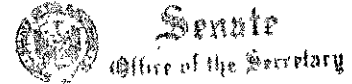


SIXTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



'13 JUL 30 P3:23

SENATE

S. NO. 1177

RECEIVED

BY: 

Introduced by Senator ANTONIO "SONNY" F. TRILLANES IV


The State recognizes the role of Philippine film industry as a potent tool for information gathering, dissemination and communication, and as a catalyst of public opinion. Being a powerful sector in the country, it is a medium that projects the Filipinos' love for art, as well as mirrors our culture and our national identity. More than this, it has a huge impact in providing significant contribution to the national economy in terms of employment generation and revenues to the government through taxes.

In recognition of the Industry's contribution, and in support to the arts, the government created the Film Academy of the Philippines, an alliance of various guilds of the movie industry, which would oversee the welfare of its members through the provision of subsidies, projects and opportunities to develop their knowledge and expertise.¹ In 2002, furthermore, the government created the Film Development Council that would establish and implement the Cinema Evaluation System and an incentive reward system to promote production of quality firms; undertake activities to promote our participation in local and international market; and develop and promote programs to enhance the skills and expertise of Filipinos, among others.

Despite these, however, the local industry is in an evident decline, apparent in the number of movies produced. According to the study conducted by the National Statistical Coordination Board, the number of movies produced halved during the recent years. From 1960 to 1990, the Philippines produced about 140 movies annually. However, from 2000 to 2009, it fell to an average of 73 every year.²

This bill, thus, seeks to strengthen the support given by the government to the local movie industry by creating the Philippine Film Commission that would replace the Film Development Council. The Commission would be an independent body and representing a greater number of stakeholders through larger membership. It would extend the functions of the Film Development Council through the setting up of mechanics that would address the welfare of local film workers, and the establishment of cinema clubs in barangays and schools, as well as the integration of film-related courses in the collegiate level as part of film audience development program. Furthermore, this bill would also create a Film Endowment Board which shall provide subsidy for the production of worthwhile screenplays and films submitted to the Board for consideration.

In view of the foregoing, the immediate passage of this bill is earnestly sought.


ANTONIO "SONNY" F. TRILLANES IV

¹ Information retrieved from http://filmacademyphil.org/?page_id=9

² Information retrieved from <http://entertainment.inquirer.net/30455/philippine-film-industry-in-decline>

'13 JUL 30 P3:23

SENATE

S. NO. 1177

RECEIVED BY: *jc*

Introduced by Senator ANTONIO "SONNY" F. TRILLANES IV

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 2013."

3
4 **SEC. 2. *State Policy.*** – Pursuant to the constitutional guarantee on freedom of expression
5 and on the principle of giving priority to arts and culture to foster patriotism and nationalism,
6 accelerate social progress, and promote total human liberation and development, the state shall
7 promote and support the development and growth of the local film industry as an aesthetic and
8 cultural medium for a better understanding and appreciation of Filipino social values and
9 national identity and as an indispensable economic partner in nation-building.

10
11 To achieve this end, the State shall formulate and implement policies and programs to
12 upgrade the art and craft of film making and encourage the production of films for commercial
13 purposes, intended for public entertainment, that seek to enhance the quality of life, examine the
14 human and social conditions and contribute to the dignity and nobility of the human spirit.

15
16 **SEC. 3. *Creation of the Philippine Film Commission.*** – To implement the policies and
17 attain the objectives enunciated in this Act, the Film Development Council of the Philippines
18 (FDCP) created under Republic Act no. 9167 is hereby reorganized into the Philippine Film
19 Commission hereinafter referred to as "Commission." The Commission shall be an independent
20 agency. It shall render an annual report of its activities and achievements to the President and to
21 the Congress and shall have its principal offices in Metropolitan Manila.

22
23 **SEC. 4. *Composition of the Commission.*** – The Commission shall be composed of a
24 Chairperson and seventeen (17) members, eight (8) of whom shall be regular members while the

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

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

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

18
19 The nine (9) members who shall be ex-officio members of the Commission are the
20 following:

- 21 1. The Secretary of the Department of Trade and Industry or his/her duly designated
22 regular representative;
- 23 2. The Secretary of the Department of Education or his/her duly designated regular
24 representative;
- 25 3. The Secretary of the Department of Tourism or his/her duly designated regular
26 representative;
- 27 4. The Secretary of the Department of Foreign Affairs or his/her duly designated regular
28 representative;
- 29 5. The Secretary of the Department of Interior and Local Government or his/her duly
30 designated regular representative;
- 31 6. The Secretary of the Department of Finance or his/her duly designated regular
32 representative;
- 33 7. The Director General of the Film Academy of the Philippines or his/her duly
34 designated regular representative;
- 35 8. The President of the Cultural Center of the Philippines or his/her duly designated
36 regular representative;

1 9. The head of the Cinema Committee of the National Commission for Culture and the
2 Arts or his/her duly designated regular representative.

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

10
11 **SEC. 6. Powers and Functions.** – The Commission shall have the following powers and
12 functions:

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

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

22
23 **SEC. 7. Meetings.** – The Commission shall meet at least once a month or as often as
24 necessary at the call of the Chairperson or majority of the members. A majority of the regular
25 members of the Commission shall constitute a quorum to do business. The members of the
26 Commission shall be entitled to honoraria based on existing government accounting and auditing
27 rules and regulations.

28
29 **SEC. 8. The Chairperson.** – The Chairperson shall be the Chief Executive Officer and shall
30 exercise overall administrative supervision to ensure the effective and efficient implementation
31 of the policies lay down by the Commission. The Chairperson shall have the same rank and
32 salary as an Undersecretary of a Department as provided for in the Salary Standardization Law.

33
34 **SEC. 9. Functions of the Chairperson.** – The Chairperson shall have the following
35 functions:

- 36 1. Execute and administer the policies, plans and programs approved by the Commission;
- 37 2. Direct and supervise the operations and internal affairs of the Commission;

- 1 3. Establish the internal organization and administrative procedures of the Commission;
- 2 4. Recommend to the Commission the appointment, transfer or detail, suspension, dismissal
- 3 for cause of its subordinate officials and employees; and
- 4 5. Such other functions, which the Commission may assign from time to time.

5
6 **SEC. 10. *The Executive Director.*** – The Chairperson shall be assisted by an Executive
7 Director to be appointed by the Commission upon the recommendation of the Chairperson. The
8 Executive Director shall have a salary comparable to that equivalent rank under the Revised
9 Compensation and Position Classification System and shall be co-terminus with the Chairperson
10 unless sooner removed for cause.

11
12 **SEC. 11. *Cinema Evaluation Board.*** – The Commission will absorb the Cinema Evaluation
13 Board of the FDCCP, hereinafter referred to as the "CEB", which shall evaluate and grade films
14 submitted to the Commission, subject to the following:

- 15 a. *Composition, Qualifications and Appointment.* – The CEB shall be composed of a Board
16 Chairperson and twenty (20) members, ten (10) of whom shall come from the film
17 industry, and the other ten (10) from the arts, academe, business and such other sectors as
18 the Commission may choose to identify. The Chairperson of the Commission shall
19 appoint the members of the CEB from among thirty (30) submitted by the members of
20 the Commission; *Provided*, That the persons appointed to the CEB should be
21 knowledgeable of the artistic and technical aspects of film making and fully committed to
22 the promotion and development of cinematographic art along world class standards and
23 global marketability.
- 24 b. *Term of Office.* – The CEB Chairperson and members shall serve for a term of two (2)
25 years and shall be eligible for re-appointment for a second term; *Provided*, That no
26 member shall serve for more than two (2) consecutive terms; *Provided further*, if any
27 member fails to complete a term, the person appointed to fill the vacancy shall serve only
28 for the unexpired portion of the term of the person whom he/she succeeds, unless re-
29 appointed: *Provided finally*, That the service of the unexpired portion shall not be
30 counted as a term. In the initial appointments, the CEB Chairperson and the twenty (20)
31 members shall hold office for two (2) years.
- 32 c. *Participation.* – No member of the CEB shall participate in the grading of a film in which
33 he or she or any member of his or her family or any relative within the fourth degree of
34 consanguinity or affinity shall have financial or any other interest; *Provided*, That such
35 member shall disclose fully at the time of his or her inhibition, the nature of his or her
36 interest including actual or potential conflict of interest and the reasons of his or her
37 inhibition.

1
2 **SEC. 12. Cinema Evaluation System.** – The e CEB shall formulate and establish a set of
3 standards and criteria and procedures for the Cinema Evaluation System, subject to the approval
4 of the Commission, primarily based on but not limited to the following: direction; screenplay;
5 cinematography; editing; production design; musical scoring; sound and acting.
6

7 **SEC. 13. Grading of Films.** – The grading of films by the CEB shall be subject to the
8 following provisions:
9

- 10 a. *Pre-qualification procedures and requirements.* – The Commission shall prescribe pre-
11 qualification procedures and requirements for application for grading; *Provided*, That
12 only films whose premiere showing shall be held in the Philippines, and those which
13 have not had any theatrical release, free television broadcast, cable broadcast or video
14 release in any commercial medium anywhere in the world shall be qualified for
15 evaluation by the board; *Provided further*, That the CEB should evaluate and grade only
16 films that are intended for theatrical and other forms or exhibition that will charge
17 admission fees and which are at least eighty (80) minutes in length and that the producer
18 shall submit his/her film for grading at least seven (7) days before its scheduled day of
19 play date.
- 20 b. *Evaluation Period.* – A film shall be reviewed, evaluated and graded by the CEB within
21 five (5) working days after submission of the application. The CEB shall transmit its
22 decision to the Commission within twenty four (24) hours from the rendering of the
23 decision. The Commission shall inform the producer of the CEB's decision not later than
24 twenty four (24) hours upon receipt therewith.
- 25 c. *Grading of Firms.* – The CEB shall review and grade a film submitted for grading. The
26 CES and the Commission shall, at any time neither be allowed to cut, delete, shorten or
27 modify in any manner films being graded by the CEB, nor shall they be allowed to
28 suggest cuts or deletion or any other form of modification to the film makers and pre
29 requisites for earning the CEB grading. Such grading shall be given due weight and
30 consideration by the Movie and Television Review and Classification Board (MTRCB),
31 the Optical Media Board (OMS), the Department of Trade and Industry (DTI) and other
32 government agencies for the graded film's viewing, reproduction, exportation and other
33 purposes.
- 34 d. *Reconsideration to the Board En Banc.* – The action taken by the CEB on the film
35 submitted for evaluation and grading may be reconsidered upon motion to the CEB en
36 bane within twenty four (24) hours from receipt of notice of said action, and the CEB en

1 banc shall render its decision within forty eight (48) hours from its receipt of the motion
2 for reconsideration. The CEB en banc must be composed of at least majority of the CEB.
3 e. *Finality of Grading.* – The grading submitted by the CEB en banc to the Commission
4 shall be final.

5
6 **SEC. 14. *Privileges of Graded Films.*** –Films which have obtained an “A” or “B” grading
7 from the Commission pursuant to Sections 11 and 12 of this Act shall be entitled to the following
8 privileges:

9
10 *Amusement Tax Reward.* - A grade “A” or “B” shall entitle the producer to an incentive
11 equivalent to the amusement tax imposed and collected on the graded films by cities and
12 municipalities in Metro Manila and other highly urbanized and independent component cities in
13 the Philippines pursuant to Sections 140 and 151 of the Republic Act No. 7160 at the following
14 rates:

- 15 1. For grade "A" Films - Eighty (80%) percent of the amusement tax collected on such
16 films. The remaining twenty (20%) percent shall accrue to the funds of the
17 Commission; and
18 2. For grade "B" Films - Sixty Five (65%) percent of the amusement tax collected on
19 such films. The remaining thirty five (35%) percent shall accrue to the funds of the
20 Commission; *Provided,* That thirty (30%) percent of the amusement tax rebates shall
21 accrue to the talents and workers involved in the film that was graded A or B, with
22 the other seventy (70%) percent accruing to the film producer.

23
24 **SEC. 15. *Amusement Tax Deduction and Remittances.*** – All revenues from the
25 amusement tax on the graded film which may otherwise accrue to the cities and municipalities in
26 Metro Manila and highly urbanized and independent component cities in the Philippines
27 pursuant to Sections 140 of the Republic Act No. 7160 during the period the graded film is
28 exhibited, shall be deducted and withheld by the proprietors, operators or lessees of theaters or
29 cinemas and remitted within thirty (30) days from the termination of the exhibition to the
30 Commission which shall reward the corresponding amusement tax to the producers and the
31 talents and workers of the graded film within fifteen (15) days from receipt thereof.

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

1 **SEC. 16. Enforcement.** – For purposes of implementing the previous Section, the
2 Commission may:

- 3 1. Impose administrative fines and penalties of not more than One hundred thousand pesos
4 (Php100,000.00) for the violation of any of the provisions of this Act and/or its
5 implementing rules and regulations issued by the Commission.
- 6 2. Cause or initiate the criminal or administrative prosecution of violators of this act and its
7 implementing rules and regulations.
- 8 3. Cause the closure of any theater or cinema that fails or unreasonably refuse to remit tax
9 collected on the graded film for a period not exceeding fifteen (15) days after which such
10 period shall automatically be lifted without prejudice to the right of the Commission to
11 cause or initiate criminal or administrative prosecution against the erring theater or
12 cinema owners pursuant to paragraph 2 of this section.
- 13 4. Call upon representatives of the different government agencies and other various
14 organizations in the movie industry to help ensure compliance with the provisions of this
15 act and its implementing rules and regulations.

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

- 22 5. To deputize any law enforcement agency and instrumentality of the government for
23 assistance for the implementation and enforcement of its functions and orders.

24
25 **SEC. 17. Film Endowment Board.** – There is hereby created a Film Endowment Board
26 hereinafter referred to as the FEB which shall provide subsidy for the production of worthwhile
27 screenplays and films submitted to the FEB for consideration, subject to the following:

- 28 a. *Composition, Qualifications and Appointment.* – The FEB shall be composed of a Board
29 Chairperson and seven (7) members, four (4) of whom shall come from the film industry,
30 and the other three (3) from the arts, academe, business and other sectors as the
31 Commission may choose to identify. The Chairperson of the Commission shall appoint
32 the members of the FEB from among fifteen (15) nominees submitted by the members of
33 the Commission; *Provided,* That the persons appointed to the FEB should be
34 knowledgeable of the artistic and technical aspects of filmmaking and fully committed to
35 the promotion and development of cinematographic art along world class standards and
36 local and global marketability.

- 1 b. *Term of Office.* – The FEB Chairperson and members shall serve for a term of two (2)
2 years and shall be eligible for re-appointment for a second term; *Provided*, That no
3 member shall serve for two (2) consecutive terms; *Provided further*, That if any member
4 fails to complete a term, the person appointed to fill the vacancy shall serve only for the
5 unexpired portion of the term of the person whom he/she succeeds, unless re-appointed;
6 *Provided finally*, That the service of the unexpired portion shall not be counted as a term.
7 The FEB Chairperson and the seven (7) members shall hold office for two (2) years.
- 8 c. *Participation.* – No member of the FEB shall participate in approving of funding for a
9 film in which he or she or any member of his or her family or any relative within the
10 fourth degree of consanguinity or affinity shall have financial or any other interest;
11 *Provided*, That such member shall disclose fully at the time of his or her inhibition, the
12 nature of his or her interest including actual or potential conflict of interest and the
13 reasons of his or her inhibition.

14

15 **SEC. 18. *Film Endowment Evaluation System.*** – The FEB shall formulate and establish a
16 set of standards and criteria and procedures for the Film Endowment Fund Evaluation System,
17 subject to the approval of the Commission, based on but not limited to the following: the
18 aesthetic value of the screenplay submitted; the marketability of the film product; and its integral
19 cultural personality.

20

21 **SEC. 19. *Endowment Funding for Films.*** – The endowment funding for films by the FEB
22 shall be subject to the following provisions:

- 23 a. *Pre-qualification procedures and requirements* – The Commission shall prescribe pre-
24 qualification procedures and requirements for application for endowment funding;
25 *Provided*, That only original screenplays which have not yet been produced and which
26 when filmed are at least eighty (80) minutes in length or only films whose premiere
27 showing shall be held in the Philippines, and those which have not had any theatrical
28 release, free television broadcast, cable broadcast or video release in any commercial
29 medium anywhere in the world shall be qualified for evaluation by the board.
- 30 b. *Evaluation period.* – A submitted screenplay or film shall be evaluated and approved for
31 funding within thirty (30) days after submission. The FEB shall transmit it to the
32 Commission within twenty four (24) hours from the rendering of the decision. The
33 Commission shall inform the filmmaker or scriptwriter of the FEB's decision not later
34 than one (1) week upon receipt herewith.
- 35 c. *Finality of endowment fund decision.* – Once the Commission approves a project for
36 funding, the applicant receives an agreement that includes the Commission's policies on
37 copyright, distribution, credits, and other matters. The Commission reserves the right to

1 place additional conditions or stipulations deemed necessary or appropriate on an
2 endowment award. Unless specifically provided otherwise, the following policies will
3 apply to projects and to the use of materials produced or distributed with endowment
4 funds.

- 5 1. Ownership, copyright, distribution, exhibition, and use rights for all projects
6 developed or distributed with endowment funds shall be vested in the producer,
7 writer, artist, or other originator of the work provided that the Commission will
8 require the applicant to assign a share of all rights including copyright in the work to
9 the Commission as security for its investment. The Commission will take a fifty
10 (50%) percent share of such rights, with fifty (50%) percent to be retained by the
11 applicant. The Commission will require repayment of its endowment funding no later
12 than one (1) year, at which time the Commission will assign its share of the copyright
13 and other rights back to the applicant or its assignee. In order to secure repayment of
14 the Commission's development funding, applicant will not be able to assign, license
15 or otherwise transfer any rights to the work without the prior written approval of the
16 Commission.
- 17 2. Five DVD prints shall become property of the Commission. The Commission
18 reserves the non-exclusive right to distribute or exhibit its copy for non-commercial
19 purposes, as it deems appropriate.
- 20 3. The Commission reserves a royalty-free, non-exclusive, and irrevocable rights to
21 reproduce, publish, or otherwise use these materials for government purposes and to
22 authorize others to do so.

23
24 All projects developed through a Commission endowment, including associated publicity
25 or promotional materials, shall carry a statement indicating that it was funded by the
26 Commission. There shall also be a disclaimer statement to the effect that the views expressed
27 therein are not necessarily those of the Commission. The project must be promoted as a
28 Philippine work at film festivals and in markets abroad. In co-productions, the Philippine
29 nationality of the produced film must be mentioned together with any others.

30
31 **SEC. 20. Funding.** -- In order to provide for the initial funding of the Commission, there
32 is hereby created a Philippine Film Commission Fund Account to be deposited in the National
33 Treasury which shall be included in the annual General Appropriations Act and shall be
34 constituted from the proceeds from a special film commission tax of two pesos (Php 2.00) which
35 is hereby levied on all admission tickets of movie houses in the Philippines for a period of
36 twenty (20) years;

37 To augment its operational expenses, the Commission may:

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

11
12 **SEC. 21. Authority to Accept Donations.** – The Commission may accept donations,
13 contributions, grants, bequest or gifts, in cash or in kind, from various sources, domestic or
14 foreign, except from movie producers relevant to its functions. Said donations shall be deemed
15 automatically appropriated for purposes specified by the donor or in the absence thereof, for the
16 programs or projects as may be approved by the Commission subject to the usual government
17 accounting and auditing rules and regulations; *Provided*, That cash donations shall not be used to
18 fund the personal services requirements of the Commission. Any donation, contribution, subsidy
19 or financial aid which may be made to the Commission shall be exempt from taxes of any kind
20 and constitute allowable deduction in full from the income of the donors, contributors or givers
21 for income tax purposes.

22
23 **SEC. 22. Assistance from other Government Agencies.** – The Commission may call on
24 any department, bureau, office, agency or instrumentality of government for such direct
25 assistance as may be needed in the performance of its functions.

26
27 **SEC. 23. Implementing Rules and Regulations.** – The Commission shall, within ninety
28 (90) days after the approval of this Act, issue the necessary rules and regulations to implement
29 the provisions hereof.

30
31 **SEC. 24. Transitory Provision.** – To provide continuity in the operation of the
32 Commission, the incumbent officials and employees of FDCP and the CEB shall, in a holdover
33 capacity, continue to perform their respective duties and responsibilities and shall receive their
34 corresponding salaries and benefits until such time that the organization of the Commission shall
35 have been completed. The transition period shall not exceed six (6) months after effectivity of
36 this Act.

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

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

8 **SEC. 25. *Organization Structure.*** – The organizational structure and staffing pattern of
9 the Commission shall be established in coordination with the Department of Budget and
10 Management (DBM) and in accordance with Civil Service laws, rules, and regulations.

11
12 **SEC. 26. *Annual Report.*** – The Commission shall, within ninety (90) days after the end
13 of every fiscal year, submit to Congress an annual report on its compliance with, or
14 accomplishments under this act, together with its plans and recommendations to improve and
15 develop its capability to enforce the provisions of this Act, and a complete accounting of
16 transactions with respect to any funds received under this Act.

17
18 **SEC. 27. *Repealing Clause.*** – Republic Act No. 9167, otherwise known as the Film
19 Development Council of the Philippines Act, is hereby repealed.

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

22
23 **SEC. 28. *Separability Clause.*** – If, for any reason, any provision of this Act, or any part
24 thereof, is declared invalid or unconstitutional, all others sections or provisions not affected
25 thereby shall remain in force and effect.

26
27 **SEC. 29. *Effectivity.*** – This Act shall take effect fifteen (15) days after publication in two
28 (2) newspapers of national circulation.

Approved,