

NINETEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
*Second Regular Session* )

23 JUL 25 P 2 :52

RECEIVED BY: \_\_\_\_\_



**SENATE**  
S. No. 2350

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Introduced by Senator MANUEL "LITO" M. LAPID

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**AN ACT**  
**TRANSFORMING THE FILM DEVELOPMENT COUNCIL OF THE PHILIPPINES**  
**INTO THE NATIONAL FILM COMMISSION OF THE PHILIPPINES, DEFINING**  
**ITS POWERS AND FUNCTIONS, APPROPRIATING FUNDS THEREFOR, AND**  
**FOR OTHER PURPOSES**

**EXPLANATORY NOTE**

The Philippine film industry has a rich history and a remarkable legacy of producing world-class cinematic works. For decades, it has served as a potent avenue for artistic expression, cultural preservation, and economic growth. However, in recent years, the industry has faced unprecedented challenges that threaten its sustainability and growth. These challenges call for the establishment of a stronger institution—the National Film Commission (NFC)—to protect the local film industry and foster the development of future filmmakers.

With the advent of digital technology and the rise of online streaming platforms, the Philippine film industry faces fierce global competition. Foreign films dominate the international market, limiting the reach of locally-produced films and hindering opportunities for Filipino filmmakers to showcase their talent globally.

Rampant piracy and copyright infringement pose significant threats to the revenues of filmmakers and production companies. Unlawful distribution and reproduction of films result in substantial financial losses and discourage further investments in the industry.

Insufficient funding and inadequate government support have hindered the growth and development of the film sector. Local filmmakers often struggle to secure financing for their projects, leading to a reduction in film output and limited opportunities for aspiring talents.

The absence of a centralized governing body has created a void in setting industry standards, promoting ethical practices, and ensuring compliance with legal requirements. This has resulted in a lack of cohesive strategies for addressing issues such as fair labor practices and creative content guidelines.

The creation of the National Film Commission of the Philippines (NFCP) aims to address the aforementioned challenges and capitalize on the potential of the Philippine film industry. By replacing the Film Development Council of the Philippines, the NFCP will serve as a robust and comprehensive institution dedicated to supporting and protecting the local film sector while nurturing the growth of emerging filmmakers.

The NFCP will be responsible for formulating comprehensive policies that promote the growth of the film industry, encourage investments, and ensure a level playing field for local filmmakers. It will work closely with stakeholders, including film associations, industry experts, and government agencies, to create a unified vision for the future of Philippine cinema.

The NFCP will establish mechanisms to provide strategic funding and incentives for the production of quality films. By offering financial support and tax incentives to filmmakers, it will encourage the creation of more diverse and culturally relevant cinematic works.

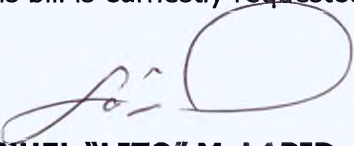
The NFCP will collaborate with relevant agencies to implement stringent anti-piracy measures, safeguarding the intellectual property rights of filmmakers and protecting their works from unauthorized distribution.

To ensure the sustainability of the film industry, the NFCP will focus on skill development and training programs for aspiring filmmakers. By fostering a nurturing environment for talent, it will contribute to the growth of a new generation of skilled filmmakers.

The NFCP will establish industry standards and guidelines to promote ethical practices and responsible filmmaking. This will include addressing issues related to working conditions, fair compensation, and content ratings.

The establishment of the National Film Commission is a critical step towards revitalizing the Philippine film industry and safeguarding its cultural heritage. By proactively addressing the challenges faced by local filmmakers, the NFC will ensure the continued growth and success of Philippine cinema on the global stage. We call on our esteemed colleagues to support this bill, recognizing the integral role of the film industry in shaping our nation's cultural identity and contributing to its economic prosperity.

In view of the foregoing, early passage of this bill is earnestly requested.



**MANUEL "LITO" M. LAPID**  
*Senator*

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1 **AN ACT**

2 **TRANSFORMING THE FILM DEVELOPMENT COUNCIL OF THE PHILIPPINES**  
3 **INTO THE NATIONAL FILM COMMISSION OF THE PHILIPPINES, DEFINING**  
4 **ITS POWERS AND FUNCTIONS, APPROPRIATING FUNDS THEREFOR, AND**  
5 **FOR OTHER PURPOSES**

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

6 Section 1. **State Policy** - Pursuant to the constitutional guarantee on freedom  
7 of expression, the state shall promote and support the development and growth of  
8 the local film industry as an aesthetic and cultural medium for a better understanding  
9 and appreciation of Filipino social values and national identity. The state shall also  
10 regard the film industry as an 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  
13 of films for commercial purposes, intended for public entertainment, that seek to  
14 enhance the quality of life, examine the human and social conditions and contribute  
15 to the dignity and nobility of the human spirit.

16 Section 2. **Creation of the National Film Commission of the Philippines**  
17 - To carry out the provisions of this Act, there is hereby created a National Film  
18 Commission of the Philippines, hereinafter referred to as the "Commission." The  
19 Commission shall be an independent agency. The Film Development Council of the  
20 Philippines, Inc. (FDCP), created under Republic Act No. 9167, is hereby abolished.

1           Section 3. ***Powers and Functions*** - The Commission shall have the following  
2 powers and functions:

3           1. To coordinate all programs and policies of government departments and  
4 agencies that are related to the development of the local film industry, to  
5 include the setting up of film desks in these government instrumentalities;

6           2. To promote, organize, encourage or support more effective strategies, through  
7 which local films can be marketed locally and internationally, thus ensuring the  
8 growth and development of the local film industry; such marketing strategies  
9 shall also focus on international festivals with marketing components;

10          3. To develop and promote programs to enhance the skills and expertise of Filipino  
11 film artists, technicians and workers through continuous craft and technical  
12 trainings;

13          4. To set up and operate a one-stop shop to assist foreign and local producers  
14 making films in the country;

15          5. To develop and implement a two-pronged program that will encourage the  
16 production of quality films through the Cinema Evaluation Board and the Film  
17 Endowment Fund Board;

18          6. To encourage, support, and coordinate the holding of national and regional film  
19 festivals exclusively of Filipino films;

20          7. To establish, organize, operate and maintain international film festivals,  
21 exhibitions and similar activities, including, but shall not be limited to, an ASEAN  
22 film festival and market, which may later spin off to a wider Asian film festival;

23          8. To invest funds and other assets in such activities or undertakings that shall  
24 directly or indirectly promote development of the film industry, including the  
25 production of films, subject to terms and conditions as it may deem wise and  
26 desirable;

- 1 9. To ensure the establishment of a film archive to conserve and protect copies of  
2 film, in any storage format as may be practicable, as part of the nation's  
3 historical, cultural and artistic heritage;
- 4 10. To require local film producers to submit a digital video copy of films they will  
5 produce for archiving purposes;
- 6 11. To set up mechanics to address the welfare and working conditions of local film  
7 workers, to be implemented and/or enforced in coordination with stakeholder  
8 organizations such as the Mowelfund and the *Nagkakaisang Manggagawa ng*  
9 *Pelikulang Pilipino*;
- 10 12. To assist and oversee the organization of cinema clubs in barangays and  
11 schools to promote film appreciation;
- 12 13. To prescribe the procedures for the exercise of its power and functions as well  
13 as the performance of its duties and responsibilities;
- 14 14. To determine the Commission's organizational structure and staffing pattern  
15 and appoint officers and employees of the Commission;
- 16 15. To determine and decide the appropriate disciplinary action for Commission  
17 officials and employees in cases of misconduct, including corruption, dereliction  
18 of duty and abuse of authority;
- 19 16. To acquire, manage and hold such real and personal property as may be  
20 necessary to carry out the purposes and objectives of this Act; and
- 21 17. To perform such other functions as may be necessary to carry out the  
22 provisions of this Act.

23 Section 4. ***Composition of the Commission*** - The Commission shall be  
24 composed of a Commissioner and sixteen (16) members, seven (7) of whom shall be  
25 regular members, while the other nine (9) members shall be in an *ex officio* capacity:  
26 *Provided, That* the Commissioner shall be a person of proven administrative  
27 proficiency, independence, knowledgeable of the technical and artistic aspects of the  
28 film production and fully committed to the promotion and development of the

1 Philippine Cinema as art: *Provided further*, That the Commissioner shall be elected by  
2 the members of the Commission.

3 The **nine (9) members** who shall be **ex-officio** members of the Commission  
4 are the following:

- 5 1. The Secretary of the Department of Trade and Industry or his/her  
6 duly designated regular representative;
- 7 2. The Secretary of the Department of Education or his/her duly  
8 designated regular representative;
- 9 3. The Secretary of the Department of Tourism or his/her duly  
10 designated regular representative;
- 11 4. The Secretary of the Department of Foreign Affairs or his/her duly  
12 designated regular representative;
- 13 5. The Secretary of the Department of Interior and Local  
14 Government or his/her duly designated regular representative;
- 15 6. The Secretary of the Department of Finance or his/her duly  
16 designated regular representative;
- 17 7. The Director General of the Film Academy of the Philippines or  
18 his/her duly designated regular representative;
- 19 8. The President of the Cultural Center of the Philippines or his/her  
20 duly designated regular representative;
- 21 9. The head of the Cinema Committee of the National Commission  
22 for Culture and the Arts or his/her duly designated regular  
23 representative;

24 The **seven (7) regular members** shall be as follows:

- 25 1. A representative of the Directors' Guild of the Philippines, Inc;

- 1                                   2. A representative of the *Nagkakaisang Manggagawa ng Pelikulang*
- 2   *Pilipino*;
- 3                                   3. A representative of the Mowelfund;
- 4                                   4. A representative of the Actors' Guild of the Philippines, Inc.;
- 5                                   5. A representative from the National Cinema Association of the
- 6   Philippines;
- 7                                   6. A representative from the academe;
- 8                                   7. A representative from the local film producers.

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

17                   Section 6. ***Meetings*** - The Commission shall meet at least once a month or as  
18 often as necessary at the call of the Commissioner or majority of the members. A  
19 majority of the members of the Commission shall be entitled to *honoraria* based on  
20 existing government accounting and auditing rules and regulations.

21                   Section 7. ***The Commissioner*** - The Commissioner shall be the Chief  
22 Executive Officer and shall exercise overall administrative supervision to ensure the  
23 effective and efficient implementation of the policies laid down by the Commission.  
24 The Commissioner shall have the same rank and salary as an Undersecretary of a  
25 Department as provided for in the Salary Standardization Law.

26                   Section 8. ***Functions of the Commissioner*** - The Commissioner shall have  
27 the following functions:



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

10            Section 9. ***The Executive Director*** - The Commissioner should be assisted by  
11 an Executive Director to be appointed by the Commission upon the recommendation  
12 of the Commissioner. The Executive Director shall have a salary comparable to that  
13 equivalent rank under the Revised Compensation and Position Classification System  
14 and shall be co-terminus with the Commissioner unless sooner removed for a cause.

15            Section 10. ***Cinema Evaluation Board*** - The Commission will absorb the  
16 Cinema Evaluation Board of the FDCP, hereinafter referred to as the "CEB," which shall  
17 evaluate and grade films submitted to the Commission, subject to the following:

- 18            a. ***Composition, Qualifications and Appointment*** - The CEB shall be  
19            composed of a Chairperson and twenty (20) members, ten (10) of whom  
20            shall come from the film industry, and the other ten (10) from the arts,  
21            academe, business, and other sectors. The Commission shall appoint the  
22            members of the CEB from among thirty (30) submitted by the members  
23            of the Commission. Provided, That the persons appointed to the CEB  
24            should be knowledgeable of the artistic and technical aspects of film  
25            making and fully committed to the promotion and development of  
26            cinematographic art along world class standards and global  
27            marketability.
- 28            b. ***Term of Office*** - The Chairperson and members shall serve for a term of  
29            two (2) years and shall be eligible for re-appointment for a second term:

1           *Provided*, That no member shall serve for more than two (2) consecutive  
2 terms: *Provided further*, if any member fails to complete a term, the  
3 person appointed to fill the vacancy shall serve only for the unexpired  
4 portion of the term of the person whom he/she succeeds, unless re-  
5 appointed; *Provided finally*, That the service of the unexpired portion  
6 shall not be counted as a term. In the initial appointments, the CEB  
7 Chairperson and the twenty (20) members shall hold office for two (2)  
8 years.

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

16           Section 11. **Cinema Evaluation System** - The CEB shall formulate and  
17 establish a set of standards and criteria and procedures for the Cinema Evaluation  
18 System, subject to the approval of the council, primarily based on but not limited to  
19 the following: direction; screenplay, cinematography; editing; production design;  
20 musical scoring, sound, and acting.

21           Section 12. **Grading of Films** - The grading of films by the Cinema Evaluation  
22 Board shall be subject to the following provisions:

- 23           a. *Pre-qualification procedures and requirements* - The Commission shall  
24 prescribe pre-qualification procedures and requirements for application  
25 for grading: *Provided*, That only films whose premiere showing shall be  
26 held in the Philippines, and those which have not had any theatrical  
27 release, free television broadcast, cable broadcast or video release in  
28 any commercial medium anywhere in the world shall be qualified for  
29 evaluation by the board: *Provided further*, That the CEB should evaluate  
30 and grade only films that are intended for theatrical and other forms or

1 exhibition that will charge admission fees and which are at least eighty  
2 (80) minutes in length and that the producer shall submit his/her film  
3 for grading at least seven (7) days before its scheduled day of play date.

4 b. *Evaluation Period* - A film shall be reviewed, evaluated and Graded by  
5 the CEB within five (5) working days after submission of the application.  
6 The CEB shall transmit its decision to the Commission twenty-four (24)  
7 hours from rendering of the decision. The Commission shall inform the  
8 producer of the CEB's decision not later than twenty-four (24) hours  
9 upon receipt herewith.

10 c. *Grading of Films* - The CEB shall review and grade a film submitted for  
11 grading. The CEB and the Commission shall, at any time neither be  
12 allowed to cut, delete, shorten, or modify in any manner films being  
13 graded by the CEB, nor shall they be allowed to suggest cuts or deletion  
14 or any other form of modification to the filmmakers and prerequisites for  
15 earning the CEB grading. Such grading shall be given due weight and  
16 consideration by the Movie and Television Review and Classification  
17 Board (MTRCB), the Optical Media Board (OMB), The Department of  
18 Trade and Industry (DTI) and other governmental agencies for the  
19 graded film's viewing, reproduction, exportation and other purposes.

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

27 e. *Finality of grading* - The grading submitted by the CEB *en banc* the  
28 council shall be final.

29 Section 13. ***Privileges of Graded Films*** - Films which have obtained an "A"  
30 or "B" grading from the Commission pursuant to Sections 11 and 12 of this Act shall  
31 entitle the producer to a tax rebate incentive equivalent to the amusement tax

1 imposed and collected on the graded films by cities and municipalities in Metro Manila  
2 and other highly urbanized and independent component cities in the Philippines  
3 pursuant to Sections 140 and 151 of the Republic Act No. 7160 at the following rates:

4 a. For grade "A" Films - 100 of the amusement tax collected on such films;  
5 and

6 b. For grade "B" Films - 75% of the amusement tax collected on such films.

7 The remaining twenty-five percent (25%) shall accrue to the funds of  
8 the Council.

9 Provided, however, that fifty (50) percent of the amusement tax rebates will  
10 benefit the talents and workers involved in the film that was graded A or B, with the  
11 other fifty (50) percent going to the film producer.

12 Section 14. **Amusement Tax Deduction and Remittances** - All revenue  
13 from the amusement tax on the graded film which may otherwise accrue to the cities  
14 and municipalities in Metro Manila and highly urbanized and independent component  
15 cities in the Philippines pursuant to Sections 140 of the Republic Act No. 7160 during  
16 the period the graded film is exhibited, shall be deducted and withheld by the  
17 proprietors, operators or lessees of theaters or cinemas and remitted within thirty (30)  
18 days from the termination of the exhibition to the Commission which shall reward the  
19 corresponding amusement tax to the producers and the talents and workers of the  
20 graded film within fifteen (15) days from receipt hereof.

21 Proprietors, operators or lessees of theaters or cinemas who fail to remit  
22 amusement tax proceeds within the prescribed period shall be liable to surcharge  
23 equivalent to five (5%) of the amount due for each month of delinquency which shall  
24 be paid to the Commission.

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

27 1. Impose administrative fines and penalties of not more than one hundred  
28 thousand pesos (P100,000.00) for the violation of any of the provisions

1 of this Act and/or its implementing rules and regulations issued by the  
2 Commission.

- 3 2. Cause or initiate the criminal or administrative prosecution of violators  
4 of this Act and its implementing rules and regulations.
- 5 3. Cause the closure of any theater or cinema that fails or unreasonably  
6 refuses to remit tax collected on the graded film for a period not  
7 exceeding fifteen (15) days after which such period shall automatically  
8 lifted without prejudice to the right of the Commission to cause or initiate  
9 criminal or administrative prosecution against the erring theater or  
10 cinema owners pursuant to paragraph 2 of this section.
- 11 4. Call upon representatives of the different government agencies and  
12 other various organizations in the movie industry to help ensure  
13 compliance with the provisions of this act and its implementing rules and  
14 regulations.
- 15 5. For this purpose, the Commission may constitute regional sub-  
16 commissions in the cities and municipalities throughout the country  
17 composed of representatives from the government and from the private  
18 sector as may be appropriate to implement the purposes and objectives  
19 of this Act and its implementing rules and regulations and they shall  
20 serve without compensation and only for such period of time as the  
21 Commissioner shall determine.
- 22 6. To deputize any Law Enforcement and agency and instrumentality of the  
23 government for assistance for the implementation and enforcement of  
24 its functions and orders.

25 Section 16. **Film Endowment Fund Board** - There is hereby created a Film  
26 Endowment Fund Board hereinafter referred to as the FEFB which shall provide  
27 subsidy for the production of worthwhile screenplays submitted to the FEFB for  
28 consideration, subject to the following:

- 29 a. *Composition, Qualifications and Appointment* - The FEFB shall be  
30 composed of a Chairperson and seven (7) members, four (4) of whom  
31 shall come from the film industry, and the other three (3) from the arts,

1 academe, business and other sectors. The Commissioner shall appoint  
2 the members of the FEFB from among fifteen (15) nominees submitted  
3 by the members of the Commission. Provided, That the persons  
4 appointed to the FEFB should be knowledgeable of the artistic and  
5 technical aspects of filmmaking and fully committed to the promotion  
6 and development of cinematographic art along world class standards  
7 and global marketability.

8 *b. Term of Office* - The Chairperson and members shall serve for a term of  
9 two (2) years and shall be eligible for re-appointment for a second term:  
10 *Provided*, That no member shall serve for two (2) consecutive terms:  
11 *Provided further*, if any member fails to complete a term, the person  
12 appointed to fill the vacancy shall serve only for the unexpired portion  
13 of the term of the person whom he/she succeeds, unless re-appointed:  
14 *Provided finally*, That the service of the unexpired portion shall not be  
15 counted as a term. The FEFB Chairperson and the seven (7) members  
16 shall hold office for two (2) years.

17 *c. Participation* - No member of the FEFB shall participate in the approving  
18 of funding for a film in which he or she or any member of his or her  
19 family or any relative within the fourth degree of consanguinity or affinity  
20 shall have the financial or any other interest: *Provided further*, That such  
21 member shall disclose fully at the time of his or her inhibition, the nature  
22 of his or her interest including actual or potential conflict of interest and  
23 the reasons of his or her inhibitions.

24 Section 17. **Film Endowment Fund Evaluation System** - The FEFB shall  
25 formulate and establish a set of standards and criteria and procedures for the Film  
26 Endowment Fund Evaluation System, subject to the approval of the Commission,  
27 based on but not limited to the following: the aesthetic value of the screenplay  
28 submitted; the marketability of the film product; and its integral cultural personality.

29 Section 18. **Endowment Funding for Films** - The endowment funding for  
30 films by the FEFB shall be subject to the following provisions:

- 1 a. *Pre-qualification procedures and requirements* - The Commission shall  
2 prescribe pre-qualification procedures and requirements for application  
3 for endowment funding. Provided, That only original screenplays which  
4 have not yet been produced and which when filmed are at least eighty  
5 (80) minutes in length will be submitted for evaluation.
- 6 b. *Evaluation period* - A submitted screenplay shall be evaluated and  
7 approved for funding within thirty (30) days after submission. The FEFB  
8 shall transmit to the Commission twenty-four (24) hours from the  
9 rendering of the decision. The Commission shall inform the filmmaker or  
10 scriptwriter of the FEFB's decision not later than one (1) week upon  
11 receipt herewith.
- 12 c. *Finality of endowment fund decision* - The evaluation submitted by the  
13 FEFB *en banc* to the Commission shall be final.

14 Section 19. **Funding** - The funding of the National Film Commission of the  
15 Philippines shall be included in annual General Appropriations Act.

16 To augment the operational expenses of the Council, the Council may:

- 17 1. Utilize the remaining twenty-five (25%) percent of the amusement tax  
18 collected during the period of grade "B" film is exhibited, as provided  
19 under Sections 13 and 14 hereof; and
- 20 2. Impose reasonable fees and charges for services rendered: Provided,  
21 That the amount collected shall be deposited in the National Treasury as  
22 a special account in the General Fund and may be used to augment its  
23 maintenance and other operational expenses, and capital outlays except  
24 its purchase of motor vehicles, subject to existing accounting and  
25 budgeting rules and regulation;
- 26 3. Secure funding from the Philippine Amusement and Gaming Corporation  
27 for the amount necessary to subsidize the production of thirty (30) films  
28 annually.

1           Section 20. **Authority to Accept Donations** - The Commission may accept  
2 donations, contributions, grants, bequests or gifts, in cash or in kind, from various  
3 sources, domestic or foreign, subject to laws governing conflicts of interest in  
4 government transactions. Said donations shall be deemed automatically appropriated  
5 for purposes specified by the donor, or in the absence thereof, for the programs or  
6 projects as may be approved by the Commission, subject to the government  
7 accounting and auditing rules and regulations and the provisions of this Act: *Provided,*  
8 That the purposes so determined shall be limited to the purposes of this Act. Any  
9 donation, contribution, subsidy or financial aid which may be made to the Commission  
10 shall be exempt from taxes of any kind and constitute allowable deduction from the  
11 income of the donors, contributors or givers for income tax purposes.

12           Section 21. **Assistance from other Government Agencies** - The  
13 Commission may request any department, bureau, office, agency or instrumentality  
14 of government for such assistance as may be needed in the performance of its  
15 functions.

16           Section 22. **Implementing rules and Regulations** - The National Film  
17 Commission of the Philippines shall, within ninety (90) days after the approval of this  
18 act, issue the necessary rules and regulations to implement the provisions hereof.

19           Section 23. **Transitory Provision** - To provide continuity in the operation of  
20 the Commission, the incumbent officials and employees of the FDCP and the CEB shall,  
21 in a holdover capacity, continue to perform their respective duties and responsibilities  
22 and shall receive their corresponding salaries and benefits until such time that the  
23 organization of the Commission shall have been completed. The transition period shall  
24 not exceed one (1) year after effectivity of this act.

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



1 All books, assets, rights, privileges, records, obligations and liabilities of FDCP  
2 and CEB are hereby transferred.

3 Section 24. **Annual Report** - The Commission shall, within ninety (90) days  
4 after the end of every fiscal year, submit to Congress an annual report on its  
5 compliance with, or accomplishments under this act, together with its plans and  
6 recommendations to improve and develop its capability to enforce the provisions of  
7 this Act, and a complete accounting of transactions with respect to any funds received  
8 under this act.

9 Section 25. **Repealing Clause** - Republic Act No. 9167, otherwise known as  
10 the Film Development Council of the Philippines Act, is hereby amended accordingly.

11 All other laws, decrees, orders, issuances, rules and regulation which are  
12 inconsistent with the provisions of this act are hereby repealed, amended and modified  
13 accordingly.

14 Section 26. **Separability Clause** - If, for any reason, any provision of this  
15 Act, or any part thereof, is declared invalid or unconstitutional, all other sections or  
16 provisions not affected thereby shall remain in force and effect.

17 Section 27. **Effectivity** - This Act shall take effect fifteen (15) days after  
18 publication in the Official Gazette and two (2) newspapers of national circulation.

19 *Approved,*