

EN BANC

G.R. No. 207118 – REPUBLIC OF THE PHILIPPINES and THE CITY OF BAGUIO, Petitioners, v. THE ASSOCIATION OF BARANGAY COUNCILS, Represented by Its President RUFINO M. PANAGAN, Respondent.

Promulgated:

April 22, 2025

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DISSENTING OPINION

CAGUIOA, J.:

The threshold issue in this case is whether a barangay is permitted to conduct fund-raising activities through bingo games without obtaining any permit from the Philippine Amusement and Gaming Corporation (PAGCOR) or any other agency.

The *ponencia* answers in the affirmative. It holds that, following the enactment of Republic Act No. 9487,¹ which amended the PAGCOR franchise under Presidential Decree No. 1869,² games of chance, games of cards, and games of numbers authorized, licensed, and regulated by local government units are beyond the authority and power of PAGCOR to regulate.

Respectfully, I dissent. There is no explicit authority for sangguniang barangays to operate bingo games, even if conducted as a fund-raising activity. The express provision of Presidential Decree No. 1869, as amended, places bingo games within the regulatory authority of PAGCOR—not to any other entity.

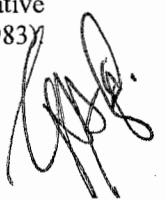
I.

The power of barangays to conduct fund-raising activities is circumscribed by national policies, standards, and regulations on morals, health, and safety.

The *ponencia* anchors its ruling on the principle of local autonomy which, from the language of Section 391(a)(11), Chapter IV, Title I, Book III

¹ An Act Further Amending Presidential Decree No. 1869, Otherwise Known as PAGCOR Charter (2007).

² Consolidating and Amending Presidential Decree Nos. 1067-a, 1067-b, 1067-c, 1399 and 1632, Relative to the Franchise and Powers of the Philippine Amusement and Gaming Corporation (PAGCOR) (1983)



of the Local Government Code,³ empowers the sangguniang barangay to hold fund-raising activities “without the need of securing permits from any national or local office or agency.”⁴ The *ponencia* reasons that the “*Bingo sa Barangay*” subject of the present case was approved as a fund-raising activity by several barangays in Baguio City through their respective resolutions. As such, it is unnecessary to obtain a permit from PAGCOR before conducting this activity.⁵

I disagree.

It is well-settled that, in statutory construction, every part of the statute must be interpreted with reference to the context. The law must not be read in truncated parts; rather, it must be read in relation to the whole law. Clauses and phrases in the law are not detached and isolated expressions, but the whole and every part thereof must be considered in fixing the meaning of any of its parts to produce a harmonious whole. Simply put, all the words in the statute must be taken into consideration in order to ascertain its meaning.⁶

A careful reading of Section 391(a)(11) of the Local Government Code reveals that the authority of the barangay to conduct fund-raising activities is not without limits:

Section 391. *Powers, Duties, and Functions.* – (a) The sangguniang barangay, as the legislative body of the barangay, shall:

....

- (11) **Hold fund-raising activities for barangay projects without the need of securing permits from any national or local office or agency.** The proceeds from such activities shall be tax-exempt and shall accrue to the general fund of the barangay: *Provided*, That in the appropriation thereof, the specific purpose for which such fund-raising activity has been held shall be first satisfied: *Provided, further*, That no fund-raising activities shall be held within a period of sixty (60) days immediately preceding and after a national or local election, recall, referendum, or plebiscite: ***Provided, finally*, That said fund-raising activities shall comply with national policy standards and regulations on morals, health, and safety of the persons participating therein.** The *sangguniang barangay*, through the *punong barangay*, shall render a public accounting of the funds raised at the completion of the project for which the fund-raising activity was undertaken[.] (Emphasis supplied)

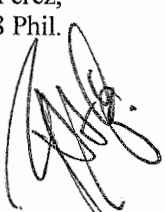
The significance of the last proviso in Section 391(a)(11) of the Local Government Code should not be overlooked. While a barangay may hold fundraisers, this authority is circumscribed by the “**national policy standards**

³ Republic Act No. 7160 (1991).

⁴ *Id.*, Book III, Title I, Chapter IV, sec. 391(a)(11).

⁵ *Ponencia*, p. 9.

⁶ *Philippine International Trading Corp. v. Commission on Audit*, 635 Phil. 447, 454 (2010) [Per J. Perez, *En Banc*]; *Republic v. Maria Basa Express Jeepney Operators and Drivers Association, Inc.*, 928 Phil. 182, 249 (2022) [Per J. Lopez, J., *En Banc*].



and regulations on morals, health, and safety of the persons participating therein.”⁷ Simply put, the activity intended to raise funds should fundamentally be in accordance with any policies or regulations at the national level.

Here, several barangays in Baguio City—namely, Barangay Trancoville, Barangay Outlook Drive, and Barangay Military Cut-Off, passed separate resolutions authorizing and approving the “*Bingo sa Barangay*” as a fund-raising activity within their respective jurisdictions.⁸ Without securing any prior approval from PAGCOR or any agency, the barangays proceeded to hold these bingo games by invoking their authority under Section 391(a)(11) of the Local Government Code.

It bears noting, however, that bingo is a game of chance, as it is “played with randomly drawn numbers which players match against numbers on cards with differently numbered squares.”⁹ A player wins by being the first to complete the predetermined pattern.¹⁰ The conduct of bingo games, a game of chance, squarely falls within the regulatory authority of PAGCOR, which was created to centralize the regulation of all games of chance authorized by existing franchise or permitted by law within the Philippines.¹¹ With the exclusion of bingo games played as parlor games or for home entertainment,¹² bingo is considered a form of gambling. To be sure, unauthorized or illegal gambling activities, including games of chance, are punishable under Presidential Decree No. 1602,¹³ as amended. These clearly illustrate the policy considerations in regulating bingo games, even if these are supposedly held for a laudable purpose, such as to raise funds for a local government unit’s social welfare programs.

The Regulatory Framework of Bingo,¹⁴ which the Office of the Solicitor General judiciously attached in its Supplemental Motion for Reconsideration before the Court of Appeals, discussed the procedure for securing the appropriate licenses to operate commercial and charity bingo operations. Charity bingo includes fund-raising events hosted by either private organizations or public offices, which may be conducted by the host institution itself, or in cooperation with PAGCOR.¹⁵ In either case, a letter-request addressed to PAGCOR is required.

⁷ Republic Act No. 7160 (1991), Book III, Title I, Chapter IV, sec. 391(a)(11).

⁸ *Rollo*, pp. 111–114, Barangay Resolution Nos. 01-010, 2005-012, and 20, Series of 2005.

⁹ PAGCOR, Gaming Site Regulatory Manual (BINGO Games) Version 3.0, March 2017, *available at* <https://www.pagcor.ph/regulatory/pdf/GSRM/Regulatory%20Manuals/Gaming%20Site%20Regulatory%20Manual%20for%20Bingo%20Games%20v3.0.pdf>. (last accessed on July 9, 2025).

¹⁰ *Id.*

¹¹ Presidential Decree No. 1869 (1983).

¹² Letter of Instructions No. 816, Exclusion of Certain Prohibited Games Under Presidential Decree No. 1602 (1979).

¹³ Stiffer Penalties on Illegal Gambling (1978), as amended by Republic Act No. 9287, An Act Increasing the Penalties For Illegal Numbers Games, Amending Certain Provisions of Presidential Decree No. 1602, and for Other Purposes (2004).

¹⁴ *Rollo*, pp. 76–84.

¹⁵ *Id.* at 81.

The conduct of the bingo game, such as the program, equipment, and even the bingo cards, are subject to the inspection and approval of PAGCOR.¹⁶ If the fund-raising bingo activity is held by an organization or government institution on its own, PAGCOR assigns a Bingo Monitoring Staff to the event. The organization or government institution is also required to execute an undertaking that the prizes, whether in cash or in kind, are readily available for awarding to the winners. All of these are safeguards intended to avoid game-rigging and manipulation. In this manner, PAGCOR ensures the safety, integrity, and fairness of the bingo games, even if conducted as a fund-raising activity.¹⁷

More importantly, Republic Act No. 9487, which amended the PAGCOR franchise, **explicitly places the regulation of bingo games within the latter's authority:**

Section 1. The Philippine Amusement and Gaming Corporation (PAGCOR) franchise granted under Presidential Decree No. 1869, otherwise known as the PAGCOR Charter, is hereby further amended to read as follows:

(1) Section 10, Nature and Term of Franchise, is hereby amended to read as follows:

“SEC. 10. *Nature and Term of Franchise.* – Subject to the terms and conditions established in this Decree, the Corporation is hereby granted from the expiration of its original term on July 11, 2008, another period of twenty-five (25) years, renewable for another twenty-five (25) years, **the rights, privileges and authority to operate and license gambling casinos, gaming clubs and other similar recreation or amusement places, gaming pools, i.e., basketball, football, bingo, etc.** except jai-alai, whether on land or sea, within the territorial jurisdiction of the Republic of the Philippines: *Provided*, That the corporation shall obtain the consent of the local government unit that has territorial jurisdiction over the area chosen as the site for any of its operations.

The operation of slot machines and other gambling paraphernalia and equipment, shall not be allowed in establishments open or accessible to the general public unless the site of these operations are three-star hotels and resorts accredited by the Department of Tourism authorized by the corporation and by the local government unit concerned.

The authority and power of the PAGCOR to authorize, license and regulate games of chance, games of cards and games of numbers shall not extend to: (1) games of chance authorized, licensed and regulated or to be authorized, licensed and regulated by, in, and under existing franchises or other regulatory bodies; (2) games of chance, games of cards and games of numbers authorized, licensed, regulated by, in, and under special laws such as Republic Act No. 7922; and (3) games of chance, games of cards and games of

¹⁶ *Id.* at 81–83.

¹⁷ *Id.* at 73.



numbers like cockfighting, authorized, licensed and regulated by local government units. The conduct of such games of chance, games of cards and games of numbers covered by existing franchises, regulatory bodies or special laws, to the extent of the jurisdiction and powers granted under such franchises and special laws, shall be outside the licensing authority and regulatory powers of the PAGCOR.”¹⁸ (Emphasis supplied)

The *ponencia*, however, does not consider the authority of PAGCOR over bingo games as all-encompassing. It has a different interpretation of the third paragraph quoted above—that games of chance authorized, licensed, and regulated by local government units are not within PAGCOR’s jurisdiction. According to the *ponencia*, the autonomy of local governments is ensured by granting it the power to hold fund-raising activities for barangay projects “without the need of securing permits from any national or local office or agency.”¹⁹

This interpretation is misplaced.

Aside from completely disregarding the last proviso of the same provision (i.e. “that said fund-raising activities shall comply with national policy standards and regulations on morals, health, and safety of the persons participating therein”), **the principle of local autonomy does not clothe local government units with immunity from complying with the policies of the national government.** The power of barangays to hold fund-raising activities, which may be considered an important aspect of implementing its autonomy, cannot contravene the explicit mandate of PAGCOR.

In *Basco, et al. v. PAGCOR*²⁰ (*Basco*), several local government units challenged the constitutionality of Presidential Decree No. 1869, particularly for allegedly encroaching on their right to impose local taxes and license fees. The Court upheld the validity of Presidential Decree No. 1869 **as the power of local government is always subject to the limitations provided by national law:**

Besides, the principle of local autonomy under the 1987 Constitution simply means “decentralization” (III Records of the 1987 Constitutional Commission, pp. 435-436, as cited in Bernas, *The Constitution of the Republic of the Philippines*, Vol. II, First Ed., 1988, p. 374). It does not make local governments sovereign within the state or an “*imperium in imperio*.”

“Local Government has been described as a political subdivision of a nation or state which is constituted by law and has substantial control of local affairs. In a unitary system of government, such as the government under the Philippine Constitution, local governments can only be an *intra sovereign subdivision* of one *sovereign nation*, it cannot be an *imperium in*

¹⁸ Presidential Decree No. 1869 (1983), sec. 10, as amended by Republic Act No. 9487 (2007).

¹⁹ *Ponencia*, p. 8.

²⁰ 274 Phil. 323 (1991) [Per J. Paras, *En Banc*].



imperio. Local government in such a system can only mean a measure of decentralization of the function of government....

As to what state powers should be “decentralized” and what may be delegated to local government units remains a matter of policy, which concerns wisdom. It is therefore a political question. (*Citizens Alliance for Consumer Protection v. Energy Regulatory Board*, 162 SCRA 539).

What is settled is that the matter of regulating, taxing or otherwise dealing with gambling is a State concern and hence, it is the sole prerogative of the State to retain it or delegate it to local governments.

“As gambling is usually an offense against the State, legislative grant or express charter power is generally necessary to empower the local corporation to deal with the subject. . . . In the absence of express grant of power to enact, ordinance provisions on this subject which are inconsistent with the state laws are void.” (Ligan v. Gadsden, Ala App. 107 So. 733 Ex-Parte Solomon, 9, Cals. 440, 27 PAC 757 following in re Ah You, 88 Cal. 99, 25 PAC 974, 22 Am St. Rep. 280, 11 LRA 480, as cited in Mc Quinllan Vol. 3 ibid, p. 548.²¹ (Emphasis and italics supplied)

In other words, local autonomy cannot prevail over the clear national policy to centralize the regulation of all games of chance. This is apparent from the first whereas clause and declaration of policy in Presidential Decree No. 1869 **which created PAGCOR precisely for purposes of centralizing the regulation of gambling and games of chance into one corporate entity.**²²

Verily, the mere fact that local government units possess local autonomy is not, and cannot be deemed, a blanket authority for barangays to raise revenues in any manner it deems necessary. Local autonomy is always understood in the context of the Philippines being a unitary State, with a national government that centrally exercises state functions. Thus, the local autonomy of local governments remains circumscribed by the relevant statutes and national policies. Here, a plain reading of Section 391 of the Local Government Code reveals that there is no explicit grant of authority to barangays to operate “*Bingo sa Barangay*” or any such game of chance without obtaining the necessary permits. Neither does this provision expressly authorize barangays to license bingo games or operations outside the regulatory framework of PAGCOR.

II.

There is no express statutory authority for sangguniang barangays to operate bingo games without securing a permit from PAGCOR.

²¹ *Id.* at 341.

²² Presidential Decree No. 1869 (1983), sec. 1(a).



In his Concurring Opinion, Senior Associate Justice Marvic M.V.F. Leonen asserts that the appropriate manner of harmonizing the authority of PAGCOR and the barangays is to consider the PAGCOR Charter as a general law on the regulation of gambling, and the Local Government Code as a special law. Between a general law (the PAGCOR Charter) and a special law (the Local Government Code), it is the latter that should prevail.²³

With respect, I disagree.

The authority of the sangguniang barangay to conduct fund-raising activities is general in character, as it covers any activity that involves raising money for a particular purpose—not just to bingo games or any gambling activity. On the other hand, the authority of PAGCOR under Section 10 of Presidential Decree No. 1869, as amended, specifically covers games of chance, particularly, bingo, whether for purposes of raising funds or otherwise. Thus, as regards bingo games, Section 10 of Presidential Decree No. 1869, as amended constitutes a particular prescription that PAGCOR shall have authority to license and operate all bingo games, unless it is already “covered by existing franchises, regulatory bodies or special laws.”²⁴

To be sure, had Congress intended to divest from PAGCOR the authority to conduct bingo games, it would have expressly done so, as it did with cockfighting. Presidential Decree No. 449,²⁵ a special law, governs cockfighting and expressly authorized the city and municipal mayors to issue licenses for the operation and maintenance of cockpits in their territorial jurisdiction, viz.:

Section 6. Licensing of Cockpits. City and municipal mayors are authorized to issue licenses for the operation and maintenance of cockpits subject to the approval of the Chief of Constabulary or his authorized representatives. For this purpose, ordinances may be promulgated for the imposition and collection of taxes and fees not exceeding the rates fixed under Section 13, paragraphs (a) and (b); and 19; paragraph (g) 16 of Presidential Decree No. 231, dated June 28, 1973, otherwise known as the Local Tax Code, as amended.

Following the effectivity of the Local Government Code, this authority was transferred from the mayor to the sangguniang bayan or sangguniang panlungsod.²⁶ Thus, by virtue of the third paragraph of Section 10, Presidential Decree No. 1869, as amended—which expressly carved out “games of chance, games of cards and games of numbers like cockfighting, authorized, licensed and regulated by local government units” from the regulatory authority of PAGCOR—the license to operate cockpits and permits for cockfighting is beyond the scope of PAGCOR’s authority.

²³ SAJ. Leonen, Concurring Opinion, pp. 10–11.

²⁴ Presidential Decree No. 1869 (1983), sec. 10; see *City of Manila v. Teotico, et al.*, 130 Phil. 244 (1968) [Per C.J. Concepcion, *En Banc*].

²⁵ Cockfighting Law of 1974 (1974).

²⁶ Republic Act No. 7160 (1991), Book I, Title II, Chapter III, art. III, sec. 447(a)(3)(v) and Book III, Title III, Chapter III, art. III, sec. 458(a)(3)(v).



To reiterate, there is no corresponding carve-out for bingo operations in the PAGCOR franchise. The import of the exception in the third paragraph of Section 10 of Presidential Decree No. 1869, as amended, is to recognize that the games of chance, games of cards and games of numbers may, indeed, be authorized, licensed and regulated by local government units **when** such jurisdiction and powers are accorded by law. In other words, these powers are not inherent in local government units. The Local Government Code does not expressly say so, and insofar as the conduct of bingo operations is concerned, it is also not expressly provided for under the Local Government Code, unlike with cockfighting. Contrary to the interpretation of the *ponencia*, Section 391(a)(11) of the Local Government Code cannot be relied upon as basis.

III.

In all, that barangays are authorized under Section 391(a)(11) of the Local Government Code to conduct “fund-raising activities . . . without the need of securing permits from any national or local office or agency” does not mean that it is exempt from securing permits in *all* instances. To be sure, the term “fund-raising [activity]” in Section 391(a)(11) is used in the general sense and may cover any endeavor intended to solicit or bring in financial support. Thus, barangays may generally conduct such activities without securing permits from any agency or other local government unit. However, it is erroneous to presume that any and all fund-raising activities, including bingo, games of chance, or other games regulated by PAGCOR, is authorized by virtue of Section 391(a)(11). The breadth of activities that may be covered by this term necessarily includes activities or programs that may be subject to special laws. Verily, as Section 391(a)(11) itself provides, the barangay cannot supersede the regulatory requirements over specific activities, as these are always subject to national policy standards and regulations on morality, health, and safety.

It also bears noting that recently, the Department of Interior and Local Government (DILG) issued Memorandum Circular No. 2023-074,²⁷ directing local government units and officials to discontinue operating “*Bingo sa Barangay*,” “*Barangay Lucky Bingo*,” and other illegal numbers games. The DILG recognized that unauthorized games of chance are punishable under Presidential Decree No. 1602, and only PAGCOR may control and supervise the conduct of these games. The *ponencia*, however, insists that the DILG cannot impose its own interpretation of the law, as this is the function of the Court.²⁸ But, to my mind, the DILG Memorandum Circular was not issued to interpret or adjudicate any conflicting claims. It merely implemented the plain

²⁷ DILG Memorandum Circular No. 2023-074, Intensifying the Campaign Against the Proliferation of *Bingo sa Barangay* (BSB)/*Barangay Lucky Bingo* (BLB), Among Other Illegal Numbers, Operated by the LGUs (2023).

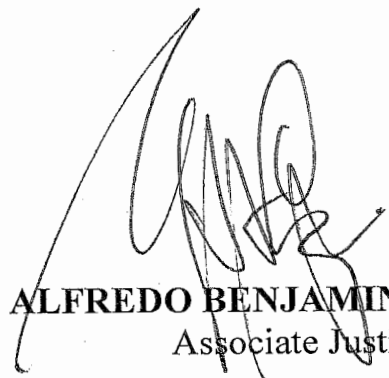
²⁸ *Ponencia*, p. 13.



text of the relevant statutes, and provided guidance, consistent with its mandate to assist the President in the supervision of local government units.²⁹

Based on the foregoing, it is grievously erroneous to read the phrase “fund-raising activities for barangay projects without the need of securing permits from any national or local office or agency” in isolation. The same provision granting this authority to barangays also defined the contours of this authority, categorically stating that “said fund-raising activities shall comply with national policy standards and regulations on morals, health, and safety of the persons participating therein.” There being clear national policy standards and regulations for the conduct of games of chance, including bingo, barangays cannot simply dispense with the necessary permits. To reiterate, “[a] statute must be so construed as to harmonize and give effect to all its provisions whenever possible.”³⁰ Thus, the *ponencia* should not cherry-pick which portions of the provision should apply, effectively clothing the bingo operations of barangays with legitimacy by the mere expedient of labeling these games as fund-raising activities. Neither Section 391(a)(11) of the Local Government Code nor the relevant regulations on gambling activities sanction the barangay’s conduct of bingo games without the prior approval of PAGCOR.

ACCORDINGLY, I dissent. I vote to **GRANT** the Petition.



ALFREDO BENJAMIN S. CAGUIOA
Associate Justice

²⁹ Executive Order No. 262 (1987), sec. 4; *see also* Republic Act No. 6975 (1990).

³⁰ *Chavez v. Judicial and Bar Council, et al.*, 691 Phil. 173 (2012) [Per J. Mendoza, *En Banc*]. (Citation omitted)