – A Licensed Operator must not:

(a) Accept bets or wagers in the ZAMBOECOZONE or from within the territorial jurisdiction of the Philippines in connection with the interactive gaming operations. Only offshore players are involved;
(b) Involve outcomes/results of sporting events held in the ZAMBOECOZONE or within the Philippines to be subject of sports betting operations. Only offshore sporting events are involved

Section 2. Controlling Compulsive/Problem Gambling – A Licensed Operator's Main Site must display on the entry screen, a warning of the addiction possibilities of gambling, and information on sites to assist compulsive gamblers.

Chapter XV. PLAYER REGISTRATION

Section 1. Requirement – A Licensed Operator shall only register a person as a player on receipt of an application for registration in a form approved by the Regulator. A Licensed Operator must not permit a person to play an authorized game unless the person is registered as a player. For registration to take place, the player must confirm his or her identity, date of birth and place of residence.

Section 2. Authentication - A Licensed Operator must not allow a registered player to participate in an authorized game until the player's identity has been authenticated under its Interactive Gaming Control System. The Licensed Operator must also inform the player that it is the player's responsibility to be cognizant with the interactive gaming law in his or her place of jurisdiction and to comply with such laws.

Chapter XVI. PLAYER GAMING ACCOUNTS

Section 1. Establishment of Gaming Account - A player's gaming account must be established in a manner that allows player only to:

(a) Have direct access to funds in the gaming account;
(b) Play an interactive game with the Licensed Operator; or
(c) Obtain the balance of funds in the gaming account and close the gaming account; or
(d) Obtain the whole or part of the amount paid into the gaming account as a prize in an authorized game or as authorized by the Licensed Operator or the Regulator; or
(e) Transfer an account to another gaming account in the name of the player so long as it is not a suspicious transaction.

Section 2. Restrictions to Licensed Operators – A Licensed Operator shall not:

(a) accept a wager from a player in an authorized game unless a player's gaming account has been established in the name of the player and there are adequate funds in the account to cover the amount of the wager;

(b) accept cash from a player. It may accept payments from a player by any of the following methods, namely:

(i) credit cards;
(ii) debit cards;
(iii) electronic transfer;
(iv) wire transfer;
(v) cheques;
(vi) any other payment method approved by the Regulator;

(c) accept deposits not coming from a properly established and verified gaming account with an appropriately regulated Financial Institution;

(d) provide credit to a player or a player's gaming account or act as agent for a credit provider to facilitate the provision of credit to a player or a player's gaming account; and

(e) have access to funds in a player's gaming account except in the following circumstances:

(i) to debit the account with a gaming amount or a wager made by the player or an amount requested by the player to play a game orwager in the course of participating in an authorized game in progress or to participate in a game about to commence;
(ii) to remit funds standing to the credit of the account to the player at the player's request; and
(iii) as otherwise authorized under these Rules.

Section 3. Restrictions to Players – A player shall not:

(a) Open more than one (1) gaming account.

(b) Receive payment in excess of US$5,000 may be unless satisfactory evidence of the player's age, place of residence and identity has been provided to the Licensed Operator.

Section 4. Credit of Winnings/Payments – If it is not possible to credit the player’s gaming account with the winnings or payments, it shall then be mailed to the player at the player's physical address, once satisfactory evidence of the correctness of that physical address has been provided and provided that the player's physical address is in the same jurisdiction as that of the gaming account from which payment into the player's gaming account was made.

Section 5. Reports – A Licensed Operator shall immediately report the following:

(a) jackpot/major wins of over Ten Thousand U.S. Dollars (US$10,000.00);
(b) any win within a twenty-four (24) hour period by a player in excess of Fifty Thousand U.S. Dollars (US$50,000.00); or
(c) any cumulative win within a seventy-two (72) hour period by a player in excess of One Hundred Thousand U.S. Dollars (US$100,000.00).

Section 6. Player Compliance – A player who participates in an authorized game must comply with the rules of the game as notified to the player under the conditions on which the game is authorized.

Section 7. Remittance – A Licensed Operator must, at the request of the registered player in whose name a player's gaming account is established, remit funds standing to the credit of the gaming account as directed by the player no later than five (5) business days, if practicable, after the request is received. Should the Licensed Operator, at the request of the player, remit funds to the player, it must be remitted in the name of the player whose identity has been provided to the player's physical address, which is the verified location of the player. The Licensed Operator shall be permitted to delay the payment of funds to the player if it reports fraudulent activity to the Regulator or reasonably suspects suspicious activity.

Section 8. Dormant Gaming Accounts - If no transaction has been recorded on a player's gaming account for more than eighteen (18) months, the Licensed Operator must remit the balance in the account to: (a) the player; or (b) if the player cannot be located, to the Regulator.

No claim shall lie against a Licensed Operator in respect of a payment made to the Regulator in accordance with sub-paragraph (b).

Chapter XVII. CONFIDENTIALITY OF PLAYER INFORMATION

Section 1. Nondisclosure – A Licensed Operator or an employee or other person engaged in duties related to the conduct of an authorized game must not, without authorization, disclose information about the name, or other identifying particulars, of a player; or use information about a player for a purpose other than the purpose for which the information was given.

Section 2. Authorized disclosure – The disclosure of information, or its use for a purpose other than the purpose for which it was given, is authorized if the disclosure or use is:

(a) approved in writing by the player;
(b) reasonably necessary for the conduct of authorized games; or
(c) required for the administration or enforcement of these Rules or if it is related to an official investigation.

Chapter XVIII. ACCOUNTING RECORDS

Section 1. Rule – A Licensed Operator must:

(a) keep accounting records that correctly record and explain the transactions and financial position for the Licensed Operator's operations conducted under the Interactive Gaming License; and
(b) keep the accounting records in a manner that allows (i) true and fair financial statements and accounts to be prepared from time to time; and (ii) the financial statements and accounts to be conveniently and properly audited.

Chapter XIX. FINANCIAL INSTITUTION ACCOUNTS

Section 1. Requirement – A Licensed Operator must keep a financial institution account, or a financial institution accounts, approved by the Regulator for use for all banking or similar transactions for the operations conducted under the Interactive Gaming License. The Financial Institution must be properly licensed and operating in the Philippines. Every Licensed Operator must obtain approval of such financial account prior to the commencement of their operations. A Licensed Operator must not use a financial institution account approved by the Authority other than for a purpose for which it is approved.

Chapter XX. FINANCIAL REVIEW

Section 1. Requirement – As soon as practicable after the end of a financial year, a Licensed Operator must, at its own expense, cause the books, accounts and financial statements for the operations conducted under the Interactive Gaming License for the financial year to be reviewed by an independent auditor authorized by the Regulator.

Section 2. Review – The independent auditor must:

(a) complete the review within three (3) months after the end of the financial year; and
(b) immediately after completion of the review, give a copy of the report to the Regulator and to the Licensed Operator.

Upon receipt of a copy of the report, the Regulator may, by written notice to the Licensed Operator, require the latter to give the Regulator further information in respect of any matter relating to the Licensed Operator's operations mentioned in the report, and the Licensed Operator must comply with a requirement within the time stated in the notice.

Chapter XXI. ABORTED GAMES FOR INTERACTIVE GAMING

Section 1. Ground – (a) If, after making a wager in an authorized game conducted by a Licensed Operator, a player's participation in the game is interrupted by a failure of an operating telecommunication system that prevents the player from continuing with the game, the Licensed Operator must refund the amount of the wager to the player as soon as practicable, or if possible ensure that the game is resumed as soon as practicable, if this may be done without detriment to the player.

(b) If an authorized game conducted by a Licensed Operator is started but is not successfully completed because of human error or failure of an operating or telecommunication system, the Licensed Operator:

(i) must immediately inform the Regulator of the circumstances of such error or failure, if any detriment is caused to the player or if there is a suspicious circumstance; and
(ii) must not conduct a further game if the game is likely to be affected by the same error or failure.

Section 2. Consequence of Aborted Game – After investigating the error or failure, the Regulator may, by written notice to the Licensed Operator, direct the latter to:

(a) refund the amounts wagered in the game to the players; or
(b) if a player has an accrued credit at the time the game miscarries, pay to the player the monetary value of the credit; or
(c) give the Licensed Operator such other directions as the Regulator considers appropriate in the circumstances and the Licensed operator must comply with the directions.

Section 3. Illegal Activity/Malfunction – If a Licensed Operator has reason to believe that the result of an authorized game has been affected by an illegal activity or malfunction of equipment, it may withhold a prize in the game. If a Licensed Operator withholds a prize under this section, it shall immediately inform the Authority of the circumstances of the illegal activity or malfunction of equipment; and cease to conduct a further game if a recurrence of the illegality or malfunction is likely.

Section 4. Consequence of Illegal Activity/Malfunction – After investigating the illegal activity or malfunction of equipment, the Regulator may, by written notice to the Licensed Operator:

(a) direct the Licensed Operator to pay the prize; or
(b) confirm the Licensed Operator's decision to withhold the prize, but direct it to refund amounts wagered in the game.

Chapter XXII. COMPLAINTS

Section 1. Complaint – A complaint must be in writing or by e-mail and; state the complainant's name, address, telephone number and e-mail address; and give appropriate details of the complaint.

Section 2. Inquiry – A Licensed Operator must inquire into a complaint:

(a) made to the Licensed Operator by a player respecting:
(i) the conduct of an authorized game by the Licensed Operator;
(ii) the conduct of an agent of the Licensed Operator in operations related to an authorized game; or

(b) referred to the Licensed Operator by the Authority.

If a complaint is made to the Regulator about the conduct of an authorized game, or the conduct of an agent in operations related to an authorized game, the Regulator must promptly:

(a) inquire into the complaint; or
(b) if the Regulator considers it appropriate, refer the complaint to the Licensed Operator which conducted the game.

The Regulator must promptly advise the complainant of: (i) the result of the Regulator's inquiry; or (ii) the Regulator's decision to refer the complaint to the Licensed Operator.

Section 3. Notice of Results – Within fifteen (15) days after the complaint is received by, or referred to the Licensed Operator, the latter must give notice, which would include written notice or by electronic communication such as e-mail, of the result of the inquiry to: (a) the complainant; and (b) if the complaint was referred to the Licensed Operator by the Regulator, to the latter.

Section 4. The Licensed Operator may utilize dispute resolution/arbitration procedures approved by the Regulator. The decision of arbitrator shall ordinarily be binding on the Licensed Operator and if such decision is unacceptable to the player, he or she may appeal to the Regulator and the decision may form part of the records elevated to the Regulator.

Chapter XXIII. INVESTIGATIONS AND MONITORING

Section 1. Investigation – (a) The Regulator shall investigate any Licensed Operator and any key personnel to determine whether the Licensed Operator is suitable to hold, or to continue to hold, an Interactive Gaming License.

(b) The Regulator may at any time investigate a Licensed Operator or a key personnel only if it reasonably suspects that the Licensed Operator or key personnel is not, or is no longer, suitable to hold an Interactive Gaming License.

Section 2. Request for information/documents - In investigating a Licensed Operator or a key personnel, the Regulator may, in writing, request the Licensed Operator or the key personnel to provide the Regulator with information or documentation that the Regulator considers as relevant to the investigation and the Licensed Operator or the key personnel must comply with the request.

Chapter XXIV. DUTY TO REPORT DISHONEST OR UNLAWFUL ACTS OR SUSPICIOUS ACTIVITIES

Section 1. Dishonest or Unlawful Acts – In the event a Licensed Operator, or an agent of a Licensed Operator, becomes aware, or reasonably suspects, that:

(a) a person, has obtained a benefit for himself or another person, by dishonest or unlawful act affecting the conduct or playing of an unauthorized game; or

(b) there has been an unlawful act, which has affected the conduct or playing of an authorized game, then the Licensed Operator or the agent, as the case may be, must give the Regulator a written notice containing all facts known about the matter within twenty-four (24) hours, or as soon as practicable, of becoming aware of, or suspecting, the dishonest or unlawful act.

Section 2. Suspicious Activites – In the event a Licensed Operator, or an agent of a Licensed Operator, becomes aware or reasonable suspects, that there is a fraudulent or suspicious transaction which may involve money laundering, or an activity similar to money laundering, the Licensed Operator or its agent shall, within twenty-four (24) hours or as soon as practicable, report in writing the suspicious activity to the Regulator.

Chapter XXV. GAMING OFFENSES

Section 1. Prohibitions – (a) No person shall, in relation to an authorized game, dishonestly obtain a benefit by any act, practice or scheme or otherwise dishonestly obtain a benefit through the use of any device or item.

For the purposes of the foregoing paragraph, a person obtains a benefit if the person obtains for himself or another person, or induces a person to deliver, give or credit to the person or another person, any money, benefit, advantage, valuable consideration or security.

(b) No person shall, directly or indirectly: (i) forge or alter a gaming record; or (ii) knowingly use or attempt to use a forged or altered gaming record.

(c) No person shall impersonate a Licensed Operator, an agent, a key person, a member of the Regulator or anyone acting for and on behalf of the Authority.

(d) No member of the Regulator or anyone acting for and on behalf of the Authority shall ask for, receive or obtain, or agree to receive or obtain, any money, property or benefit of any kind for himself or another person for an improper purpose.

(e) No person shall give, or promise or offer to give, any money, property or benefit of any kind to, any member of the Regulator or anyone acting for and on behalf of the Authority for an improper purpose.

(f) No employee, whether a key personnel or not, of a Licensed Operator shall take part in an authorized game being conducted by the latter.

Section 2. Any person who contravenes any offense under Section 1 or any provision of these Rules shall, after due notice and hearing, shall be liable to pay a fine not exceeding Ten Thousand U.S. Dollars ($10,000.00). In addition, any prize won by a person participating in an authorized game in contravention with Section 1 or any provision of these Rules shall be forfeited to the Regulator.

Chapter XXVI. INDEPENDENCE OF THE AUTHORITY

Section 1. Restrictions – Members/officials of the Authority or anyone acting for and on behalf of the Authority shall not:

(a) take part in any authorized game.
(b) accept or solicit employment from a Licensed Operator; or
(c) be an employee in any capacity of a Licensed Operator; or
(d) knowingly have, directly or indirectly, a business or financial association with a Licensed Operator.

Section 2. Cessation of Employment – A person must not, for a period of one (1) year after ceasing to be a member/official of the Authority or anyone acting for and on behalf of the Authority:

(a) accept or solicit employment from a Licensed Operator;
(b) be an employee in any capacity of a Licensed Operator; or
(c) knowingly have, directly or indirectly, a business or financial association with a Licensed Operator.

Chapter XXVII. THE REGULATOR

Section 1. Functions – The Regulator is responsible for:

(a) the administration and implementation of these Rules;
(b) safeguarding the integrity of interactive gaming;
(c) the determination and monitoring the suitability of the Licensed Operator;
(d) the maintenance of the protection of the players; and
(e) the identification, investigation and elimination of suspicious, fraudulent or money laundering activities.

Section 2. Regulator's Staff – The Regulator shall appoint such qualified and suitable persons to carry out the functions and duties of these Regulators.

Section 3. Inspection – The Regulator shall appoint qualified persons with impeccable integrity and competence as inspectors who may, without the consent of Licensed Operator, enter: (a) a public place; or (b) a place where an authorized game is being, or is about to be conducted; or (c) a place where a Licensed Operator carries on business, at any time when the place is open for carrying on business or otherwise open for entry, for the purpose of monitoring or enforcing compliance with these Rules.

Chapter XXVIII. AMENDMENTS

Section 1. Amendments – It shall be the duty of the Regulator to advise the Authority on matters pertaining to interactive gaming, and the Regulator may make recommendations to the Authority to amend these Rules if necessary, in order to properly regulate the interactive gaming in the ZAMBOECOZONE.

Chapter XXIX. REPEALING CLAUSE

All orders, issuances, rules and regulations or parts thereof inconsistent with Rules are hereby repealed or modified accordingly.

Chapter XXX. EFFECTIVITY

These Interactive Gaming Rules and Regulations shall take effect immediately.