



Republic of the Philippines  
Supreme Court  
Manila

EN BANC

JOSELLER M. GUIAO,  
Petitioner,

G.R. No. 223845

Present:

GESMUNDO, C. J.,  
LEONEN,  
CAGUIOA,  
HERNANDO,  
LAZARO-JAVIER,  
INTING,  
ZALAMEDA,  
LOPEZ, M.,  
GAERLAN,  
ROSARIO,  
LOPEZ, J.,  
DIMAAMPAO,  
MARQUEZ,  
KHO, JR., and  
SINGH, JJ.

-versus-

PHILIPPINE AMUSEMENT AND  
GAMING CORPORATION,  
PHILIPPINE CHARITY  
SWEEPSTAKES OFFICE, AND  
THE OFFICE OF THE  
PRESIDENT,

Respondents.

Promulgated:

May 28, 2024

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DECISION

LEONEN, J.:

For the extraordinary writ of *mandamus* to issue, there must be a showing of a clear legal right demandable by petitioner and a correlative legal duty to perform an act on the part of respondent.

Before this Court is a Petition for *Mandamus*<sup>1</sup> under Rule 65 of the Rules of Court filed by Joseller M. Guiao (Guiao), seeking to compel the Philippine Amusement and Gaming Corporation, Philippine Charity Sweepstakes Office, and Office of the President to remit funds to the Philippine Sports Commission, as provided under Section 26 of Republic Act No. 6847.<sup>2</sup>

On April 26, 2016, Guiao, then a member of the House of Representatives and Vice Chairperson of the House Committee on Youth and Sports Development, filed a Petition for *Mandamus* before this Court against the Philippine Amusement and Gaming Corporation, Philippine Charity Sweepstakes Office, and Office of the President, alleging that they failed in their duty to comply with the funding requirements in Section 26 of Republic Act No. 6847, otherwise known as the Philippine Sports Commission Act.<sup>3</sup> The pertinent portion of Section 26 as cited by Guiao provides:

SECTION 26. *Funding.* — . . . .

*To finance the country's integrated sports development program, including the holding of the national games and all other sports competitions at all levels throughout the country as well as the country's participation at international sports competitions, such as, but not limited to, the Olympic, Asian, and Southeast Asian Games, and all other international competitions, sanctioned by the International Olympic Committee and the International Federations, thirty percent (30%) representing the charity fund of the proceeds of six (6) sweepstakes of lottery draws per annum, taxes on horse races during special holidays, five percent (5%) of the gross income of the Philippine Amusement and Gaming Corporation, the proceeds from the sale of stamps as hereinafter provided, and three percent (3%) of all taxes collected on imported athletic equipment shall be automatically remitted directly to the Commission and are hereby constituted as the National Sports Development Fund. Further, the Philippine Postal Service Office is hereby authorized to print paper and gold stamps which shall depict sports events and such other motif as the Philippine Postal Service Office may decide, at the expense of the Commission. Any deficiency in the financial requirements of the Commission for its sports development program shall be covered by an annual appropriation passed by Congress.*<sup>4</sup> (Emphasis supplied)

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<sup>1</sup> *Rollo*, pp. 3–30.

<sup>2</sup> *Id.* at 24.

<sup>3</sup> *Id.* at 5.

<sup>4</sup> *Id.* at 5–6.

Guiiao claimed that the Philippine Amusement and Gaming Corporation committed grave abuse of discretion when it failed to remit 5% of its gross income to the Philippine Sports Commission for the National Sports Development Fund, as mandated in Section 26 of Republic Act No. 6847.<sup>5</sup>

In support of his allegations, Guiiao attached a Memorandum<sup>6</sup> dated November 5, 1993 addressed to then President Fidel V. Ramos, issued by his Executive Secretary, which sought the President's approval of the percentage allocations made by the Philippine Amusement and Gaming Corporation as to its income, as follows:

	<i>Prior</i>	<i>Proposed</i>
BIR Franchise Tax	5.0%	5.0%
NG Share	45.12%	47.5%
NPC Subsidy	-	4.75%
<b>PSC Share</b>	<b>4.75%</b>	<b>4.51%</b>
PAGCOR	45.13%	38.24%
Total	100%	100%

Guiiao alleged that such recommendation by the Philippine Amusement and Gaming Corporation was approved by the President in a Memorandum dated November 10, 1993.<sup>7</sup> Thereafter, in another Memorandum dated February 20, 1995, the Philippine Amusement and Gaming Corporation again recommended to the President the following allocation of its earnings:<sup>8</sup>

	<i>Present</i>	<i>Proposed</i>
BIR Franchise Tax (5% of net winnings)	5.0%	5.0%
National Government's Share (50% of 95% of net winnings)	47.5%	47.5%
NAPOCOR's Subsidy (10% of balance after deducting the 5% Franchise tax and the National Government's 50% share)	4.75%	4.75%
<b>PSC's Share</b>	<b>4.51%</b>	<b>2.1375%</b>
PAGCOR (for its use to cover host cities' share, for direct assistance to socio-civic projects, for PAGCOR's operating expenses and capital outlays, etc., the remaining ash balance of which is remitted to the President's social fund)	38.24%	40.6125%
TOTAL	100%	100%

<sup>5</sup> *Id.* at 8.

<sup>6</sup> *Id.* at 39-40. The Memorandum was titled "Share of the Philippine Sports Commission and the Subsidy of the National Power Commission based on the gross earnings of the Philippine Amusement and Gaming Corporation (PAGCOR)."

<sup>7</sup> *Id.* at 40.

<sup>8</sup> *Id.* at 42-43.

The Memorandum further provides:

- a. Beginning CY 1995, PAGCOR shall compute the 5% share of the Philippine Sports Commission in PAGCOR's earnings, as provided for under Republic Act No. 6847, based on the amount after deducting the 5% Franchise Tax, the 50% share of the National government, and NAPOCOR's 10% income share. It is believed that this recommended allocation is the appropriate one since PSC, just like NAPOCOR, should not have precedence over the National Government. Moreover, this computation would proportionately increase the PSF which the President can tap for his other economic priority and essential infrastructure projects.<sup>9</sup>

Guiao alleged that the said Memorandum was approved by the President.<sup>10</sup> He claimed that by reducing the 5% share of the Philippine Sports Commission to a mere 2.1375% through a Memorandum approved by the President, the Philippine Amusement and Gaming Corporation failed to correctly remit to Philippine Sports Commission its share of its earnings.<sup>11</sup>

Similarly, Guiao claimed that the Philippine Charity Sweepstakes Office, contrary to Section 26, has not been remitting to the Philippine Sports Commission the mandated 30% representing the charity fund and the proceeds of six sweepstakes or lottery draws per annum, since the year 2006. The only exception is in the years 2009, 2010, 2012, 2013, and 2015, where the Philippine Charity Sweepstakes Office remitted amounts to the Philippine Sports Commission in the form of "donation."<sup>12</sup>

Guiao argued that the government agencies involved grossly violated their duty to implement the law, thereby causing lack of funding for sports development projects, which constitutes exceptional and compelling circumstances to justify resort to this Court.<sup>13</sup>

He invoked that this case is an exception to the rule on hierarchy of courts due to its special and important reasons, as the deprivation in the Philippine Sports Commission's funding would deteriorate sports development in the country and undermine the role of sports in nation-building.<sup>14</sup>

Guiao added that there was no plain, speedy, and adequate remedy in the ordinary course of law which would promptly and immediately relieve him and all Filipino people who were supposedly deprived of their right to

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<sup>9</sup> *Id.* at 324.

<sup>10</sup> *Id.* at 15.

<sup>11</sup> *Id.*

<sup>12</sup> *Id.* at 16.

<sup>13</sup> *Id.* at 6-8

<sup>14</sup> *Id.*

engage and excel in various sporting activities in order to give pride and inspiration to the entire Filipino nation.<sup>15</sup>

He also claimed that the issues are of public interest, constitutional in nature, and of transcendental importance,<sup>16</sup> and that the Petition posed an actual controversy considering that the government agencies involved continuously refuse to remit the funding due to the Philippine Sports Commission as provided by law.<sup>17</sup>

Guiiao prayed for this Court to order (1) the Philippine Amusement and Gaming Corporation and the Office of the President to account and remit the full amount equivalent to 5% of the Philippine Amusement and Gaming Corporation's gross income in favor of the Philippine Sports Commission, without any deductions, beginning October 1, 1993 up to the present; and (2) the Philippine Charity Sweepstakes Office to fully account and remit in favor of the Philippine Sports Commission the total amount of 30% representing the charity fund and the proceeds of six sweepstakes or lottery draw per annum beginning 2006 up to the present, and until Republic Act No. 6847 has been revoked, superseded, or amended by the Legislative department.<sup>18</sup>

The Philippine Amusement and Gaming Corporation filed a Comment/Opposition to the Petition for *Mandamus*.<sup>19</sup> It argued that the Philippine Sports Commission is not entitled to the full 5% gross income of Philippine Amusement and Gaming Corporation because its share is subject to deductions for the payment of 5% franchise tax and 50% share of the national government.<sup>20</sup> It also claims that the requisites for questioning the validity of a governmental act was not complied with.<sup>21</sup>

On the other hand, the Office of the Solicitor General filed a Manifestation and Motion,<sup>22</sup> praying that it be excused from participating in this case, considering that the Philippine Amusement and Gaming Corporation and the Philippine Charity Sweepstakes Office are being represented by the Office of the Government Corporate Counsel in the present case. Moreover, the Office of the President is a mere nominal party.<sup>23</sup>

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<sup>15</sup> *Id.* at 8.

<sup>16</sup> *Id.* at 7.

<sup>17</sup> *Id.* at 8.

<sup>18</sup> *Id.* at 24.

<sup>19</sup> *Id.* at 57-88.

<sup>20</sup> *Id.* at 60.

<sup>21</sup> *Id.*

<sup>22</sup> *Id.* at 91-96.

<sup>23</sup> *Id.* at 92-93.

The Philippine Charity Sweepstakes Office filed a Comment,<sup>24</sup> arguing that Guiao has no legal standing to file the Petition for *Mandamus*,<sup>25</sup> and that he failed to follow the doctrines on the hierarchy of courts<sup>26</sup> and exhaustion of administrative remedies.<sup>27</sup> Furthermore, it alleged that the Petition violated the rule on hierarchy of courts and was the wrong remedy. It maintained that under Republic Act No. 6847, the Philippine Sports Commission's allocations would be sourced from sweepstakes draws, and not from other Philippine Charity Sweepstakes Office lottery games. It insisted that it complied in good faith with its obligations under Republic Act No. 6847.<sup>28</sup>

Guiao filed a Consolidated Reply,<sup>29</sup> insisting that he has legal standing to file the Petition and that there were compelling reasons for this Court to exercise its jurisdiction over it.<sup>30</sup> He argued that it is a fact that the deplorable condition of Philippine sports is due to the involved government agencies' failure to provide the required funding as mandated in Section 26 of Republic Act No. 6847.<sup>31</sup>

Guiao maintained that *mandamus* was the proper remedy and insisted that the Philippine Amusement and Gaming Corporation's act of lowering the allocation of funds to the Philippine Sports Commission was illegal. He added that the Philippine Charity Sweepstakes Office should remit the amounts mandated in Section 26 of Republic Act No. 6847.<sup>32</sup>

The Philippine Amusement and Gaming Corporation, in its Memorandum,<sup>33</sup> repeated that the Petition for *Mandamus* must be denied due to Guiao's lack of legal standing to file the instant Petition. It claimed that it is the Philippine Sports Commission, as the aggrieved party, that has the capacity to sue and question the Philippine Amusement and Gaming Corporation's remittance.<sup>34</sup> It added that Guiao violated the principle of exhaustion of administrative remedies as well as the rule on hierarchy of courts for having filed the Petition immediately before this Court.<sup>35</sup>

As to the substantial issues of the case, the Philippine Amusement and Gaming Corporation insisted that it was correct in first deducting the 5% franchise tax, the 50% share of the national government, and the 10%

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<sup>24</sup> *Id.* at 99–120.

<sup>25</sup> *Id.* at 104.

<sup>26</sup> *Id.* at 107.

<sup>27</sup> *Id.* at 110.

<sup>28</sup> *Id.* at 111.

<sup>29</sup> *Id.* at 221–238.

<sup>30</sup> *Id.* at 222.

<sup>31</sup> *Id.* at 225.

<sup>32</sup> *Id.* at 226.

<sup>33</sup> *Id.* at 260–283.

<sup>34</sup> *Id.* at 266.

<sup>35</sup> *Id.* at 261.

subsidy to the National Power Corporation before remitting the Philippine Sports Commission's 5% share.<sup>36</sup>

Similarly, the Philippine Charity Sweepstakes Office claimed that Guiao failed to show his legal standing to file his Petition and that Philippine Sports Commission's charter specifically granted it the power to sue in order to enforce its rights.<sup>37</sup> The Philippine Charity Sweepstakes Office likewise stated that even if Guiao had *locus standi* to file the Petition, *mandamus* cannot lie against it, as Guiao's assertion that the Philippine Sports Commission's allocations should include online lottery draws has no legal basis.<sup>38</sup> Moreover, it asserted that the Philippine Charity Sweepstakes Office's remittance of funds to the Philippine Sports Commission was not ministerial.<sup>39</sup>

In his Memorandum,<sup>40</sup> Guiao reiterated his prayer for *mandamus*, seeking to compel the Philippine Amusement and Gaming Corporation to automatically remit 5% of its gross income to the Philippine Sports Commission, without deducting the 5% franchise tax and 50% share of the national government. He alleged that this was the clear intent of the Legislature<sup>41</sup> and that there was no need to harmonize the provisions of Republic Act No. 6487 creating the Philippine Charity Sweepstakes; Section 6 of Republic Act No. 7648 known as the Electric Power Crisis Act of 1993; and Section 12 of Presidential Decree No. 1869 creating the Philippine Amusement and Gaming Corporation.<sup>42</sup>

In the same vein, Guiao insisted that the Philippine Charity Sweepstakes Office must be compelled to automatically remit "thirty percent (30%) representing the charity fund of the proceeds of six (6) sweepstakes or lottery draw" per year as mandated in their charter law.<sup>43</sup> To support his stand, Guiao echoed Department of Justice Opinion No. 95, which opined that the language of Section 26 of Republic Act No. 6847, particularly its statement that the phrase "shall be automatically transmitted to the [Philippine Sports] Commission," leaves no room for interpretation.<sup>44</sup>

The parties were subsequently ordered to move in the premises to inform the Court of any developments that could have an effect on the disposition of the present Petition.<sup>45</sup> The parties filed separate Compliances,

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<sup>36</sup> *Id.* at 273–277.

<sup>37</sup> *Id.* at 295.

<sup>38</sup> *Id.* at 301–308.

<sup>39</sup> *Id.* at 309–310.

<sup>40</sup> *Id.* at 315–339.

<sup>41</sup> *Id.* at 328.

<sup>42</sup> *Id.* at 329.

<sup>43</sup> *Id.* at 332.

<sup>44</sup> *Id.* at 335.

<sup>45</sup> *Id.* at 353–354.

informing the Court that there were no supervening events involving the matters in this case.<sup>46</sup>

The procedural issue before this Court is whether the Petition for *Mandamus* is proper. Subsumed in this are the following questions:

First, whether petitioner Joseller M. Guiao has *locus standi* to file the Petition; and

Second, whether the Petition was filed in violation of the principle of hierarchy of courts and exhaustion of administrative remedies.

The substantial issue before this Court is whether respondents Philippine Amusement and Gaming Corporation and Philippine Charity Sweepstakes Office violated Section 26 of Republic Act No. 6847 in their remittances to the Philippine Sports Commission.

## I

A writ of *mandamus* is an order directed to an inferior court, tribunal or board, or to some corporation or person for the performance of a particular specified duty resulting from the official station of the party to whom it is directed, or from operation of law.<sup>47</sup> Section 3 of Rule 65 of the Rules of Court provides:

SECTION 3. Petition for *mandamus*. When any tribunal, corporation, board, officer or person unlawfully neglects the performance of an act which the law specifically enjoins as a duty resulting from an office, trust, or station, or unlawfully excludes another from the use and enjoyment of a right or office to which such other is entitled, and there is no other plain, speedy and adequate remedy in the ordinary course of law, the person aggrieved thereby may file a verified petition in the proper court, alleging the facts with certainty and praying that judgment be rendered commanding the respondent, immediately or at some other time to be specified by the court, to do the act required to be done to protect the rights of the petitioner, and to pay the damages sustained by the petitioner by reason of the wrongful acts of the respondent.

*Mandamus* issues in case the tribunal, corporation, board, officer, or person unlawfully neglects the performance of an act that the law specifically enjoins as a duty resulting from an office, trust, or station; or excludes another from the use and enjoyment of a right or office to which

<sup>46</sup> *Id.* at 355–359, 362–364, 365–369.

<sup>47</sup> *Nazareno v. City of Dumaguete*, 607 Phil. 768, 794–795 (2009) [Per J. Chico-Nazario, *En Banc*].



the other is entitled.<sup>48</sup> For it to lie, the following requisites must be complied with: (a) the plaintiff has a clear legal right to the act demanded; (b) it must be the duty of the defendant to perform the act, because it is mandated by law; (c) the defendant unlawfully neglects the performance of the duty enjoined by law; (d) the act to be performed is ministerial, not discretionary; and (e) there is no appeal or any other plain, speedy, and adequate remedy in the ordinary course of law.<sup>49</sup>

Thus, for a writ of *mandamus* to be issued, it must first be established that there is a “concurrence between a clear legal right accruing to petitioner and a correlative duty incumbent upon respondents to perform an act, this duty being imposed upon them by law.”<sup>50</sup>

### I (A)

Respondents primarily assert that petitioner has no standing in the present petition. They state that it is the Philippine Sports Commission that has legal interest to bring the action before this Court.

On the other hand, petitioner is suing in his capacity as a member of the House of Representatives, as an avid sportsman, as a concerned citizen, and as a taxpayer.<sup>51</sup> He alleges that the refusal of the respondents to comply with the provision infringes upon his duties, rights, and prerogatives as a legislator.<sup>52</sup>

In *Palileo v. Castro*,<sup>53</sup> this Court discussed that in petitions for *mandamus*, the right of the petitioner to demand the performance of the particular act must be clear, complete, and clearly founded in or granted by law, thus:

It is a well-settled rule that the legal right of the petitioner to the performance of the particular act which is sought to be compelled by *mandamus* must be clear and complete. A clear legal right within the meaning of this rule means a right clearly founded in, or granted by law; a right which is inferable as a matter of law. It is essential that the claim should have been allowed by the officer vested with power to allow or reject it. *Mandamus* will not be awarded unless the right to relief is clear at the time of the award. If there is any discretion as to the taking or not taking of the action sought to be enforced, there is not a clear case of a legal right. Nor will *mandamus* issue to enforce a right which is

<sup>48</sup> *Id.*, citing RULES OF COURT, Rule 65, sec. 3; *Professional Regulation Commission v. De Guzman*, 476 Phil. 596, 611–612 (2004) [Per J. Tinga, Second Division].

<sup>49</sup> *De Castro v. Judicial and Bar Council*, 629 Phil. 629, 705 (2010) [Per J. Bersamin, *En Banc*].

<sup>50</sup> *Lihaylihay v. Tan*, 836 Phil. 400, 412 (2018) [Per J. Leonen, Third Division].

<sup>51</sup> *Rollo*, p. 8.

<sup>52</sup> *Id.* at 7–8.

<sup>53</sup> 85 Phil. 272 (1949) [Per J. Tuason, *En Banc*].

in substantial dispute or as to which a substantial doubt exists, although objection raising mere technical question will be disregarded if the right is clear and the case meritorious.<sup>54</sup>

Further, in *Falcis III v. Civil Registrar General*,<sup>55</sup> it was explained that the *locus standi* rule ensures that only litigants with personal and substantial interest in a case will be recognized by the courts to avoid a deluge of cases:

Much like the requirement of an actual case or controversy, legal standing ensures that a party is seeking a concrete outcome or relief that may be granted by courts:

Legal standing or *locus standi* is the "right of appearance in a court of justice on a given question." To possess legal standing, parties must show "a personal and substantial interest in the case such that [they have] sustained or will sustain direct injury as a result of the governmental act that is being challenged." The requirement of direct injury guarantees that the party who brings suit has such personal stake in the outcome of the controversy and, in effect, assures "that concrete adverseness which sharpens the presentation of issues upon which the court depends for illumination of difficult constitutional questions."

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Standing in private suits requires that actions be prosecuted or defended in the name of the real party-in-interest, interest being "material interest or an interest in issue to be affected by the decree or judgment of the case[,] [not just] mere curiosity about the question involved." Whether a suit is public or private, the parties must have "a present substantial interest," not a "mere expectancy or a future, contingent, subordinate, or consequential interest." Those who bring the suit must possess their own right to the relief sought . . . .

Even for exceptional suits filed by taxpayers, legislators, or concerned citizens, this Court has noted that the party must claim some kind of injury-in-fact.<sup>56</sup>

Petitioner was an incumbent member of Congress for the province of Pampanga, a taxpayer, former athlete, sportsman, and former coach of the Philippine national basketball team.<sup>57</sup> Petitioner states that as a person who "willingly sacrifices his time, efforts, talents, and resources for the sake of

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<sup>54</sup> *Id.* at 275.

<sup>55</sup> G.R. No. 217910, September 3, 2019 [Per J. Leonen, *En Banc*].

<sup>56</sup> *Id.*

<sup>57</sup> *Rollo*, p. 316.

Philippine sports,” he can no longer turn a blind eye on the current state of the country’s sports program.<sup>58</sup>

In essence, petitioner attempts to acquire legal standing primarily as a legislator and, secondarily, as a concerned citizen and taxpayer.

To acquire legal standing as a legislator, petitioner must first show that respondents’ acts violate the prerogatives of his office.<sup>59</sup> There must be an allegation of executive action that caused concrete injury to the legislator’s performance of his duties.<sup>60</sup>

As pointed out by Associate Justice Amy C. Lazaro-Javier, petitioner has “sufficiently established an apparent, long-standing and systematic refusal on the part of”<sup>61</sup> respondents to provide complete funding to the Philippine Sports Commission. This is tantamount to infringing a valid law. From another perspective, the underfunding of the Philippine Sports Commission is a clear interference with the legislature’s power of the purse.<sup>62</sup> Moreover, the promotion of sports programs is part of our Constitution.<sup>63</sup> Hence, the remittance of funds below the percentage set by law undermines our fundamental law.

*Secretary of Finance Purisima v. Rep. Lazatin*,<sup>64</sup> citing *Biraogo v. The Philippine Truth Commission*,<sup>65</sup> reiterated that:

[Legislators] have the legal standing to ensure that the prerogatives, powers, and privileges vested by the Constitution in their office remain inviolate. To this end, members of Congress are allowed to question the validity of any official action that infringes on their prerogatives as legislators.

Thus, members of Congress possess the legal standing to question acts that amount to a usurpation of the legislative power of Congress. Legislative power is exclusively vested in the Legislature. When the implementing rules and regulations issued by the Executive contradict or add to what Congress has provided by legislation, the issuance of these rules amounts to an undue exercise of legislative power and an encroachment of Congress’ prerogatives.<sup>66</sup>

Based on the foregoing, we rule that petitioner has legal standing to file this Petition in his capacity as legislator.

<sup>58</sup> *Id.*

<sup>59</sup> *Falcis III v. Civil Registrar*, 861 Phil. 388, 396 (2019) [Per J. Leonen, *En Banc*].

<sup>60</sup> *Francisco, Jr. v. House of Representatives*, 460 Phil. 830, 892–893 (2003) [Per J. Carpio Morales, *En Banc*].

<sup>61</sup> J. Lazaro-Javier, *Reflections*, p. 3.

<sup>62</sup> *Id.*

<sup>63</sup> CONST., art. XIV, sec. 19.

<sup>64</sup> 801 Phil. 395, 413 (2016) [Per J. Brion, *En Banc*].

<sup>65</sup> 651 Phil. 374, 439 (2010) [Per J. Mendoza, *En Banc*].

<sup>66</sup> *Secretary of Finance Purisima, et al. v. Rep. Lazatin, et al.*, 801 Phil. 395, 413 (2016) [Per J. Brion, *En Banc*].

In any case, this Court has, on occasion, relaxed the rules on standing when the issues involved are of transcendental importance, or those that are so important so as to be imbued with paramount public interest.<sup>67</sup> Leeway is given to petitions filed by parties who have no personal or substantial interest in the challenged governmental act but nonetheless raise "constitutional issue[s] of critical significance."<sup>68</sup> This was demonstrated in *Kilusang Mayo Uno Labor Center v. Hon. Garcia, Jr.*,<sup>69</sup> in this wise:

Assuming *arguendo* that petitioner is not possessed of the standing to sue, this court is ready to brush aside this barren procedural infirmity and recognize the legal standing of the petitioner in view of the transcendental importance of the issues raised. And this act of liberality is not without judicial precedent. As early as the *Emergency Powers Cases*, this Court had exercised its discretion and waived the requirement of proper party.<sup>70</sup>

This was likewise demonstrated in *Agan, Jr. v. Philippine International Air Terminals Co., Inc.*,<sup>71</sup> thus:

Standing is a peculiar concept in constitutional law because in some cases, suits are not brought by parties who have been personally injured by the operation of a law or any other government act but by concerned citizens, taxpayers or voters who actually sue in the public interest. Although we are not unmindful of the cases of *Imus Electric Co. v. Municipality of Imus* and *Gonzales v. Raquiza* wherein this Court held that appropriation must be made only on amounts immediately demandable, public interest demands that we take a more liberal view in determining whether the petitioners suing as legislators, taxpayers and citizens have *locus standi* to file the instant petition. In *Kilosbayan, Inc. v. Guingona*, this Court held "[i]n line with the liberal policy of this Court on *locus standi*, ordinary taxpayers, members of Congress, and even association of planters, and non-profit civic organizations were allowed to initiate and prosecute actions before this Court to question the constitutionality or validity of laws, acts, decisions, rulings, or orders of various government agencies or instrumentalities." Further, "insofar as taxpayers' suits are concerned . . . (this Court) is not devoid of discretion as to whether or not it should be entertained." As such ". . . even if, strictly speaking, they [the petitioners] are not covered by the definition, it is still within the wide discretion of the Court to waive the requirement and so remove the impediment to its addressing and resolving the serious constitutional questions raised." In view of the serious legal questions

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<sup>67</sup> *Biraogo v. The Philippine Truth Commission of 2010*, 651 Phil. 374, 441 (2010) [Per J. Mendoza, *En Banc*], citing *Social Justice Society v. Dangerous Drugs Board and Philippine Drug Enforcement Agency*, 591 Phil. 393, 404 (2008) [Per J. Velasco, Jr., *En Banc*]; *Tatad v. Secretary of the Department of Energy*, 346 Phil. 321, 358 (1997) [Per J. Puno, *En Banc*]; *De Guia v. Commission on Elections*, 284 Phil. 565, 568-569 (1992) [Per J. Bellosillo, *En Banc*].

<sup>68</sup> *Funa v. Villar*, 686 Phil. 571, 585 (2012) [Per J. Velasco, Jr., *En Banc*].

<sup>69</sup> 309 Phil. 358 (1994) [Per J. Kapunan, First Division].

<sup>70</sup> *Id.* at 371-372.

<sup>71</sup> 450 Phil. 744 (2003) [Per J. Puno, *En Banc*].

involved and their impact on public interest, we resolve to grant standing to the petitioners.<sup>72</sup> (Citations omitted)

Verily, this Court has time and again relaxed the rules of procedure to advance substantial justice.<sup>73</sup> The allegations of manifest contravention of the legal funding of the Philippine Sports Commission, the premier government agency responsible for the development and advancement of the nation's sports program, is a constitutionally significant issue that deserves this Court's attention.

It is true that it is the Philippine Sports Commission's duty under Republic Act No. 6847 to ensure that other governmental agencies observe their legal duties to remit to the Commission. It has the right to file a petition to compel the Philippine Amusement and Gaming Corporation and the Philippine Charity Sweepstakes Office to remit the correct amounts for its funding. However, it seems that the Philippine Sports Commission has turned a blind eye to its own mandate and has instead allowed the Philippine Amusement and Gaming Corporation and the Philippine Charity Sweepstakes Office to remit however which way they desire, despite the wordings in the law. Consequently, this Court will not sit idly by as the Philippine Sports Commission sleeps on its rights and duties. In the end, it is not the Commission which stands to be adversely affected by the lack of remittance of other governmental agencies. Instead, it is the Filipino athletes and youth that lose the most.

### I (B)

A writ of *mandamus* will not issue unless it is shown that there is no other plain, speedy, and adequate remedy in the ordinary course of law. It is a well-settled rule that while this Court may exercise original jurisdiction over petitions under Rule 65, namely, those of *certiorari*, *prohibition*, and *mandamus*, it will not exercise jurisdiction over those filed in violation of the doctrine of hierarchy of courts and exhaustion of administrative remedies.<sup>74</sup>

Petitioner invokes that this case is an exception to rules on hierarchy of courts and exhaustion of administrative remedies. He claims that the actions of respondents Philippine Amusement and Gaming Corporation and

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<sup>72</sup> *Id.* at 803–804.

<sup>73</sup> *Malixi v. Baltazar*, 821 Phil. 423, 438 (2017) [Per J. Leonen, Third Division]; *City of Dagupan v. Maramba*, 738 Phil. 71, 87–89 (2014) [Per J. Leonen, Third Division], *citing* *Sy v. Local Government of Quezon City*, 710 Phil. 549, 557–558 (2013) [Per J. Perlas-Bernabe, Second Division]; *United Airlines v. Uy*, 376 Phil. 688, 697 (1999) [Per J. Bellosillo, Second Division]; *Samala v. Court of Appeals*, 416 Phil. 1, 8 (2001) [Per J. Pardo, First Division]. *See also* *National Power Corporation v. Southern Philippines Power Corporation*, 789 Phil. 142, 155–157 (2016) [Per J. Leonen, Second Division], *citing* *Bagalanon v. Court of Appeals*, 166 Phil. 699, 702 (1977) [Per J. Martin, First Division].

<sup>74</sup> *Lihaylihay v. Tan*, 836 Phil. 400, 405 (2018) [Per J. Leonen, Third Division].

Philippine Charity Sweepstakes Office deprive the Philippine Sports Commission funding, which cause further deterioration of sports development in the country and must thus be resolved immediately. Respondents, on the other hand, assert that petitioner did not only fail to convince this Court of the exceptionally compelling character of the issue he had raised, but also raised factual issues regarding the remittance of funding which is indispensable for the proper disposition of the case.

We rule for petitioner.

In *Lihaylihay v. Tan*,<sup>75</sup> it was explained that when lower courts have the competence to act on the extraordinary writ of *mandamus*, the same must be filed before them to avoid burdening this Court with causes in the first instance, thus:

*It is basic that "[a]lthough th[is] Court, [the] Court of Appeals and the Regional Trial Courts have concurrent jurisdiction to issue writs of certiorari, prohibition, mandamus, quo warranto, habeas corpus and injunction, such concurrence does not give the petitioner unrestricted freedom of choice of court forum":*

The Supreme Court is a court of last resort, and must so remain if it is to satisfactorily perform the functions assigned to it by the fundamental charter and immemorial tradition. It cannot and should not be burdened with the task of dealing with causes in the first instance. Its original jurisdiction to issue the so-called extraordinary writs should be exercised only where absolutely necessary or where serious and important reasons exist therefor. Hence, that jurisdiction should generally be exercised relative to actions or proceedings before the Court of Appeals, or before constitutional or other tribunals, bodies or agencies whose acts for some reason or another, are not controllable by the Court of Appeals. Where the issuance of an extraordinary writ is also within the competence of the Court of Appeals or a Regional Trial Court, it is in either of these courts that the specific action for the writ's procurement must be presented. This is and should continue to be the policy in this regard, a policy that courts and lawyers must strictly observe.<sup>76</sup> (Emphasis supplied)

This Court's strict adherence to the doctrine on hierarchy of courts is not merely due to judicial economy but also to ensure that every level of the Judiciary performs its designated roles in an efficient and effective manner.<sup>77</sup> This Court is one of last resort, and direct recourse herewith is not proper unless it is shown that there are special and important reasons.

<sup>75</sup> 836 Phil. 400 (2018) [Per J. Leonen, Third Division].

<sup>76</sup> *Id.* at 429-430.

<sup>77</sup> *Aala v. Uy*, 803 Phil. 36, 54-55 (2017) [Per J. Leonen, *En Banc*].

However, the rule on hierarchy of courts will not prevent this Court from assuming jurisdiction when “the redress desired cannot be obtained in the appropriate courts or where exceptional and compelling circumstances justify availment of a remedy within and calling for the exercise of this Court's primary jurisdiction.”<sup>78</sup> While this Court shares concurrent jurisdiction over writs of *certiorari* and *mandamus* with the Regional Trial Court and the Court of Appeals, the instant controversy involves significant legal questions that deserve direct recourse to this Court. Moreover, the facts necessary to resolve these legal questions have been established by the parties and, hence, need not be threshed out in a trial court.

Similarly, the doctrine of exhaustion of administrative remedies is not an iron-clad rule. Under the doctrine, recourse through administrative machinery must first be exhausted before proceeding to seek resort from the courts.<sup>79</sup> While noncompliance with the doctrine of exhaustion of administrative remedies is a cause for dismissal of a complaint,<sup>80</sup> the principle has been described as a flexible one when necessitated by circumstance.<sup>81</sup> Thus, jurisprudence has established the following exceptions:

True, the principle of exhaustion of administrative remedies has certain exceptions as embodied in various cases. This doctrine is a relative one and is flexible depending on the peculiarity and uniqueness of the factual and circumstantial settings of a case. It is disregarded: (1) when there is a violation of due process; (2) when the issue involved is purely a legal question; (3) when the administrative action is patently illegal and amounts to lack or excess of jurisdiction; (4) when there is estoppel on the part of the administrative agency concerned; (5) when there is irreparable injury; (6) *when the respondent is a department secretary whose acts, as an alter ego of the President, bears the implied and assumed approval of the latter*; (7) *when to require exhaustion of administrative remedies would be unreasonable*; (8) when it would amount to a nullification of a claim; (9) when the subject matter is a private land in land case proceedings; (10) when the rule does not provide a plain, speedy and adequate remedy; (11) *when there are circumstances indicating the urgency of judicial intervention*; and unreasonable delay would greatly prejudice the complainant; (12) when no administrative review is provided by law; (13) where the rule of qualified political agency applies; and (14) when the issue of non-exhaustion of administrative remedies has been rendered moot.<sup>82</sup> (Emphasis supplied, citations omitted)

Here, several exceptions apply. It is undisputed that both respondents belong to the Executive branch and are under the direct control and supervision of the Office of the President. While respondents' actions were not made by a department secretary, they were approved by the Office of the

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<sup>78</sup> *Agan, Jr. v. Philippine International Air Terminals Co., Inc.*, 450 Phil. 744, 805 (2003) [Per J. Puno, *En Banc*].

<sup>79</sup> *Teotico v. Baer*, 523 Phil. 670, 676 (2006) [Per J. Corona, Second Division].

<sup>80</sup> *Id.*

<sup>81</sup> *Province of Zamboanga Del Norte v. Court of Appeals*, 396 Phil. 709, 718 (2000) [Per J. Pardo, First Division].

<sup>82</sup> *Id.* at 718–719.



President. To require petitioner to seek recourse from the Office of the President would be a futile exercise, given that the Memoranda being followed by the Philippine Amusement and Gaming Corporation had been approved by the same office. Moreover, the exceptional circumstances present justify the relaxation of procedural rules. The Philippine Sports Commission was created to carry out the constitutional policy to promote physical education and encourage and sustain the development of sports in the country. The statutory objectives of the Philippine Sports Commission are as follows:

- (a) To provide the leadership, formulate the policies and set priorities and direction of all national amateur sports promotion and development, particularly giving emphasis on grass-roots participation;
- (b) To encourage wide participation of all sectors, government and private, in amateur sports promotion and development; and
- (c) To supplement the government appropriations for sports promotion and development.<sup>83</sup>

It has now come to the attention of this Court that the Commission has been neglected for decades. Without the necessary and sufficient funding for the Commission, one cannot expect it to efficiently fulfill its functions. Moreover, with insufficient funds, the entire existence of the Commission is made futile and its role in sports development and nation-building rendered nugatory. At this juncture, it is important to highlight the role of sports and physical education to the development of the nation's citizenry. These are important not only to garner international recognition for our athletes but also to encourage competition and excellence, and teach self-discipline, teamwork, and resilience to our youth. The lack of funding of the premiere agency tasked to ensure this, in contravention of Republic Act No. 6847, cannot be left unresolved.

## II

Enacted on January 4, 1990, Republic Act No. 6847 created the Philippine Sports Commission, a corporate body primarily tasked to carry out the national policy of developing and fostering sports and physical education in the country.<sup>84</sup> The Philippine Sports Commission is responsible for the propagation and development of the national sports program of Filipino athletes. In view of its objectives, the Legislature ensured that the Philippine Sports Commission would have funding to discharge its duties through Section 26 of its charter. Section 26 is reproduced in its entirety below:

SECTION 26. *Funding.* — In order to provide the necessary funds required for the organizational and initial calendar year of operational

<sup>83</sup> Republic Act No. 6847 (1990), sec. 6.

<sup>84</sup> Republic Act No. 6847 (1990), sec. 2.



expenditures of the Commission, the amount of Twenty-five million pesos (P25,000,000.00) from the National Treasury is hereby appropriated: *Provided*, That operating expenses for the Commission itself shall not exceed twenty percent (20%) of the annual appropriation and that at least eighty percent (80%) of said annual appropriation and all of the national sports development funds, as hereinafter provided, shall be disbursed for the national sports program, particularly in support of the identification, recruitment and training of athletes in pre-regional, regional, national and international competitions, including the implementation of the Decade of Physical Fitness and Sports: 1990–2000.

To finance the country's integrated sports development program, including the holding of the national games and all other sports competitions at all levels throughout the country as well as the country's participation at international sports competitions, such as, but not limited to, the Olympic, Asian, and Southeast Asian Games, and all other international competitions, sanctioned by the International Olympic Committee and the International Federations, thirty percent (30%) representing the charity fund of the proceeds of six (6) sweepstakes or lottery draws per annum, taxes on horse races during special holidays, five percent (5%) of the gross income of the Philippine Amusement and Gaming Corporation, the proceeds from the sale of stamps as hereinafter provided, and three percent (3%) of all taxes collected on imported athletic equipment shall be automatically remitted directly to the Commission and are hereby constituted as the National Sports Development Fund. Further, the Philippine Postal Service Office is hereby authorized to print paper and gold stamps which shall depict sports events and such other motif as the Philippine Postal Service Office may decide, at the expense of the Commission. Any deficiency in the financial requirements of the Commission for its sports development program shall be covered by an annual appropriation passed by Congress.<sup>85</sup>

In seeking to compel respondents to comply with Section 26 of Republic Act No. 6847, petitioner invoked several memoranda approved by the Office of the President, where the allocation of the earnings of the Philippine Amusement and Gaming Corporation was made the basis of its remittances to the Philippine Sports Commission. The latest Memorandum provided the following sharing of the Philippine Amusement and Gaming Corporation's earnings to the different government agencies:<sup>86</sup>

Item	Current Allocation
BIR Franchise Tax	5%
National Government Share (50% of 95% of net winnings)	47.50%
NAPOCOR's Subsidy	4.75%
Philippine Sports Commission Share	2.1375%
Philippine Amusement and Gaming Corporation	40.6125%

<sup>85</sup> Republic Act. No. 6847 (1990), sec. 26.

<sup>86</sup> *Rollo*, pp. 322–325.

In particular, the Memorandum of the Office of the President mandated that a total of 2.1375% of the Philippine Amusement and Gaming Corporation's earnings be allocated to the Philippine Sports Commission instead of the 5% required by law. This was clearly in contravention of Section 26 of Republic Act No. 6847.<sup>87</sup>

Respondent Philippine Amusement and Gaming Corporation explained that they arrived at the 2.1375% by first deducting the 5% franchise tax, 50% share of the National Government, and the 10% of National Power Corporation from the gross income of the Philippine Amusement and Gaming Corporation, before applying the 5% meant for the Philippine Sports Commission, thus effectively leaving only 2.1375%.

It appears that the basis for respondent's computation is Presidential Decree No. 1869, which provides that 5% franchise tax is to be imposed on the Philippine Amusement and Gaming Corporation's gaming and other related operations before any other deduction is made.

SECTION 12. *Special Condition of Franchise.* — After deducting five (5%) percent as Franchise Tax, the fifty (50%) percent share of the government in the aggregate gross earnings of the Corporation from this Franchise, shall immediately be set aside and allocated to fund the following infrastructure and socio-economic projects within the Metropolitan Area:

- (a) Flood Control
- (b) Sewerage and Sewage
- (c) Nutritional Control
- (d) Population Control
- (e) Tulungan ng Bayan Centers
- (f) Beautification
- (g) Kilusang Kabuhayan at Kaunlaran (KKK) projects; *provided*, that should the aggregate gross earning be less than [PHP] 150,000,000.00, the amount to be allocated to fund the above-mentioned project shall be equivalent to sixty (60%) percent of the aggregate gross earning.

In addition to the priority infrastructure and socio-civic projects with the Metropolitan Manila specifically enumerated above, the share of the Government in the aggregate gross earnings derived by the Corporation from this Franchise may also be appropriated and allocated to fund and finance infrastructure and/or socio-civic projects throughout the Philippines as may be directed and authorized by the Office of the President of the Philippines.

SECTION 13. *Exemptions.* —

- .....
- (2) *Income and Other Taxes.* — (a) Franchise Holder: No tax of any kind or form, income or otherwise, as well as fees, charges or levies of whatever nature, whether National or Local, shall be assessed and


<sup>87</sup> *Id.* at 325.

collected under this Franchise from the Corporation; nor shall any form of tax or charge attach in any way to the earnings of the Corporation, except a Franchise Tax of five (5%) percent of the gross revenue or earnings derived by the Corporation from its operation under this Franchise. Such tax shall be due and payable quarterly to the National Government and shall be in lieu of all kinds of taxes, levies, fees or assessments of any kind, nature or description, levied, established or collected by any municipal, provincial, or national government authority.<sup>88</sup>

However, the above provisions do not apply when computing for the remittances to the National Sports Development Fund. The applicable provision is Section 26 of Republic Act No. 6847, which clearly and unqualifiedly states that the remittance is "five percent (5%) of the gross income of the Philippine Amusement and Gaming Corporation." As pointed out by my esteemed colleague, Associate Justice Alfredo Benjamin S. Caguioa, the remittance required by Section 26 of Republic Act No. 6847 is unqualified. It does not state that the computation of the 5% is arrived at after deducting the franchise tax.

SECTION 26. *Funding.* — In order to provide the necessary funds required for the organizational and initial calendar year of operational expenditures of the Commission, the amount of Twenty-five million pesos (P25,000,000.00) from the National Treasury is hereby appropriated: *Provided*, That operating expenses for the Commission itself shall not exceed twenty percent (20%) of the annual appropriation and that at least eighty percent (80%) of said annual appropriation and all of the national sports development funds, as hereinafter provided, shall be disbursed for the national sports program, particularly in support of the identification, recruitment and training of athletes in pre-regional, regional, national and international competitions, including the implementation of the Decade of Physical Fitness and Sports: 1990-2000.

To finance the country's integrated sports development program, including the holding of the national games and all other sports competitions at all levels throughout the country as well as the country's participation at international sports competitions, such as, but not limited to, the Olympic, Asian, and Southeast Asian Games, and all other international competitions, sanctioned by the International Olympic Committee and the International Federations, thirty percent (30%) representing the charity fund and proceeds of six (6) sweepstakes of lottery draws *per annum*, taxes on horse races during special holidays, *five percent (5%) of the gross income of the Philippine Amusement and Gaming Corporation*, the proceeds from the sale of stamps as hereinafter provided, and three percent (3%) of all taxes collected on imported athletic equipment shall be automatically remitted directly to the Commission and are hereby constituted as the National Sports Development Fund. Further, the Philippine Postal Service Office is hereby authorized to print paper and gold stamps which shall depict sports events and such other motif as the Philippine Postal Service Office may decide, at the expense of the Commission. Any deficiency in the financial requirements of the Commission for its sports development program shall be covered by an annual appropriation passed by Congress. (Emphasis supplied)



<sup>88</sup> Presidential Decree No. 1869 (1983), secs. 12 and 13.

That Congress intended the remittances to be based on gross income without deductions can also be seen when reading the provisions of other laws that require the Philippine Amusement and Gaming Corporation to apportion its gross income. For example, Section 6 of Republic Act No. 7648<sup>89</sup> states that the Philippine Amusement and Gaming Corporation shall allocate “10% of its annual aggregate gross earnings for the next five years as subsidy to the [National Power Corporation]: Provided, That such percentage allocation shall be based on gross revenue after deducting the five per centum (5%) franchise tax and the fifty per centum (50%) income share of the National Government.”

Thus, while the subsidy coming from the Philippine Amusement and Gaming Corporation for the National Power Corporation should be remitted only after the shares for franchise tax and the National Government have been deducted, the same instruction is absent for the share of the Philippine Sports Commission. Hence, the assertions of respondent Philippine Amusement and Gaming Corporation are interpretations not found within the law. Surely, mere memoranda approved by the President cannot find supremacy over a statute. Accordingly, the Memoranda should not be sustained.

### III

As for the Philippine Charity Sweepstakes Office, Section 26 of Republic Act No. 6847 provides that it is to allocate “30% representing the charity fund of the proceeds of six (6) sweepstakes or lottery draws per annum” to the Philippine Sports Commission.

Petitioner asserts that respondent Philippine Charity Sweepstakes Office failed to remit the amounts as provided in the law except in the years 2009, 2010, 2012, 2013, and 2015, where the Philippine Charity Sweepstakes Office remitted amounts to the Philippine Sports Commission in the form of “donation.”<sup>90</sup>

Respondent Philippine Charity Sweepstakes Office, in its defense, asserts that Section 26 of Republic Act No. 6847 pertains to earnings from its sweepstakes and does not cover lotto games. It states that due to the declining sales of the regular sweepstakes, they took it upon themselves to enter into agreements with the Philippine Sports Commission to remit various amounts in favor of the latter, claiming that this is a show of steadfast compliance on their part.<sup>91</sup>

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<sup>89</sup> Electric Power Crisis Act of 1993.

<sup>90</sup> *Rollo*, pp. 325–326.

<sup>91</sup> *Id.* at 116.

Respondent Philippine Charity Sweepstakes Office makes much of the joint meeting in the House of Representatives on House Bill No. 4284 which is the precursor of Republic Act. No. 6857.<sup>92</sup> It claims that its lottery draws cannot have been contemplated in Section 26 since they were not yet in existence when the law was enacted.

This argument does not hold water. The express terms of the statute must be construed to be applicable to circumstances that come into existence even after the passage of the law.<sup>93</sup> This is in line with the general rule that statutes operate prospectively, unless the contrary is manifested.<sup>94</sup> In addition, it is an established rule that when the law does not distinguish, the courts should not distinguish. *Ubi lex non distinguit, nec nos distinguere debemus.*<sup>95</sup> This entails that a general phrase, in this case “sweepstakes or lottery draws,” should not be reduced into its parts, with one part distinguished from the other, to remove its application from the law.<sup>96</sup> In the same vein, when the law does not indicate any exceptions, neither should this Court.<sup>97</sup> The deliberations in the House will not suffice to supply a difference in terms that were not distinguished in the law.

Verily, the attempt of respondent Philippine Charity Sweepstakes Office to exclude its lotto draws from the term “lottery” and, thus, from the operation of Section 26 finds no support.

The term “lottery” in this jurisprudence is defined as extending to “all schemes for the distribution of prizes by chance, such as policy playing, gift exhibitions, prize, concerts, raffles at fairs, and various forms of gambling.”<sup>98</sup> Moreover, lottery is said to have three essential elements, namely, consideration, prize, and chance.<sup>99</sup> In this case, it cannot be denied that the lotto draws conducted by the Philippine Charity Sweepstakes Office falls within the definition of “lottery,” in that the payment of the prize of the lotto ticket is the consideration for the chance to win the prize offered in the lotto draw.<sup>100</sup>

Thus, the phrase “30% representing the charity fund of the proceeds of six (6) sweepstakes or lottery draws per annum” necessarily includes the lotto games currently being conducted by the Philippine Charity Sweepstakes Office and other future games it may introduce which fall under the definitions of “sweepstakes” and “lottery.” Consequently, the Philippine Charity Sweepstakes Office has been remiss of its duty. Its

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<sup>92</sup> *Id.* at 111.

<sup>93</sup> CIVIL CODE, art. 4 states: “Laws shall have no retroactive effect, unless the contrary is provided.”

<sup>94</sup> CIVIL CODE, art. 4.

<sup>95</sup> *Villanueva v. People*, 864 Phil. 855, 865 (2020) [Per J. Delos Santos, Second Division].

<sup>96</sup> *National Housing Authority v. Roxas*, 772 Phil. 26, 34–35 (2015) [Per J. Bersamin, First Division].

<sup>97</sup> *Id.*

<sup>98</sup> *Uy v. Palomar*, 136 Phil. 492, 502 (1969) [Per J. Zaldivar, *En Banc*]. (Citations omitted)

<sup>99</sup> *Id.*

<sup>100</sup> *Id.*

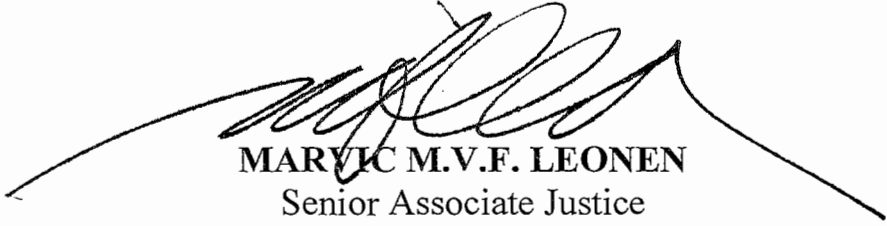
various agreements with the Philippine Sports Commission do not rectify this, as the latter does not have the authority to approve donations that violate law.

Given both respondents' patent violations of Section 26 of Republic Act No. 6847 to the detriment of all athletes and even the youth of our country, this Court finds it proper to grant the instant Petition for *Mandamus*. The Philippine Sports Commission's funding directly affects the advancement of the nation's sports programs, our athletes' ability to progress in the international forum, and the development of our youth. Given the significant role of sports in nation-building, petitioner's direct resort to this Court through this instant Petition for *Mandamus* is justified.

**ACCORDINGLY**, the Petition for *Mandamus* is **GRANTED**. The Memoranda dated November 5, 1993 and February 20, 1995 of the Philippine Amusement and Gaming Corporation is hereby deemed **VOID** for being in contravention of Section 26 of Republic Act No. 6847. The Philippine Amusement and Gaming Corporation is **ORDERED** to account and remit the full amount of 5% of its gross income per annum from 1993 to present in favor of the Philippine Sports Commission.

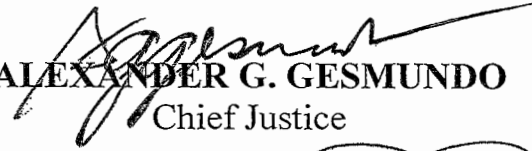
Moreover, respondent Philippine Charity Sweepstakes Office is **ORDERED** to account and remit to the Philippine Sports Commission the 30% representing the charity fund of the proceeds of six sweepstakes or lottery draw per annum, including its lotto draws, for the years 2006 to present.

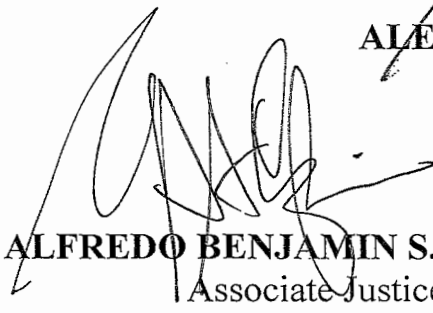
**SO ORDERED.**



MARYIC M.V.F. LEONEN  
Senior Associate Justice


WE CONCUR:


  
**ALEXANDER G. GESMUNDO**  
Chief Justice

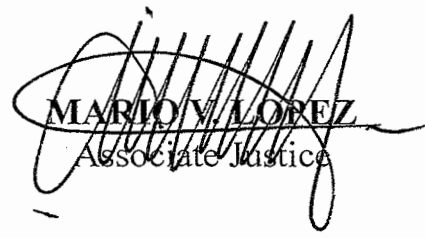
  
**ALFREDO BENJAMIN S. CAGUIOA**  
Associate Justice


  
**RAMON PAUL L. HERNANDO**  
Associate Justice

  
**AMY C. LAZARO-JAVIER**  
Associate Justice


  
**HENRI JEAN PAUL B. INTING**  
Associate Justice

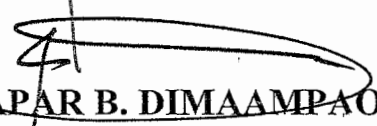
  
**RODIL V. ZALAMEDA**  
Associate Justice


  
**MARIO V. LOPEZ**  
Associate Justice

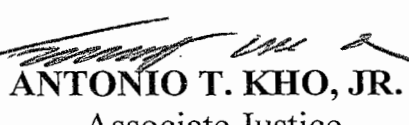
  
**SAMUEL H. GAERLAN**  
Associate Justice

  
**RICARDO R. ROSARIO**  
Associate Justice

  
**JHOSEP Y. LOPEZ**  
Associate Justice

  
**JAPAR B. DIMAAMPAO**  
Associate Justice

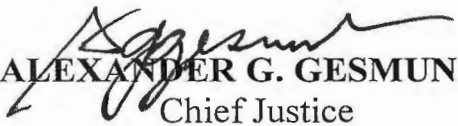
  
**JOSE MIDAS P. MARQUEZ**  
Associate Justice

  
**ANTONIO T. KHO, JR.**  
Associate Justice


  
**MARIA FILOMENA D. SINGH**  
Associate Justice

**CERTIFICATION**

Pursuant to Article VIII, Section 13 of the Constitution, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the court.

  
**ALEXANDER G. GESMUNDO**  
Chief Justice

**CERTIFIED TRUE COPY,**

  
**MARIA LUISA M. SANTILLA**  
Deputy Clerk of Court  
OCC-En Banc, Supreme Court