

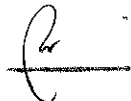
FIFTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

OFFICE OF THE CLERK

10 OCT -5 P4 1/2

SENATE

S. No. 2560

RECEIVED BY: 

Introduced by Senator JUAN MIGUEL F. ZUBIRI

EXPLANATORY NOTE

The Philippine Constitution declares, as a policy, that the State should give priority to the arts and culture. Moreover, it guarantees to everyone the freedom of expression. Mass media, as found in the Rules and Regulations for Mass Media in the Philippines, embraces means of communication that reach and influence large numbers of people including print media, radio, television, and films. Film as a medium of communication, mode of expression, and an important art form, therefore, undoubtedly enjoy constitutional protection.

With the aid of advanced technology, film has not only become a popular form of entertainment but it has emerged as a social institution. Its pervasiveness or ability to reach a wide audience with a strong and influential message accounts for this. It cannot be gainsaid that it plays a critical role in forming and reflecting public opinion. It does not only entertain but it also educates, enlightens and inspires its audiences. Film can become a powerful tool for effecting change. Thus, it may be said that, to an extent, it has taken on some of the roles played by our traditional institutions such as the church, school, government, and family. Moreover, the past decades have seen the rise of the film industry. The film industry has become a valuable contribution to the Philippine economy. At present, watching a movie is an important part of every Filipino's social life.

Thus, with the obvious pervasive effect of film in the lives of every Filipino and the significant contribution of the film industry to our economy, there is a need for a law that will regulate this effect and, at the same time, encourage the production of films not only for commercial or entertainment purposes but as a viable tool for change in enhancing the quality of life of every Filipino. This bill aims to achieve these ends. In the process and in order to implement and attain these ends, this bill will reorganize the Film Development Council of the Philippines (FDCP) into an independent agency to be called the Philippine Film Commission.

Hence, this Representation humbly asks the approval of this bill.

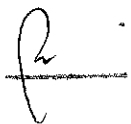


JUAN MIGUEL F. ZUBIRI

10 OCT -5 P4:12

SENATE

S. No. 2560

RECEIVED BY: 

Introduced by Senator JUAN MIGUEL F. ZUBIRI

AN ACT
TO PROMOTE AND SUPPORT THE DEVELOPMENT AND GROWTH OF THE
PHILIPPINE FILM INDUSTRY, CREATING FOR THIS PURPOSE THE PHILIPPINE
FILM COMMISSION, DEFINING ITS POWERS AND FUNCTIONS AND FOR OTHER
PURPOSES

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

1 **SECTION 1. Short Title.** - This Act shall be known as the "Local Film Industry
2 Development Act of 2010".
3

4 **Section 2. State Policy.** - Pursuant to the constitutional guarantee on freedom of
5 expression and on the principle of giving priority to arts and culture to foster patriotism
6 and nationalism, accelerate social progress, and promote total human liberation and
7 development, the state shall promote and support the development and growth of the
8 local film industry as an aesthetic and cultural medium for a better understanding and
9 appreciation of Filipino social values and national identity and as an indispensable
10 economic partner in nation-building.

11 To achieve this end, the State shall formulate and implement policies and
12 programs to upgrade the art and craft of film making and encourage the production of
13 films for commercial purposes, intended for public entertainment, that seek to enhance
14 the quality of life, examine the human and social conditions and contribute to the dignity
15 and nobility of the human spirit.
16

17 **Section 3. Creation of the Philippine Film Commission.** - To implement the
18 policies and attain the objectives enunciated in this Act, the Film Development Council
19 of the Philippines (FDCP) created under Republic Act no. 9167 is hereby reorganized
20 into the Philippine Film Commission hereinafter referred to as "Commission". The
21 Commission shall be an independent agency. It shall render an annual report of its

1 activities and achievements to the President and to the Congress and shall have its
2 principal offices in Metropolitan Manila.

3
4 **Section 4. Composition of the Commission.** - The Commission shall be
5 composed of a Chairperson and seventeen (17) members, eight (8) of whom shall be
6 regular members while the other nine (9) shall be in an ex-officio capacity: *Provided*,
7 That only the regular members are entitled to vote, while the Chairperson shall vote only
8 in case of tie: *Provided further, That* the Chairperson shall be appointed by the
9 President from the lists of nominees submitted to him by the regular members; *Provided*
10 *finally*, That the Chairperson shall be a person of proven administrative proficiency,
11 independence, knowledgeable of the technical and artistic aspects of the film production
12 and fully committed to the promotion and development of the Philippine Cinema as art.

13 The eight (8) regular members shall be as follows:

- 14 1. A regular representative of the Directors' Guild of the Philippines, Inc;
- 15 2. A regular representative of the Nagkakaisang Manggagawa ng Pelikulang
16 Pilipino;
- 17 3. A regular representative of the Mowelfund;
- 18 4. A regular representative of the Actors' Guild of the Philippines, Inc.;
- 19 5. A regular representative from the National Cinema Association of the
20 Philippines;
- 21 6. A regular representative from the academe;
- 22 7. A regular representative from the local film producers;
- 23 8. A regular representative from the Independent Film cooperative.

24
25 The nine (9) members who shall be ex-officio members of the Commission are
26 the following:

- 27 1. The Secretary of the Department of Trade and Industry or his/her duly
28 designated regular representative;
- 29 2. The Secretary of the Department of Education or his/her duly designated
30 regular representative;
- 31 3. The Secretary of the Department of Tourism or his/her duly designated regular
32 representative;
- 33 4. The Secretary of the Department of Foreign Affairs or his/her duly designated
34 regular representative;
- 35 5. The Secretary of the Department of Interior and Local Government or his/her
36 duly designated regular representative;
- 37 6. The Secretary of the Department of Finance or his/her duly designated regular
38 representative;

- 1 7. The Director General of the Film Academy of the Philippines or his/her duly
2 designated regular representative;
- 3 8. The President of the Cultural Center of the Philippines or his/her duly
4 designated regular representative;
- 5 9. The head of the Cinema Committee of the National Commission for Culture
6 and the Arts or his/her duly designated regular representative.

7
8 **Section 5. Term of Office.** - The Chairperson and the eight (8) regular members
9 shall hold office for a term of three (3) years, unless sooner removed by the
10 Commission; *Provided*, That they shall be eligible for reappointment after the expiration
11 of their terms; *Provided further*, That if a member fails to complete his/her term, the
12 person appointed to fill the vacancy shall serve only the unexpired portion of the
13 vacated term whom he/she succeeds; *Provided finally*, That such service of the
14 unexpired portion shall not be counted as a term.

15
16 **Section 6. Powers and Functions.** - The Commission shall have the following
17 powers and functions:

- 18 1. To coordinate :all programs and policies of government departments and
19 agencies that are related to the development of the local film industry;
- 20 2. To establish and implement a Cinema Evaluation System in accordance with
21 the criteria set forth in this Act;
- 22 3. To develop and implement an incentive and reward system for the producers
23 based on merit to encourage the production of quality films;
- 24 4. To promote, organize, encourage or support a more scientific system in which
25 local films can be marketed locally and internationally;
- 26 5. To develop and promote programs to enhance the skills and expertise of
27 Filipino film artists, technicians and workers through continuous craft and
28 technical upgrading as well as attitude training;
- 29 6. To set up and operate a one-stop shop to assist foreign and local producers
30 making films in the country;
- 31 7. To develop and implement a two-pronged program that will encourage the
32 production of quality films;
- 33 8. To encourage, support and coordinate the holding of national and regional film
34 festivals exclusively of Filipino films;
- 35 9. To establish, organize, operate and maintain international film festivals,
36 exhibitions and similar activities, including an ASEAN film festival and market;
- 37 10. To encourage and facilitate participation in international film festivals and to
38 ensure the continuous presence of Philippine films in international markets;

- 1 11. To invest funds and other assets in such activities or undertakings that shall
2 directly or indirectly promote development of the film industry, including the
3 production of films, and other terms and conditions as it may deem wise and
4 desirable;
- 5 12. To ensure the establishment of a film archive in order to conserve and protect
6 film negatives and/or prints as part of the nation's historical, cultural and
7 artistic heritage;
- 8 13. To take measures to acquire for 'safeguarding and preservation any part or
9 all of the national film production, including the institution of mandatory
10 deposit systems which is hereby expressly authorized;
- 11 14. To set up mechanics to address the welfare and working conditions of local
12 film workers, a concern to be implemented in coordination with the Mowelfund
13 and the Nagkakaisang Manggagawa ng Pelikulang Pilipino;
- 14 15. To promote the establishment of cinema clubs in barangays and schools in
15 coordination with the Department of Education and the Commission on
16 Higher Education and to develop elective courses related to film at the
17 collegiate levels as part of a film audience development program;
- 18 16. To prescribe the procedures for the exercise of its powers and functions as
19 well as the performance of its duties and responsibilities;
- 20 17. To determine the Commission's organizational structure and staffing pattern
21 and appoint its officers and employees in accordance with Civil Service laws,
22 rules and regulations;
- 23 18. To promote the development and growth of the independent film movement;
- 24 19. To acquire, manage and hold such real and personal property as may be
25 necessary to carry out the purpose and objectives of this Act; and
- 26 20. To perform such other functions as may be necessary to carry out the
27 provisions of this Act.

28
29 **Section 7. Meetings.** - The Commission shall meet at least once a month or as
30 often as necessary at the call of the Chairperson or majority of the members. A majority
31 of the regular members of the Commission shall constitute a quorum to do business.
32 The members of the Commission shall be entitled to *honoraria* based on existing
33 government accounting and auditing rules and regulations.

34
35 **Section 8. The Chairperson.** - The Chairperson shall be the Chief Executive
36 Officer and shall exercise overall administrative supervision to ensure the effective and
37 efficient implementation of the policies lay down by the Commission. The Chairperson

1 shall have the same rank and salary as an Undersecretary of a Department as provided
2 for in the Salary Standardization Law.

3
4 **Section 9. Functions of the Chairperson.** - The Chairperson shall have the
5 following functions:

- 6 1. Execute and administer the policies, plans and programs approved by the
7 Commission;
- 8 2. Direct and supervise the operations and internal affairs of the Commission;
- 9 3. Establish the *internal organization and administrative procedures of the*
10 Commission;
- 11 4. Recommend to the Commission the appointment, transfer or detail,
12 suspension, dismissal for cause of its subordinate officials and employees;
13 and
- 14 5. Such other functions, which the Commission may assign from time to time.

15
16 **Section 10. The Executive Director.** - The Chairperson shall be assisted by an
17 Executive Director to be appointed by the Commission upon the recommendation of the
18 Chairperson. The Executive Director shall have a salary comparable to that equivalent
19 rank under the Revised Compensation and Position Classification System and shall be
20 co-terminus with the Chairperson unless sooner removed for cause.

21
22 **Section 11. Cinema Evaluation Board.** - The Commission will absorb the
23 Cinema Evaluation Board of the FDCP, hereinafter referred to as the "CEB", which shall
24 evaluate and grade films submitted to the Commission, subject to the following:

- 25 a) **Composition, Qualifications and Appointment** - The CEB shall be
26 composed of a Board Chairperson and twenty (20) members, ten (10) of
27 whom shall come from the film industry, and the other ten (10) from the arts,
28 academe, business and such other sectors as the Commission may choose to
29 identify. The Chairperson of the Commission shall appoint the members of the
30 CEB from among thirty (30) submitted by the members of the Commission;
31 *Provided*, That the persons appointed to the CEB should be knowledgeable of
32 the artistic and technical aspects of film making and fully committed to the
33 promotion and development of cinematographic art along world class
34 standards and global marketability.
- 35 b) **Term of Office** - The CEB Chairperson and members shall serve for a term of
36 two (2) years and shall be eligible for re-appointment for a second term;
37 *Provided*, That no member shall serve for more than two (2) consecutive
38 terms; *Provided further*, if any member fails to complete a term, the person

1 appointed to fill the vacancy shall serve only for the unexpired portion of the
2 term of the person whom he/she succeeds, unless re-appointed: *Provided*
3 *finally*, That the service of the unexpired portion shall not be counted as a
4 term. In the initial appointments, the CEB Chairperson and the twenty (20)
5 members shall hold office for two (2) years.

6 c) **Participation** - No member of the CEB shall participate in the grading of a film
7 in which he or she or any member of his or her family or any relative within the
8 fourth degree of consanguinity or affinity shall have financial or any other
9 interest; *Provided*, That such member shall disclose fully at the time of his or
10 her inhibition, the nature of his or her interest including actual or potential
11 conflict of interest and the reasons of his or her inhibition.

12
13 **Section 12. Cinema Evaluation System.** - The CEB shall formulate and
14 establish a set of standards and criteria and procedures for the Cinema Evaluation
15 System, subject to the approval of the Commission, primarily based on but not limited to
16 the following: direction; screenplay; cinematography; editing; production design; musical
17 scoring; sound and acting.

18
19 **Section 13. Grading of Films.** - The grading of films by the CEB shall be subject
20 to the following provisions:

21 (a) *Pre-qualification procedures and requirements* - The Commission shall
22 prescribe pre-qualification procedures and requirements for application for
23 grading; *Provided*, That only films whose premiere showing shall be held in
24 the Philippines, and those which have not had any theatrical release, free
25 television broadcast, cable broadcast or video release in any commercial
26 medium anywhere in the world shall be qualified for evaluation by the board;
27 *Provided further*, That the CEB should evaluate and grade only films that are
28 intended for theatrical and other forms or exhibition that will charge admission
29 fees and which are at least eighty (80) minutes in length and that the
30 producer shall submit his/her film for grading at least seven (7) days before its
31 scheduled day of play date.

32 (b) *Evaluation Period* - A film shall be reviewed, evaluated and graded by the
33 CEB within five (5) working days after submission of the application. The CEB
34 shall transmit its decision to the Commission within twenty four (24) hours
35 from the rendering of the decision. The Commission shall inform the producer
36 of the CEB's decision not later than twenty four (24) hours upon receipt
37 therewith.

1 (c) *Grading of Firms* - The CEB shall review and grade a film submitted for
2 grading. The CEB and the Commission shall, at any time neither be allowed
3 to cut, delete, shorten or modify in any manner films being graded by the
4 CEB, nor shall they be allowed to suggest cuts or deletion or any other form
5 of modification to the film makers and pre requisites for earning the CEB
6 grading. Such grading shall be given due weight and consideration by the
7 Movie and Television Review and Classification Board (MTRCB), the Optical
8 Media Board (OMB), the Department of Trade and Industry (DTI) and other
9 government agencies for the graded film's viewing, reproduction, exportation
10 and other purposes.

11 (d) *Reconsideration to the Board En Banc* - The action taken by the CEB on the
12 film submitted for evaluation and grading may be reconsidered upon motion
13 to the CEB *en banc* within twenty four (24) hours from receipt of notice of said
14 action, and the CEB *en banc* shall render its decision within forty eight (48)
15 hours from its receipt of the motion for reconsideration. The CEB *en banc*
16 must be composed of at least majority of the CEB.

17 (e) *Finality of Grading* - The grading submitted by the CEB *en banc* to the
18 Commission shall be final.
19

20 **Section 14. Privileges of Graded Films.** - Films which have obtained an "A" or
21 "B" grading from the Commission pursuant to Sections 11 and 12 of this Act shall be
22 entitled to the following privileges:

23 Amusement Tax Reward. - A grade "A" or "B" shall entitle the producer to an
24 incentive equivalent to the amusement tax imposed and collected on the graded films
25 by cities and municipalities in Metro Manila and other highly urbanized and independent
26 component cities in the Philippines pursuant to Sections 140 and 151 of the Republic
27 Act No. 7160 at the following rates:

- 28 1. For grade "A" Films - Eighty (80%) percent of the amusement tax collected on
29 such films. The remaining twenty (20%) percent shall accrue to the funds of
30 the Commission; and
- 31 2. For grade "B" Films - Sixty five (65%) percent of the amusement tax collected
32 on such films. The remaining thirty five (35%) percent shall accrue to the
33 funds of the Commission; *Provided*, That thirty (30%) percent of the
34 amusement tax rebates shall accrue to the talents and workers involved in the
35 film that was graded A or B, with the other seventy (70%) percent accruing to
36 the film producer.
37

1 **Section 15. Amusement Tax Deduction and Remittances.** - All revenues from
2 the amusement tax on the graded film which may otherwise accrue to the cities and
3 municipalities in Metro Manila and highly urbanized and independent component cities
4 in the Philippines pursuant to Sections 140 of the Republic Act No. 7160 during the
5 period the graded film is exhibited, shall be deducted and withheld by the proprietors,
6 operators or lessees of theaters or cinemas and remitted within thirty (30) days from the
7 termination of the exhibition to the Commission which shall reward the corresponding
8 amusement tax to the producers and the talents and workers of the graded film within
9 fifteen (15) days from receipt thereof.

10 Proprietors, operators or lessees of theaters or cinemas who fail to remit
11 amusement tax proceeds within the prescribed period shall be liable to a surcharge
12 equivalent to five (5%) percent of the amount due for each month of delinquency which
13 shall be paid to the Commission.

14
15 **Section 16. Enforcement.** - For purposes of implementing the previous Section,
16 the Commission may:

- 17 1. Impose administrative fines and penalties of not more than One hundred
18 thousand pesos (Php100,000.00) for the violation of any of the provisions of
19 this Act and/or its implementing rules and regulations issued by the
20 Commission.
- 21 2. Cause or initiate the criminal or administrative prosecution of violators of this
22 act and its implementing rules and regulations.
- 23 3. Cause the closure of any theater or cinema that fails or unreasonably refuse to
24 remit tax collected on the graded film for a period not exceeding fifteen (15)
25 days after which such period shall automatically be lifted without prejudice to
26 the right of the Commission to cause or initiate criminal or administrative
27 prosecution against the erring theater or cinema owners pursuant to
28 paragraph 2 of this section.
- 29 4. Call upon representatives of the different government agencies and other
30 various organizations in the movie industry to help ensure compliance with
31 the provisions of this act and its implementing rules and regulations.

32 For this purpose, the Commission may constitute regional sub-
33 commissions in the cities and municipalities throughout the country composed of
34 representatives from the government and from the private sector as may be
35 appropriate to implement the purposes and objectives of this Act and its
36 implementing rules and regulations and they shall serve without compensation
37 and only for such period of time as the Commissioner shall determine.

1 5. To deputize any law enforcement agency and instrumentality of the
2 government for assistance for the implementation and enforcement of its
3 functions and orders.
4

5 **Section 17. Film Endowment Board.** - There is hereby created a Film
6 Endowment Board hereinafter referred to as the FEB which shall provide subsidy for the
7 production of worthwhile screenplays and films submitted to the FEB for consideration,
8 subject to the following: .

9 a. *Composition, Qualifications and Appointment* - The FEB shall be composed of
10 a Board Chairperson and seven (7) members, four (4) of whom shall come
11 from the film industry, and the other three (3) from the arts, academe,
12 business and other sectors as the Commission may choose to identify. The
13 Chairperson of the Commission shall appoint the members of the FEB from
14 among fifteen (15) nominees submitted by the members of the Commission;
15 *Provided* that the persons appointed to the FEB should be knowledgeable of
16 the artistic and technical aspects of filmmaking and fully committed to the
17 promotion and development of cinematographic art along world class
18 standards and local and global marketability.

19 b. *Term of Office* - The FEB Chairperson and members shall serve for a term of
20 two (2) years and shall be eligible for re-appointment for a second term;
21 *Provided*, That no member shall serve for two (2) consecutive terms;
22 *Provided further*, That if any member fails to complete a term, the person
23 appointed to fill the vacancy shall serve only for the unexpired portion of the
24 term of the person whom he/she succeeds, unless re-appointed; *Provided*
25 *finally*, That the service of the unexpired portion shall not be counted as a
26 term. The FEB Chairperson and the seven (7) members shall hold office for
27 two (2) years.

28 c. *Participation* - No member of the FEB shall participate in approving of funding
29 for a film in which he or she or any member of his or her family or any relative
30 within the fourth degree of consanguinity or affinity shall have financial or any
31 other interest; *Provided*, That such member shall disclose fully at the time of
32 his or her inhibition, the nature of his or her interest including actual or
33 potential conflict of interest and the reasons of his or her inhibition.
34

35 **Section 18. Film Endowment Evaluation System.** - The FEB shall formulate
36 and establish a set of standards and criteria and procedures for the Film Endowment
37 Fund Evaluation System, subject to the approval of the Commission, based on but not

1 limited to the following: the aesthetic value of the screenplay submitted; the
2 marketability of the film product; and its integral cultural personality.

3
4 **Section 19. Endowment Funding for Films.** - The endowment funding for films
5 by the FEB shall be subject to the following provisions:

6 a. *Pre-qualification procedures and requirements* - The Commission shall
7 prescribe pre-qualification procedures and requirements for application for
8 endowment funding; *Provided*, That only original screenplays which have not
9 yet been produced and which when filmed are at least eighty (80) minutes in
10 length or only films whose premiere showing shall be held in the Philippines,
11 and those which have not had any theatrical release, free television
12 broadcast, cable broadcast or video release in any commercial medium
13 anywhere in the world shall be qualified for evaluation by the board.

14 b. *Evaluation period* - A submitted screenplay or film shall be evaluated and
15 approved for funding within thirty (30) days after submission. The FEB shall
16 transmit it to the Commission within twenty four (24) hours from the rendering
17 of the decision. The Commission shall inform the filmmaker or scriptwriter of
18 the FEB's decision not later than one (1) week upon receipt herewith.

19 c. *Finality of endowment fund decision* - The evaluation submitted by the FEB *en*
20 *banc* to the Commission shall be final.

21 d. *Copyright and distribution* - Once the Commission approves a project for
22 funding, the applicant receives an agreement that includes the Commission's
23 policies on copyright, distribution, credits, and other matters. The Commission
24 reserves the right to place additional conditions or stipulations deemed
25 necessary or appropriate on an endowment award. Unless specifically
26 provided otherwise, the following policies will apply to projects and to the use
27 of materials produced or distributed with endowment funds.

28 1. Ownership, copyright, distribution, exhibition, and use rights for all
29 projects developed or distributed with endowment funds shall be
30 vested in the producer, writer, artist, or other originator of the work
31 provided that the Commission will require the applicant to assign a
32 share of all rights including copyright in the work to the Commission as
33 security for its investment. The Commission will take a fifty (50%)
34 percent share of such rights, with fifty (50%) percent to be retained by
35 the applicant. The Commission will require repayment of its
36 endowment funding no later than one (1) year, at which time the
37 Commission will assign its share of the copyright and other rights back
38 to the applicant or its assignee. In order to secure repayment of the

1 Commission's development funding, applicant will not be able to
2 assign, license or otherwise transfer any rights to the work without the
3 prior written approval of the Commission.

4 2. Five DVD prints shall become property of the Commission. The
5 Commission reserves the non-exclusive right to distribute or exhibit its
6 copy for non-commercial purposes, as it deems appropriate.

7 3. The Commission reserves a royalty-free, non-exclusive, and irrevocable
8 rights to reproduce, publish, or otherwise use these materials for
9 government purposes and to authorize others to do so.

10
11 All projects developed through a Commission endowment, including associated
12 publicity or promotional materials, shall carry a statement indicating that it was funded
13 by the Commission. There shall also be a disclaimer statement to the effect that the
14 views expressed therein are not necessarily those of the Commission. The project must
15 be promoted as a Philippine work at film festivals and in markets abroad. In co-
16 productions, the *Philippine nationality of the produced film* must be mentioned together
17 with any others.

18
19 **Section 20. Funding.** - In order to provide for the initial funding of the
20 Commission, there is hereby created a Philippine Film Commission Fund Account to be
21 deposited in the National Treasury which shall be included in the annual General
22 Appropriations Act and shall be constituted from the proceeds from a special film
23 commission tax of two pesos (Php 2.00) which is hereby levied on all admission tickets
24 of movie houses in the Philippines for a period of twenty (20) years;

25 To augment its operational expenses, the Commission may:

- 26 1) Utilize the remaining twenty (20%) percent and thirty five (35%) percent of the
27 amusement tax collected during the period grade "A" and "8" films are
28 exhibited, as provided under Sections 14 and 15 hereof; and
29 2) Impose reasonable fees and charges for services rendered; *Provided*, that the
30 amount actually collected shall be deposited in the National Treasury as a
31 special account in the General Fund and may be used to augment its
32 maintenance and other operational expenses, and capital outlays except the
33 purchase of motor vehicles, subject to existing accounting and budgeting
34 rules and regulations;
35 3) Secure funding from the Philippine Amusement and Gaming Corporation for
36 the amount necessary to subsidize the production of thirty (30) films
37 annually.

1 **Section 21. Authority to Accept Donations.** - The Commission may accept
2 donations, contributions, grants, bequest or gifts, in cash or in kind, from various
3 sources, domestic or foreign, except from movie producers relevant to its functions.
4 Said donations shall be deemed automatically appropriated for purposes specified by
5 the donor or in the absence thereof, for the programs or projects as may be approved
6 by the Commission subject to the usual government accounting and auditing rules and
7 regulations; *Provided*, That cash donations shall not be used to fund the personal
8 services requirements of the Commission. Any donation, contribution, subsidy or
9 financial aid which may be made to the Commission shall be exempt from taxes of any
10 kind and constitute allowable deduction in full from the income of the donors,
11 contributors or givers for income tax purposes.

12
13 **Section 22. Assistance from other Government Agencies.** - The Commission
14 may call on any department, bureau, office, agency or instrumentality of government for
15 such direct assistance as may be needed in the performance of its functions.

16
17 **Section 23. Implementing rules and Regulations.** - The Commission shall,
18 within ninety (90) days after the approval of this Act, issue the necessary rules and
19 regulations to implement the provisions hereof.

20
21 **Section 24. Transitory Provision.** - To provide continuity in the operation of the
22 Commission, the incumbent officials and employees of FDCP and the CEB shall, in a
23 holdover capacity, continue to perform their respective duties and responsibilities and
24 shall receive their corresponding salaries and benefits until such time that the
25 organization of the Commission shall have been completed. The transition period shall
26 not exceed six (6) months after effectivity of this Act.

27 All officials of the FDCP and CEB shall be deemed resigned from services upon
28 the organization of the Commission; *Provided*, That the officials and employees who
29 shall be laid off shall be given preferential treatment in appointments to new positions to
30 which they may qualify under the new staffing pattern; *Provided finally*, That those who
31 shall not be given new appointments shall be entitled to all compensation and benefits
32 due them under existing laws.

33 All books, assets, rights, privileges, records, obligations and liabilities of FDCP
34 and CEB are hereby transferred to the Commission.

35
36 **Section 25. Organization Structure.** - The organizational structure and staffing
37 pattern of the Commission shall be established in coordination with the Department of

1 Budget and Management (DBM) and in accordance with Civil Service laws, rules, and
2 regulations.

3
4 **Section 26. Annual Report.** - The Commission shall, within ninety (90) days
5 after the end of every fiscal year, submit to Congress an annual report on its compliance
6 with, or accomplishments under this act, together with its plans and recommendations
7 to improve and develop its capability to enforce the provisions of this Act, and a
8 complete accounting of transactions with respect to any funds received under this Act.

9
10 **Section 27. Repealing Clause.** - Republic Act No. 9167, otherwise known as
11 the Film Development Council of the Philippines Act, is hereby repealed.

12 All other laws, decrees, orders, issuances, rules and regulations which are
13 inconsistent with the provisions of this Act are hereby repealed, amended or modified
14 accordingly.

15
16 **Section 28. Separability Clause.** - If, for any reason, any provision of this Act,
17 or any part thereof, is declared invalid or unconstitutional, all others sections or
18 provisions not affected thereby shall remain in force and effect.

19
20 **Section 29. Effectivity.** - This Act shall take effect fifteen (15) days after
21 publication in two (2) newspapers of national circulation.

22
23 Approved,