
July 25, 1987

EXECUTIVE ORDER NO. 260

**FURTHER AMENDING SECTION 11, PARAGRAPH 1, OF PRESIDENTIAL
DECREE NO. 1869, AS AMENDED**

WHEREAS, Section 11(1) of Presidential Decree No. 1869 provides that the service fee to be paid to management and/or operator companies whose services may be engaged by the Philippine Amusement and Gambling Corporation (PAGCOR) in the operation of its gambling casinos shall not exceed ten per cent (10%) of the gross income; as amended

WHEREAS, the prescription of the said amount of service fee is not at all times an ideal arrangement, hence there is a need for providing an alternative method by which grantees of operating and/or management contracts would pay the government for such privilege;

WHEREAS, such an alternative would be the payment to the government of fixed monthly rentals for the bidding, to obtain the most advantageous terms for the government; and

WHEREAS, it is desirable to extend the privilege not only to registered and accredited companies possessing the knowledge, skill, expertise and facilities, but also to qualified individuals who can operate or manage gambling casinos just as effectively;

NOW, THEREFORE, I, CORAZON C. AQUINO, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby order:

SECTION 1. Section 11, paragraph 1, of the Presidential Decree No. 1869, as amended, is hereby further amended to read as follows: as amended

"Sec. 11. *Scope of Franchise.* — In addition to the rights and privileges granted it under the preceding section, this franchise shall entitle the Corporation to do and undertake the following:

(1) Enter into operating or management contracts with any registered and accredited company or qualified person possessing the knowledge, skill, expertise and facilities to ensure the efficient operation of gambling casinos: *Provided*, That such management and/or operator companies or individuals whose services may be engaged by the Corporation shall either retain as service fee an amount the aggregate of which shall not exceed ten (10%) per cent of the gross income, or pay fixed monthly rental for its operation the amount of which shall be determined in a public bidding conducted for the purpose: *Provided, further*, That contracts entered into by the Corporation shall be valid as if said contracts are in accordance with the preceding proviso."

SECTION 2. This Executive Order shall take effect immediately.

DONE in the City of Manila, this 25th day of July, in the year of Our Lord, Nineteen Hundred and Eighty-Seven.

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