

Rota gaming commission amends rules

Rota – The Rota Casino Gaming Commission, in a media release, says it has amended its rules and regulations to accommodate the slowdown in the global economic environment and the numerous challenges facing new developments on Rota.

“We have worked tirelessly for the past month with a regional gaming expert to identify areas in our rules and regulations that were in conflict with the current gaming investor environment. We feel that the positive changes we have made, will now allow Rota to be one of the, if not the most, favorable gaming jurisdictions to invest and operate a casino in,” said Commission Chairman Diego M. Songao.

One of the most significant pro-business changes that the commission made was to allow a casino investor to phase in development to meet the required USD 25 million total investment that the Rota Gaming Act requires.

Section 2-2.1 of the regulations, as amended, provides via a conditional license, a 10-year period for investors to meet the total investment requirement of USD 25 million as long as the first phase of development is a minimum of USD 5 million.

In addition, the investor will be required to financially demonstrate that future funding will be available for the phased development plan of USD 25 million required within the 10-year period.

“This gives investors a lower upfront threshold of investment (USD 5 million), so that they have less capital at risk in a global recession environment. At the same time, we provide the time that is necessary for the possible improvement in the overall economic environment,” said Commissioner Abelina T. Mendiola.

Another notable amendment was the reduction of fees.

The commission reduced the license application filing fee from USD 100,000 to USD 10,000 and the casino license fee from a USD 200,000 flat rate per year to a tiered rate of USD 150,000 for one year, USD 300,000 for three years and USD 400,000 for five years.

“Our overall goal was to create a regulatory environment that is enticing to developers in a very tight global capital market, but at the same time, we strengthened protections for the people of Rota. Both the people of Rota and the investors are stakeholders of this new industry. As equal stakeholders, the [commission] understands the needs of potential investors. The investors, therefore, must understand and respect the needs of the community,” said Commissioner Melchor A. Mendiola.

Significant changes made for these types of local protections included section 2-2.2(e), which states that licensees will be required to set aside 20 percent of their total purchasing for local businesses on Rota.

Another protective section is 2-2.4(a)(10), which states that licensees will be required to maintain a minimum of 20 percent local resident hires.

“We felt it was necessary that while deregulating and lowering fees for the investor, we, at the same time, ensure that Rota’s economy benefits as the people intended in the passage of the Rota Casino Gaming Act,” said Justin S. Manglona, secretary of the commission.

Other provisions were added such as a requirement for the licensee to conduct regular open training for residents of Rota and a provision in the regulations to waive fees for casino service industry businesses based on Rota.

“Overall, we strongly believe that we have made the necessary

amendments that are fair to the people of Rota and at the same time acknowledge the difficult economic environment our prospective investors face. The impression we wanted to convey to all investors is that although we are one of the world's newest gaming jurisdictions, we are also one of the most investor friendly," said Commission Vice Chairman Elphrem S. Taimanao.