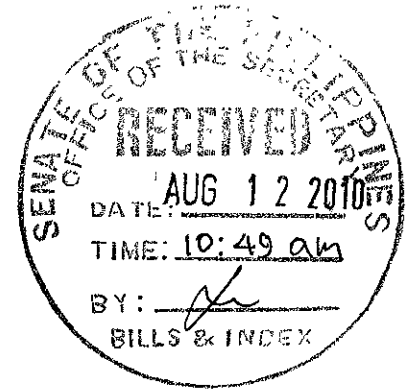


FIFTEENTH CONGRESS OF THE REPUBLIC  
OF THE PHILIPPINES  
FIRST REGULAR SESSION



SENATE

S.B. No. 2406

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Introduced by: SEN. RAMON BONG REVILLA, JR.

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**EXPLANATORY NOTE**

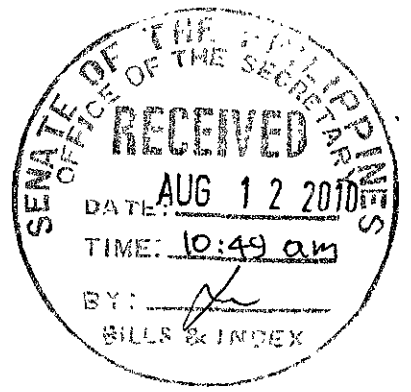
Our nation has, for many decades now, always upheld a basic yet highly important right; the right to freedom of expression. The Philippines in fact prides itself as being one of the first nations in Asia to recognize and uphold this freedom. Indeed, Dr. Jose Rizal and Graciano Lopez Jaena would be proud to witness that they have successfully instilled in us the value of being persistent and relentless in fortifying the freedom of expression they had fought for.

At present times, what some refer to as the communication era, there seems to be an overflow or influx of media transmission. Communication and dissemination of information has never been as easy or as accessible to the people and every day, technology is finding newer ways to further improve this powerful tool (communications). But like every other thing of might and power, the rise of communication brings along with it an equally important aspect; that of responsibility. Because of the fact that media has become an indispensable part of our lives, and has in fact been proven to shape and influence our thoughts and actions, especially the young susceptible minds, there is certainly a need to ensure the integrity and quality of information or entertainment that is readily available for the public.

This measure calls for the creation of the Movie and Television Review and Classification Commission which shall be tasked to promote and protect the physical, moral, spiritual, intellectual and social well-being of our youth and to shield them from conditions prejudicial to their normal development. It is for these reasons that I call upon my colleagues for the immediate passage of this measure.

  
RAMON BONG REVILLA, JR.

FIFTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
First Regular Session )



SENATE

Senate Bill No. 2406

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Introduced by SENATOR RAMON BONG REVILLA, JR.

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**AN ACT CREATING THE  
MOVIE AND TELEVISION REVIEW AND CLASSIFICATION  
COMMISSION, ABOLISHING FOR THE PURPOSE  
THE MOVIE AND TELEVISION REVIEW AND CLASSIFICATION BOARD  
(MTRCB)**

**SECTION 1. Short Title.**

This Act shall be called the Movie and Television Review and Classification Commission or the "MTRCC ACT OF 2010".

**SECTION 2. State Policies.**

It is a declared policy of the State to promote and protect the physical, moral, spiritual, intellectual, and social well-being of the youth and to shield them from other conditions prejudicial to their normal development.

It is further declared that the welfare of children and the State's mandate to protect and care for them, as *parens patriae*, constitute a substantial and compelling government interest in regulating motion pictures and television broadcasts.

**SECTION 3. Definition of Terms.**

As used in this Act:

- a) "Adult" shall refer to any person eighteen (18) years of age and over;
- b) "Advertisements" shall refer to any audiovisual statement or notice that solicits patronage of a product or service, or enhance a business' general standing when the same is shown in movie theaters, free television, cable television, or other electronic forms of mass media;
- c) Cable Television Service – shall refer to the delivery of audiovisual material, whether by wire or wireless method, to subscribers for a consideration, whether in the form of subscription fee, membership fee, or its equivalent;
- d) "Chairperson" shall refer to the Chairperson of the MTRCC;

- e) "Classification" shall refer to the rating imposed by the MTRCC on any motion picture, television or cable television programs, publicity materials and advertisements to determine audience suitability;
- f) "Commission" shall refer to the Members of the MTRCC;
- g) "Committee" shall refer to the Review and Classification Committee of the MTRCC;
- h) "Commercial Exhibition" shall refer to public showing of a motion picture where the general public seeks admission for a consideration, whether in the form of admission fee, membership fee or its equivalent, to view said motion picture;
- i) "General Viewing" shall refer to making motion pictures, television programs, publicity materials or advertisements available to the general public for its viewing through film packs, compact discs, tapes or similar materials sold, leased, or lent in commercial outlets, public lending clubs, and similar organizations;
- j) "Live Programs" shall refer to any television program containing events which are happening simultaneously as it is actually being broadcast;
- k) "Motion Picture" shall refer to a series of pictures projected on screen in rapid succession, with objects shown in successive positions slightly changed so as to produce the optical effect of a continuous picture in which the objects move, whether the picture be black and white or colored, silent or with accompanying sound, on whatever medium and with whatever mechanisms or equipment they are projected, and in whatever material they are preserved or recorded for instant projection. For the purpose of this Act, the materials in which the motion picture is contained, preserved, or recorded forms an integral part of the motion picture subject of this Act.
- l) "Movie theaters and cinemas" shall refer to amusement places where a person seeks admission, with or without an admission fee, whether for profit or not, and whether for commercial and proprietary purposes or not, to view a motion picture;
- m) "MTRCC" shall refer to the entire organizational structure of the Movie and Television Review and Classification Commission;
- n) "Newscast or News Program" shall refer to the straight presentation of events or the depiction of actualities without commentaries or opinions from the news deliverer;
- o) "Non-Commercial Exhibition" shall refer to:
  - i) Public showing of motion pictures imposing no admission fee, membership fee or its equivalent; and
  - ii) Limited exhibition of motion pictures to organizations, societies, clubs, groups, associations;
- p) "Obscene Material" shall refer to a material which has the tendency to deprave or corrupt those whose minds are open to such immoral influences and which is offensive to decency, chastity or delicacy; or material which to a reasonable person, applying contemporary Filipino cultural values as standard, would find the work, appeals to the prurient interest; or material which depicts, describes, or shows, in a patently offensive way, sexual conduct such as but not limited to representations or

descriptions of ultimate sexual acts (whether normal or perverted, actual or simulated), masturbation, excretory functions, lewd exhibition of breast or genital, or any act that portrays erotic behavior designed to cause the sexual excitement; or material which, taken as whole, lacks serious literary, artistic, political, or scientific value.

q) "President" shall refer to the President of the Republic of the Philippines;

r) "Public Affairs Program" shall refer to a variety of news treatment; a cross between pure television news and news-related commentaries, analysis and/or exchange of opinions;

s) "Publicity Materials" shall refer to any material employed to generate public interest in a motion picture, television or cable television program and includes trailers which consists of scenes taken from a motion picture or television program or layouts for print publication, or advertorials, still photos, leaflets, posters and billboards;

t) "Review" shall refer to examination of motion pictures, television and cable television programs, publicity materials, and advertisements for the purpose of classification for audience suitability;

u) "Television Broadcast" shall refer to wire or wireless transmission of audiovisual material to free television, cable television or similar service;

v) "Television Program" shall refer to any matter aired or broadcast on free television and cable television including live programs, advertisements, teleplays and motion pictures.

#### **SECTION 4. Creation/Abolition.**

To implement the policies enunciated in this Act, the Movie and Television Review and Classification Commission (MTRCC), is hereby created. The MTRCB created under Presidential Decree No. 1986 is hereby abolished.

The MTRCC shall be composed of the Members of the Commission, a Review and Classification Committee, and a Secretariat composed of a Director for Legal and Prosecution Service and a Director for Administrative and Technical Services.

The MTRCC shall be placed under the Office of the President and shall have its principal office in Metropolitan Manila.

#### **SECTION 5. The MTRCC.**

The MTRCC shall be composed of a Chairperson and four (04) Members of the Commission, all of whom shall be appointed by the President of the Philippines.

The four (04) Members of the Commission shall be composed of the following:

a. One (1) representative from the child and welfare organization;

- b. One (1) representative from the movie and broadcast industry;
- c. One (1) representative from the religious sector; and
- d. One (1) representative from the academe.

The members shall be nominated by their industry organizations. At least two (2) members of the Commission shall be members of the Integrated Bar of the Philippines. The members of the Commission shall elect from among themselves the Vice-Chairperson.

They shall hold office for a term of three (3) years unless sooner removed by the President for cause. Provided, that, they shall be eligible for reappointment after the expiration of their respective terms. Provided, further, that no Member shall serve for more than two (2) consecutive terms.

If any Member fails to complete his term, the person appointed to fill the vacancy shall serve only for the unexpired portion of the term of the member whom he succeeds.

#### **SECTION 6. Qualifications.**

The Members of the Commission shall be natural-born Filipino citizens, at least twenty-one years (21) of age, and of good moral character. Provided, that, the Chairperson and Vice-Chairperson shall be at least thirty-five (35) years of age, of known probity and managerial and administrative competence. Provided, further, that no member of the Commission shall be directly connected with the movie and television industries. Provided, finally, that, no person who is a stockholder, officer, partner or owner of a television station or any entity engaged in the production, sale, distribution, importation, exportation, showing or exhibition of any motion picture/television program/publicity material/advertisement, or related within the fourth civil degree of consanguinity with the President of the Republic of the Philippines or with the president or owner of any entity engaged in the production, sale, distribution, importation, exportation, showing or exhibition of movies shall be appointed member of the Commission.

#### **SECTION 7. Compensation.**

The Chairperson shall have the rank of an undersecretary and shall receive salary and allowances based on the current approved standardized government compensation. The Members of the Commission shall be entitled to honoraria and allowances subject to existing laws, rules and regulations.

#### **SECTION 8. Powers and Functions.**

The Commission shall have the following functions, powers and duties:

- a) To promulgate and implement rules and regulations as are necessary or proper for the accomplishment of the purposes and objectives of the MTRCC;

b) To constitute and supervise the Review and Classification Committee herein created. The Commission shall determine the number of the members of the Committee as may be necessary to accomplish the purposes and objectives of the MTRCC, subject to the limitations of Section 9 of this Act;

c) To promulgate and implement a standard and objective system it deems necessary for the review and classification of movies, television programs, publicity materials, and advertisements, subject to the provisions of Section 13 of this Act;

d) To sit and resolve en banc or in division all appeals on the decisions and final orders of the review and classification committee and of the hearing and adjudication committee;

e) To grant, issue, deny, suspend or cancel, permits and licenses for the distribution, exhibition, and/or television broadcast of all motion pictures, television and cable television programs, publicity materials, and advertisements intended for public exhibition and distribution in the Philippines;

f) To conduct inspections, by itself or in coordination with other competent agencies of the government, at any time, of establishments or entities to determine compliance with this Act. For this purpose, the agents of the MTRCC shall be considered agents of persons in authority;

g) To deputize representatives from the government, various civic organizations, and concerned sectors or individuals, including the Local Government Units whose main duties shall be to help monitor compliance with and report violations of the provisions of this Act, its rules and regulations, and other pertinent laws. The Commission may constitute Monitoring Councils as may be appropriate for the effective implementation of the purposes and objectives of this Act. The Commission may also call on any law enforcement and or any government agency or instrumentality for assistance in the implementation and enforcement of its decisions and orders;

h) To levy, assess and collect, periodically adjust and revise, the rates of fees and charges for the work of review and classification, for the imposition of fines, and for the issuances of licenses and permits granted by the Commission;

i) Hear and resolve administrative cases against violators of this Act and impose administrative sanctions including, but not limited to, the imposition of fines and penalties; preventive custody of equipment and materials used in the exhibition and/or copying of motion pictures; suspension, non-renewal or cancellation of the licenses or permits to operate and/or exhibit; suspension of television programs; seizure and confiscation of the objectionable material being exhibited or shown without approval of the Commission or in violation of this Act; and the closure of movie theaters, television stations, cable television networks, establishments or entities engaged in the public exhibition of motion pictures, television programs, publicity materials and advertisements that violate the provisions of this Act and its rules and regulation. For this purpose, the Commission shall have the power to cite in contempt persons or entities willfully disregarding its processes and to issue subpoena or subpoena duces tecum to compel the attendance of witnesses and production of documents and other effects;

j) To delete any portion, or disapprove or prohibit the showing or copying, exhibition, including television broadcast, sale, distribution, importation or exportation, of any motion picture, television program, publicity material, or advertisement, which in the judgment of the Commission, applying contemporary Filipino cultural values as standards, is immoral, indecent, obscene, contrary to law, public policy, public interest, good customs, and/or religious beliefs, or with a dangerous tendency to encourage the commission of or cater to crimes, violence, or wrong, such as but not limited to:

k) those which tend to incite subversion, insurrection, rebellion or sedition against the State, or otherwise threaten the economic and/or political stability of the State;

2) those which tend to undermine the faith and confidence of the people in their government and/or the duly constituted authorities;

3) those which glorify criminals or condone crimes;

4) those which serve no other purpose but to satisfy the market for violence or pornography;

5) those which tend to abet the traffic in and use of prohibited drugs;

6) those which are libelous or defamatory to the good name and reputation of any person, whether living or dead; and

7) those which may constitute contempt of court or of any quasi-judicial tribunal, or pertain to matter which are sub-judice in nature.

Provided, that, such deletion or cuts must not be made in the master negative of the film and the reviewed copy shall be deposited with the Commission, which shall not be returned to the film owner except upon court order;

l) To disapprove or prohibit the showing or exhibition, sale, lease or distribution of motion pictures, television programs, publicity materials, or advertisements which deal with the traffic in or use of prohibited drugs, including those which pertain to cases pending in Court or quasi judicial bodies or tribunals. Provided, that the movie or motion picture thus disapproved or prohibited shall not be returned to the owner except upon court order;

m) To fine, censure, or close movie houses, television stations, cable networks or such similar establishments which are found showing or exhibiting motion pictures, television programs, publicity materials or advertisements without permit from the Commission, or previously disapproved or prohibited for showing or exhibition by the Commission, or which contain or include any portion cut or deleted or ordered to be cut or deleted by the Commission;

n) To prescribe the internal and operational procedures for the exercise of its powers and functions, the performance of its duties and responsibilities and other related matters;

o) To cause the prosecution, on behalf of the People of the Philippines, of violators of this Act;

p) To exercise such other powers and functions as may be necessary or incidental to the attainment of the purposes and objectives of this Act, and to perform other related duties and responsibilities as may be directed by the President;

#### **SECTION 9. Review and Classification Committee.**

There is hereby created a Review and Classification Committee, herein referred as the Committee, under the general supervision of the Commission which shall review and classify all motion pictures, television programs, publicity materials and advertisements intended for general viewing, whether they be for theatrical or non-theatrical distribution or television broadcast, and whether imported or produced in the Philippines, and in the latter case, whether they be for local viewing or for export.

The Committee shall be initially composed of at least thirty (30) members and shall be appointed by the Chairperson, upon approval by the Commission. Not less than fifty percent (50%) of the total number of members shall come from the motion picture, television, cable television and advertising industries to be nominated by their legitimate industry associations and organizations. The members of the Committee shall be Filipino citizens, at least twenty-one (21) years old, and of good moral character. Provided, that, the disqualifications for members of the Commission, as provided for in Section 6 hereof, shall also apply to members of the Committee.

The Chairperson shall manage the schedules of the Committee Members in their work of review. The Commission may increase or reduce the number of Committee Members as it sees fit. Provided, that, the increase shall not be more than ten (10) members within a twelve (12) month period and the total number of members shall not exceed sixty (60).

Each member shall receive a fixed honoraria for actual work undertaken, the amount of which shall be determined and fixed by the Commission subject to existing laws, rules and regulations.

The members of the Committee shall have a term of one (1) year unless sooner removed by the Commission. Provided, that they shall be eligible for appointment for a second term. Provided, further, that no member shall serve for more than two (2) consecutive terms at a time.

If any member fails to complete his or her term, the person appointed to fill the vacancy shall serve only for the unexpired portion of the term of the member whom he or she succeeds unless reappointed for another term.

#### **SECTION 10. Chief Executive Officer, Powers and Functions.**

The Chairperson shall be the Chief Executive Officer of the MTRCC. He or she shall exercise the following powers and functions:

a) Execute and administer the policies, decisions, orders, resolutions, and the implementing rules and regulations issued by the Commission;



- b) Direct and supervise the operations and internal affairs of the MTRCC;
- c) Establish the internal organization and administrative procedures for the approval of the Commission;
- d) Recommend to the Commission the appointment or removal of members of the Committee and the appointment, transfer, detail, suspension or dismissal for cause of subordinate officials and employees of the MTRCC;
- e) Recommend an annual budget to the Commission for its approval;
- f) Delegate his or her authority, in whole and in part, to other members of the Commission, in accordance with the rules and regulations of the MTRCC; and,
- g) Perform such other powers and functions as may be authorized by the Commission or by law.

**SECTION 11. MTRCC Secretariat.**

The MTRCC secretariat is hereby established composed of a Director for Legal and Prosecution Service and a Director for Administrative and Technical Services, who shall have the rank and salary equivalent to Director IV and Director II, respectively, under the Compensation and Classification Structure of the government. The Commission shall determine its organizational structure and staffing pattern according to Civil Service laws, rules and regulations.

**SECTION 12. Classification Categories.**

The MTRCC shall classify all motion pictures, television programs, publicity materials, and advertisements intended for general viewing, into categories such as "G" or "General Audience" (all ages admitted), "PG" or "Parental Guidance", "R" or "Strictly for Adults", "X" or "Not for Public Exhibition", or such other categories as the Commission may determine for the public interest, based on contemporary Filipino cultural values as standards.

Provided, that materials thus classified as "X" shall be confiscated and deposited with the Commission and shall not be returned to the film owner except upon court order.

Provided, further, that all publicity materials and advertisements, in whatever format, shall conform to the "G" classification given by the MTRCC, and which classification shall appear clearly and conspicuously on the printed publicity material.

Provided, further, that no person below eighteen (18) years old shall be allowed to view, purchase, or rent material with an "R" classification. In case of doubt as to the age of the person renting or purchasing material for home viewing, the seller or establishment owner shall verify, by means of any valid form of photographic identification containing the date of birth of the bearer, that no individual purchasing or renting material for home viewing is below eighteen (18) years of age. It shall not be a defense for the person selling or renting out the material that he/she did not know or was not aware of the real age of the minor. Neither shall

it be a defense that he/she did not know nor had any reason to believe that the material was for the use of the minor to whom it was sold or leased.

Provided, finally, that in the case of advertisements endorsing, selling or promoting a product or service on television, cable television or movie theaters, such advertisements shall conform to MTRCC's guidelines and standards. The MTRCC shall coordinate with appropriate agencies and entities for the effective compliance of this provision.

### **SECTION 13. Procedures and Decisions for Review and Classification.**

The Chairperson shall designate the members of the review subcommittee. No Committee member shall be assigned to sit on a subcommittee to review and classify when said member has in any way participated in the making of said motion picture, television program, publicity material or advertisement.

a) **First Review.** – The material submitted shall be reviewed by a subcommittee composed of three (3) Committee members, who shall elect the subcommittee head from among themselves. The decision of the subcommittee on first review shall be rendered through a standard and objective classification system, by subcommittee members so designated and present within the day of the material's review. The decision on the first review shall be final and executory unless the producer files an appeal for reconsideration within five (5) days from thereof.

b) **Second Review.** – Upon receipt of the motion for reclassification or reconsideration, the Chairperson shall, within five (5) working days upon receipt of the material under consideration, designate a subcommittee to be composed of five (5) committee members, who shall elect the subcommittee head among themselves, to conduct a second review of the material. Provided, that no member from the subcommittee on first review shall be designated as member of the subcommittee on second review. Provided, further, that the head of the subcommittee on first review shall be required to sit within the subcommittee on second review as a non-voting consultant.

The decision of the subcommittee on second review shall be rendered by subcommittee members so designated and present within the day of the material's review. The decision on the second review shall prevail over the decision on first review and shall be final, unless the decision is for an "X" classification. The producer may file with the Commission an appeal for reconsideration of an "X" classification.

c) **Appeal on an "X" Classification** – Within five (5) days from receipt of the decision for an "X" classification, the producer or applicant may file with the Commission an appeal for reconsideration. The Commission shall review, en banc or in division, the material within five (5) working days from receipt of the appeal.

The decision of the Commission shall be rendered by majority of the members of the Commission present and actually participated in the review. In no case shall the subcommittees or the Commission render a decision without giving the director, and the producer, or the producer's representative, an opportunity to present their case and/or defend the material.

d) *Review Decisions.* – All decisions of the subcommittees and the Commission shall be in writing, and shall state the reasons and justification for the classification. A decision shall not, in any manner, imply or suggest specific deletions or cuts of scenes, shots, or dialogue for classification or reconsideration to be arrived at. Likewise, the Committee members or the Commission shall not, in any manner, imply or suggest deletions or re-shooting of scenes for reclassification of the material under review. The applicant is allowed to re-edit the material, if he or she so desires, in order for him or her to obtain the preferred classification. The voluntary deletions shall be noted down in the Permit to Exhibit to safeguard against illegal insertions.

e) *Appeals on the Decision of the Commission.* – All decisions and final orders of the Commission shall be final and executory, which may be appealed to the Court of Appeals, by way of a petition for certiorari.

#### **SECTION 14. Exemptions.**

Motion pictures, television programs, publicity materials, or advertisements produced, imprinted or exhibited by the Philippine government and/or its departments and agencies, and newsreels shall not be under the jurisdiction of the MTRCC. Provided, however, that news broadcasts that tend to adversely affect the security of the State or compromise the police and military operations shall be under the jurisdiction of the MTRCC.

#### **SECTION 15. Prohibited Acts.**

a) It shall be unlawful for any movie theater, television networks, cable television stations and similar establishments engaged in the movie and television industry to exhibit motion pictures, television programs, publicity materials and advertisements, without the entity first being registered with the MTRCC.

b) It shall be unlawful for any person or entity to distribute or exhibit or cause to be distributed or exhibited in any movie theater, television, cable television or similar establishments, any motion picture, television program, publicity material or advertisement that has not been reviewed, classified and approved for distribution or exhibition by the MTRCC, or which, although previously classified, are covered by permits that have already expired, or cancelled, or have been tampered with.

c) It shall be unlawful to print or cause to be printed on any motion picture, television or cable television program, publicity material or advertisement a label or notice to the effect that the same has been officially classified by the MTRCC when in fact it has not been so classified.

d) It shall be unlawful for any person or entity to deceive the public by exhibiting a motion picture other than the one advertised as showing even if the film shown has a valid permit.

e) It shall be unlawful for any person or entity to exhibit or cause the exhibition in movie theaters, cinemas or similar establishments of any motion picture which had already been shown, without the word "RE-ISSUE" clearly and boldly stamped in the publicity materials of the said motion picture.

f) It shall be unlawful for any person or entity to distribute, exhibit or show or cause the distribution, exhibition or showing of any motion picture, television program, public materials and advertisements that have been classified as "X", or to insert portions deleted or cut or ordered deleted or cut by the Commission.

g) It shall be unlawful for any for any person or entity to exhibit or cause the exhibition of any motion picture, television or cable television program, publicity material or advertisement below the audience suitability as indicated in the "Permit to Exhibit."

h) It shall be unlawful for any person below eighteen (18) years old to enter, misrepresent or make use of any false evidence about his/her age in order to gain admission into a movie theater or similar establishment showing a motion picture classified by the Commission as "R" or "Strictly for Adults".

i) It shall be unlawful for any person to misrepresent or make use of any false evidence about the age of a minor in order to gain admission into a movie theater or similar establishment showing a motion picture classified by the Commission as not suited to the minor's age.

j) It shall be unlawful for any movie theater, cinema or similar establishment to allow the admission of any person below the age qualification required by the film's classification as indicated in the "Permit to Exhibit." In case of doubt as to the age of the person seeking admission, the latter shall be required to present his or her residence certificate or other proof of age. It shall not be a defense for the person admitting the minor that he or she did not know or was not aware of the real age of the minor seeking admission to the movie theater.

#### **SECTION 16. Posting or Display of Permit or Label.**

A copy of the "Permit to Exhibit" shall be prominently posted at the ticket booth of all movie theaters or similar establishments where the motion picture is exhibited. The MTRCC's classification of the motion picture shall be displayed on a three (3) feet-high "standee" in the theater lobby. The film owner shall also include in all the motion pictures' publicity materials the approval stamp of the MTRCC and the classification given the motion picture by the MTRCC. Television and cable television networks and stations shall broadcast the MTRCC's classification of the television program before the program is aired and shall also display the MTRCC classification of the program on screen while the program is being aired.

#### **SECTION 17. Penalties.**

Any person who violates the provisions of this Act and/or the implementing rules and regulations issued by the Commission, shall, upon conviction, be punished by imprisonment of not less than one year (1) year nor more than six (6) years and a fine of not less than One Hundred Thousand (P100,000.00) pesos but not exceeding Five Hundred Thousand (P500,000.00) pesos.

If the offender is an alien, the person shall be deported after having paid the fine imposed and shall hereafter be refused entry into the country.

The license to operate the movie theater or television station shall be revoked. The motion picture or television program distributor or producer shall also be held equally liable and imposed herein the specific penalties for unauthorized exhibition if found to carry their consent.

Should the offense be committed by a juridical person, the chairperson, president, general manager, secretary, treasurer, or partner shall be jointly and severally liable with the corporation or partnership.

#### **SECTION 18. Imported Motion Pictures and Television Programs.**

In the event an imported or foreign motion picture or television program, after examination and review by the MTRCC, is declared unfit for exhibition in the Philippines, the said motion picture or television program shall be returned by the importer or distributor thereof to the country of origin or to any other place outside of the Philippines within a period of thirty (30) days, which shall be counted from the date of receipt by the importer or distributor of the decision of the MTRCC.

All customs duties and internal revenue taxes paid by the importer or distributor for an account of the importation of such motion picture shall be forfeited in favor of the government.

#### **SECTION 19. Annual Report.**

The Commission shall, within three (3) months after the end of every fiscal year, submit its annual report to the President and to Congress.

#### **SECTION 20. Appropriations.**

The appropriations of the Movie and Television Review and Classification Board under the current General Appropriations Act shall be used by the MTRCC to carry out the initial implementation of this Act. Thereafter, such sums as may be necessary for its continued operation shall be included in the annual General Appropriations Act. The amount shall be augmented from the fifty percent (50%) income from various fees charges and fines collected by the MTRCC. Provided, that the amount shall be deposited as a special account in the National Treasury and disbursements therefrom shall be made solely to augment deficiencies in the operating expenses of the MTRCC for repair and acquisition of necessary supplies, facilities and equipment and for other operational and administrative expenses in accordance with existing accounting and budgeting rules and regulations.

#### **SECTION 21. Authority to Receive Grants.**

The MTRCC is hereby authorized to negotiate for and receive grants from local and international granting institutions to be used exclusively for its special projects and programs subject to the government's rules and regulations.

**SECTION 22. Review and Classification of Optical Media Materials.**

The MTRCC shall continue to discharge the review and classification functions for optical media materials, pursuant to Section 27 of Republic Act No. 9239 (Optical Media Act of 2003).

**SECTION 23. Transitory Provisions.**

All the Members of the present MTRCB and its Secretariat employees shall be deemed separated from the service, unless they are re-appointed in accordance with this Act.

The incumbent Chairperson, Vice Chairperson, Board Members and Secretariat employees shall continue to perform their duties and functions in a hold-over capacity, and shall receive their corresponding salaries and benefits until such time that the new Chairperson and at least majority of the Members of the Commission and the Review and Classification Committee shall have been appointed and qualified.

The officials and employees who shall be laid off shall be given first priority, on the basis of *experience, merit and fitness*, in appointments to new positions in the MTRCC to which they may qualify under the new staffing pattern. Provided, that, those who shall be given new appointments shall be entitled to all compensation and benefits due them under existing laws. Provided, further, that, those who shall be separated from the service shall receive all separation pay and benefits due them under existing laws.

The transition period shall not exceed six (6) months from the effectivity of this Act.

**SECTION 24. Implementing Rules and Regulations.**

Within ninety (90) days upon approval of this Act, the MTRCC shall, in coordination and consultation with the concerned agencies and entities, draft the implementing rules and regulations (IRR) of this Act.

The IRR shall be effective fifteen (15) days after its complete publication in at least one (1) newspaper of general circulation.

**SECTION 25. Separability Clause.**

If for any reason any provision of this Act is declared invalid or unconstitutional, the other sections or provisions thereof shall not be affected thereby.

**SECTION 26. Repealing Clause.**

Presidential Decree No. 1986 is hereby repealed. All laws, ordinances, rules, and regulations, decrees, executive or administrative orders, and other issuances or parts thereof which are inconsistent with the provisions of this Act are hereby repealed, or modified accordingly.

**SECTION 27. Effectivity.**

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

Approved,