

REVENUE REGULATIONS NO. 30-2020 issued on October 30, 2020 prescribes the rules and regulations to implement Section 11(f) and (g) of Republic Act No. 11494 (Bayanihan to Recover as One Act) on the taxes derived from gaming and non-gaming operations as other sources of funding for the subsidy, stimulus measures and other measures to address the COVID-19 pandemic, to wit:

- a. Franchise Tax at the rate of five percent (5%) imposed on the gross bets or turnovers, or the agreed pre-determined minimum monthly revenues from gaming operations, whichever is higher, earned by offshore gaming licensees, including gaming operators, gaming agent, service providers and gaming support providers.
- b. Income Tax, Value-Added Tax, and other applicable taxes imposed on income from non-gaming operations earned by offshore gaming licensees, including gaming operators, gaming agent, service providers and gaming support providers.

The above taxes shall be computed on the peso equivalent of the foreign currency used and based on the prevailing official exchange rate at the time of payment.

The Philippine Amusement and Gaming Corporation (PAGCOR) and/or the company awarded or chosen as its third-party intermediary/audit platform shall furnish the BIR with information pertaining to the following:

- a. Gross bets or turnovers earned by offshore gaming licensees, including gaming operators, gaming agent, service providers and gaming support providers;
- b. Minimum Guarantee Fee or the minimum amount of regulatory fees paid by offshore gaming licensees, including gaming operators, gaming agent, service providers and gaming support providers per month; and
- c. Other relevant data (i.e. List of Licensees and accredited Service Providers; no. of foreign nationals employed, etc.).

The BIR can also obtain the above information or data from any government or authority that issue offshore gaming licenses, and other third parties.

Non-payment, underpayment and/or payment of taxes computed not in accordance with the prevailing official exchange rate at the time of payment by offshore gaming licensees, operators, agents, service providers and support providers shall be considered as fraudulent acts and subject to incremental penalties under Sections 248(B), 249(B), 253 and 255 of the National Internal Revenue Code (NIRC) of 1997, as amended.

The BIR shall implement closure orders against offshore gaming licensees or operators, gaming agents, and service or support providers that fail to pay the taxes due as enumerated under Section 3 and/or committed any of the fraudulent acts in Section 5 of the Regulations, and such erring entities shall cease to operate. The implementation of closure orders against operators, licensees or agents shall necessarily include the closure of all their respective accredited service providers, which must also cease to operate.

After two years or upon determination that the threat of COVID-19 has been successfully contained or abated, whichever comes first, the revenues derived from franchise taxes on gross bets or turnovers and income from non-gaming operations, under Section 3 of the Regulations or items (f) and (g), respectively, of Section 11 of RA 11494, shall continue to be collected and shall accrue to the General Fund of the Government.