

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 5401



Introduced by **HON. MIGUEL LUIS R. VILLAFUERTE, HON. TSUYOSHI ANTHONY G. HORIBATA, HON. LUIS RAYMUND “LRAY” F. VILLAFUERTE, JR., AND HON. NICOLAS “NICK” C. ENCISO VIII**

EXPLANATORY NOTE

The esports (electronic sports) industry has shown its capacity to generate economic value while showcasing the skills of Filipino players through the years.

In the 2019 Southeast Asian Games, Filipino players won the gold medal for Mobile Legends: Bang Bang discipline and have bagged a total of five medals in esports competition.¹ In the same year, Philippines has recorded around 2.65 million active users daily and became the second largest market for Mobile Legends along with a compound annual growth rate of 8.78% over the past five years. Moreover, TNC Predator, a Philippine-based esports team has won 4.6 million USD since it started in 2013. We have also hosted several Asian and World Championships for esports in the country that were attended by athletes and fans all over the world benefitting our tourism industry. To name a few, these include the 2014 Asia Championship for Dota 2, the 2016 Dota 2 Championship, The Manila Major, ESL One, and the Manila Masters. It has been estimated that in the Philippines alone, there are 43 million active gamers; the figure has steadily increased by 12.9% annually since 2017². Further, global market revenue of esports is forecasted to grow to as much as 1.87 billion U.S. dollars in 2025.³

To maximize this opportunity, it is imperative to create an esports professional ecosystem in the country through adequate financial investment to achieve sustainable growth and preempt myriad of concerns encountered by esports stakeholders in recent years. For example,

¹ <http://www.mineski.net/news/2019-sea-games-esports-mobile-legends-gold-philippines>

² <https://ycpsolidiance.com/white-paper/the-next-level-the-rise-of-esports-in-the-philippines>

³ <https://www.statista.com/statistics/490522/global-esports-market-revenue/>

Filipino players were unable to secure visas to participate in international competitions due to the absence of legal representation or an official entity of the industry. In September 2021, Bren Esports' Valorant squad who won in the Southeast Asia missed the Valorant Champions Tour (VCT): Stage 3 Masters in Berlin, Germany stating reasons that they were denied visa due to mobility restrictions brought by the pandemic. ⁴

Other issues include the need for government assistance to delineate esports and gaming from gambling for it to further grow and be recognized legitimately as a profession or a career. AcadArena Technologies Inc. noted that Korea, North America, and China can be used as benchmark in institutionalizing training for professional play. In addition, the government must collaborate and support esports activities in the country especially bootcamps and digital infrastructure to be at par with other countries in the world. Stakeholders also deemed it imperative to support and promote the whole ecosystem of esports as it encompasses analytical software, outsourcing software, broadcasting software, and training and education of players and audiences. The health and regulation of minors being involved in the industry must be properly enforced.

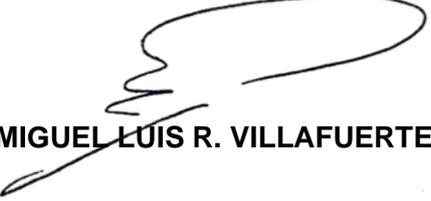
With the economic, health, and socio-cultural impact of esports in the country, this representation deemed it timely, more than ever, to establish the Philippine Esports Commission (PEC) which shall be the primary governing body to formulate and implement uniform policies, rules, and format for esports activities in the country and to establish a master plan for the medium and long-term development of esports, among others. With the help of the Philippine Sports Commission (PSC), the Department of Education (DepEd), Department of Tourism (DOT), Department of Information and Communications Technology (DICT), Department of Trade and Industry (DTI), Commission on Higher Education (CHED), National Youth Commission (NYC), Technical Education and Skills Development Authority (TESDA), and other concerned agencies, PEC will organize and develop the field of esports in the country, assist our youth players by providing support programs, and establish infrastructure to further the esports industry and maximize market opportunities to stimulate our nation's economic development.

Furthermore, this legislative measure, filed by former representative Strike Revilla in the 18th Congress is in accordance with Section 17, Article II of the 1987 Constitution which indicates that the State shall give priority to education, science and technology, arts, culture, and sports to foster patriotism and nationalism, accelerate social progress, and promote total human

⁴ <https://www.rappler.com/sports/bren-esports-miss-valorant-masters-berlin-visa-issues/>

liberation and development.

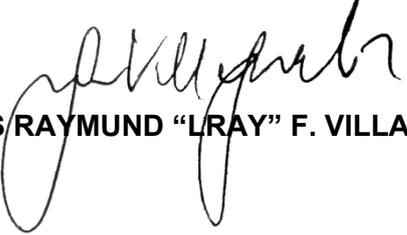
For the welfare of our national esports community, the immediate passage of this bill is earnestly sought.



MIGUEL LUIS R. VILLAFUERTE



TSUYOSHI ANTHONY G. HORIBATA



LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.



NICOLAS "NICK" C. ENCISO VIII

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HOUSE BILL NO. 5401

Introduced by HON. MIGUEL LUIS R. VILLAFUERTE, HON. TSUYOSHI ANTHONY G. HORIBATA, HON. LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR., AND HON. NICOLAS "NICK" C. ENCISO VIII

AN ACT ESTABLISHING AND ORGANIZING THE PHILIPPINE ESPORTS COMMISSION AND APPROPRIATING FUNDS THEREFOR

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. *Short Title.* This Act shall be known as "*Esports Act*".

SECTION 2. *Declaration of Policy.* It is the policy of the State to assist the youth in harnessing their best potentials and enable them to contribute to nation-building. Moreover, it recognizes the role of technology in national development and acknowledges the need to encourage sports programs, league competitions, amateur sports, including training for international competitions, to foster self-discipline, teamwork, and excellence for the development of a healthy and alert citizenry. Pursuant to these, this Act shall implement measures to organize and develop the field of esports in the country, assist our youth players by providing support programs, and establish infrastructure to promote the expansion of the Philippine esports industry and maximize global esports market opportunities to boost economic growth.

SECTION 3. *Definition of Terms.* As used in this Act, the term:

- a) "Esports" means games in which players compete with one another on an online platform for a score or for victory.
- b) "Esports facilities" means stadiums, gadgets, equipment, machinery, and other facilities for esports.
- c) "Esports industry" means the industry of creating added value with goods and services relating to esports.
- d) "Esports player" means a person registered with an esports organization.

- e) "Esports organization" means a corporation or organization established for the purpose of engaging in activities or a business relating to esports.

SECTION 4. *Creation of the Philippine Esports Commission (PEC).* The Philippine Esports Commission (PEC), hereinafter referred to as the Commission, is hereby created and established as the governing body to organize, oversee, and monitor esports activities in the country. It shall be an independent body from the existing Philippine Sports Commission (PSC).

SECTION 5. *Status of the Commission.* – The Commission shall have the same status as that of a governmental regulatory national agency attached to the Office of the President with the Chairman thereof being of the same level as a department undersecretary and the Commissioners that of department assistant secretaries.

SECTION 6. *Nature of the Commission.* – The Commission shall exercise corporate powers. It shall have a seal, may sue and be sued, and shall be the sole policy-making and coordinating body of all amateur esports development programs and institutions in the Philippines: Provided, That in the case of the school esports development program, the same shall be formulated and implemented by the Department of Education (DepEd) and other concerned agencies with the assistance of the Commission within the framework of the national sports development program.

SECTION 7. *Objectives of the Commission.* The objectives of the Commission are:

- a) To give proper recognition, identification, and representation of the esports industry;
- b) To provide outlet for our youth to develop their creativity, strategic thinking, and social-emotional learning skills while protecting their welfare;
- c) To raise public awareness on esports;
- d) To provide the leadership, formulate the policies, and set the priorities and direction of esports promotion and development;
- e) To encourage wide participation of all sectors, government and private, in esports promotion and development;
- f) To supplement government appropriations for esports promotion and development; and
- g) To explore harness the potential of esports for the country's economic advantage.

SECTION 8. *Composition of the Commission.* The Commission shall be composed of a Chairperson whom shall be appointed by the President. The Chairperson shall appoint four (4) Commissioners.

SECTION 9. *Powers and Functions.* In order to achieve the purpose of this Act, the Board shall have the following powers and functions:

- a) Formulate and implement uniform policies, rules and format for esports activities in the Philippines;
- b) Establish a master plan for the medium and long-term development of esports;
- c) Promotion of international tournaments and events relating to esports and international cooperation and exchange in esports;

- d) Establish and maintain linkages with international esports associations or esports organizations of other countries, and international nongovernmental organizations whose main thrust is esports;
- e) Promotion of scientific activities for esports and the creation of the infrastructure therefor;
- f) Securing of financial resources for development of esports;
- g) Establish an esports industry support center which shall extend counseling services;
- h) Come up with mechanisms promoting a well-balanced family-education-esports life of the student players;
- i) Provide such recognition and awards to individuals, organizations, enterprises, etc., that have significantly contributed to the development of esports;
- j) Recommend and propose to the Department of Education (DepEd), Department of Tourism (DOT), Department of Information and Communications Technology (DICT), Department of Trade and Industry (DTI), Commission on Higher Education (CHED), National Youth Commission (NYC), Technical Education and Skills Development Authority (TESDA), Philippine Sports Commission (PSC), and other concerned government agencies and instrumentalities, to incorporate in their respective annual budgets, a separate and specific budget for esports promotion and development;
- k) To ensure the implementation by various government departments and agencies of their esports promotion and development programs as indicated in their respective annual budgets; and
- l) Exercise such other acts as are incident to or are appropriate and necessary in connection with the creation of the Commission.

SECTION 10. *Organizational Structure and Staffing Pattern.* The Commission shall determine the organizational structure and staffing pattern of the Commission subject to the evaluation by the Civil Service Commission and of the Organizational Position Classification and Compensation Bureau of the Department of Budget and Management.

SECTION 11. *Chairperson of the Commission.* The Commission shall be headed by a Chairperson who shall be appointed by the President of the Philippines for a term of four (4) years and may be reappointed for a second term.

The Chairperson shall have the following powers and functions:

- a) Execute the policies, rules and format approved by the Board and be responsible for the efficient discharge of management and operational functions;
- b) Submit for the consideration and approval of the Board proposed measures, policies, rules as deemed necessary or proper for the effective implementation of the purposes and objectives of the Act;
- c) Represent the Commission in all dealings with other persons or entities, whether domestic or foreign, and whether government and private; and
- d) Exercise other functions powers and perform such other duties as may be vested or reposed by the Board.

SECTION 12. *Assistance by the Government Entities.* The Commission may call upon any government entity for assistance in the performance of its functions and duties. All heads of departments, agencies, corporations and offices of the government are hereby enjoined to

render full assistance and cooperation to the Commission to ensure the attainment of its objectives and the success of the national esports development program.

SECTION 13. *Appropriations.* Such sums as may be necessary are hereby authorized to be appropriated from the National Treasury. Thereafter, the Commission shall have an independent line item in the annual General Appropriations Act (GAA) for its continuous operation.

SECTION 14. *Implementing Rules and Regulations (IRR).* Within sixty (60) days from the effectivity of this Act, the Commission, in coordination with the Chairperson of the Philippine Sports Commission (PSC), the Department of Education (DepEd), Department of Tourism (DOT), Department of Information and Communications Technology (DICT), Department of Trade and Industry (DTI), Department of Labor and Employment (DOLE), Commission on Higher Education (CHED), National Youth Commission (NYC), Technical Education and Skills Development Authority (TESDA), and other concerned agencies, shall promulgate the implementing rules and regulations and other issuances as may be necessary to ensure the effective implementation of this Act.

SECTION 15. *Separability Cause.* Should any part or provision of this Act be declared unconstitutional or invalid, the remaining parts or provisions not affected thereby shall retain in full force and effect.

SECTION 16. *Repealing Clause.* All laws, decrees, executive orders, issuances, rules and regulations which may be inconsistent with any of the provisions of this Act, are hereby deemed repealed, amended or modified accordingly.

SECTION 17. *Effectivity.* This Act shall take effect fifteen (15) days after its complete publication in the Official Gazette or in two (2) newspapers of general circulation.

Approved,