

CLARIFICATION ON THE ACCREDITATION OF MONTFORD INC. AS GAMING SOFTWARE PROVIDER

This has reference to the news article published in *CalvinAyre.com* dated October 16, 2018 entitled *Philippines Gives Playtech an RNG Online Casino Monopoly*.

At the onset, we would like to clarify that we did not grant monopoly to Playtech in the distribution of Random Number Generator-based (RNG) games in the Philippines.

We wish to bring to your attention the Memorandum issued by the Offshore Gaming Licensing Department (OGLD) dated September 4, 2018 warning all Philippine Offshore Gaming Operation (POGO) Licensees *“to ensure that their contracted gaming software providers... have the necessary accreditation from PAGCOR”*.

In the said September 4 Memorandum, concerned POGO Licensees were given 15 days from issuance of the same to apply for the necessary accreditation for their gaming software providers. A warning was also given that non-compliance of therein stated directives will subject the concerned POGO Licensee to sanctions and penalties as provided for in the Offshore Gaming Regulatory Manual (OGRM).

Three weeks following the issuance of the said Memorandum, a notice dated September 26, 2018 was subsequently issued informing all POGO Licensees that Montford Inc. was issued an accreditation and authority to operate as a Gaming Software Provider. The notice further stated that *“only RNG-based games distributed by Montford Inc. are allowed to be used by our POGO Licensees”*. We clarify that such statement was made considering that only Montford Inc. complied with the directive earlier stated in the September 4 Memorandum. It also does not preclude any other gaming platform provider from applying for the same accreditation.

As a regulatory body, PAGCOR is mandated to regulate the conduct of gaming of its licensees. The OGRM specifically provides for the requirement for POGO Licensees to engage services only of accredited providers, and identifies as violation when the *“licensee offers games developed by an unaccredited service provider and/or engages the services of a gaming software/platform provider not accredited by PAGCOR”* (Section 6, Regulation 4 of the OGRM), subject to imposition of demerits and appropriate penalties.

In this regard, we would like to emphasize that the OGLD gave the POGO Licensees sufficient time to comply with our directive to apply for the appropriate accreditation for their gaming software providers. Such directive is still standing at present and the OGLD still accepts any application for accreditation as gaming software provider.

The September 26 Memorandum did not intend to grant monopoly to Montford Inc; rather, it formally notifies POGO Licensees of Montford Inc's authority to distribute RNG-based games by Playtech. The same Memorandum also does not aim to limit POGO Licensees on their preference regarding the use of RNG-based games for their respective offshore gaming operations.

We hope that this sufficiently addresses any misinterpretation which may have been brought about by the said news article published online. Rest assured that PAGCOR aims to uphold not only the legality of the conduct of offshore gaming operations in the Philippines but also the integrity of the industry.