

FIFTEENTH CONGRESS OF THE
REPUBLIC OF THE PHILIPPINES
First Regular Session

SENATE
OFFICE OF THE SECRETARY

10 JUL 12 A8:29

SENATE

Senate Bill No. 1117

INTRODUCED BY HON. MANNY VILLAR

EXPLANATORY NOTE

The musicality of Filipinos is hugely beyond question. First rate Filipino composers, singers and singing groups comprise a rich human resource for the country's cultural and economic development.

Yet ironically, foreign music has dominated the Philippine music industry. In fact, the airtime ratio is still favorable to foreign music. This condition should be reversed.

This bill intends to bring about a broader access by our people to our own music, hence, the approval of this measure for the development and appreciation of Filipino music is urgently needed.

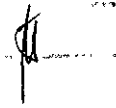

MANNY VILLAR

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**AN ACT
TO PROMOTE THE DEVELOPMENT OF THE PHILIPPINE MUSIC INDUSTRY,
AND FOR OTHER PURPOSES**

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

1 SECTION 1. *Title.* – This Act shall be known as the “Music Industry
2 Development Act.”
3

4 SECTION 2. *Declaration of Policy.* – In consonance with the Constitutional
5 mandate to conserve, promote, and popularize the nation’s historical and cultural
6 heritage and resources as well as its artistic creations, it is hereby declared to be the
7 policy of the State to develop and enhance the musical creativity of the Filipino; to
8 promote and cultivate the development of Filipino music; and to encourage and support
9 the promotion of propagation of Filipino music here and abroad.
10

11 In adherence to such policies, this Act shall have the following objectives:
12

- 13 (a) To identify, develop, protect and promote Filipino musical talent, be it in
14 composition, rendition, or production;
15 (b) To provide opportunities for the appropriate training and professional
16 development of the musically talented;
17 (c) To provide adequate mechanisms and support for the development and
18 protection of the Filipino music industry; and
19 (d) To popularize and promote Filipino music in the country and abroad.
20

21 SECTION 3. *Definition of Terms.* –
22

- 23 (1) Original Pilipino Music (OPM) – refers to any musical composition with or
24 without lyrics, originally created by a Filipino, whether the lyrics be in Pilipino,
25 English or other foreign language, or any other Philippine dialect.
26 (2) Performers – refer to actors, singers, musicians, dancers and other persons
27 who act, sing, deliver, declaim play in, or otherwise perform in any musical
28 work/field.
29 (3) Musical Score – refers to any exclusively visual fixation of sound for
30 renditions, sound recording or broadcasting

- 1 (4) Sound Recording – refers to any exclusively aural fixation of sound of a
2 performance or recording.
- 3 (5) Producer of Sound Records – refers to the person who, or the legal entity
4 which first fixes the performance or recording
- 5 (6) Publication – refers to the issue of offering to the public of copies of a sound
6 recording or a musical score in reasonable quantity
- 7 (7) Reproduction – refers to the making of a copy or copies of a recording or a
8 musical score.
- 9 (8) Broadcasting Organization – refers to the proprietorship duly authorized to
10 engage in broadcasting
- 11 (9) Broadcasting – refers to the transmission for public reception of sounds or of
12 images and sounds
- 13 (10) Rights of the composer refer to:
- 14 (a) *Performance* – the broadcasting of musical works be it live or recorded
- 15 (b) *Mechanical* – refers to the disc and tape reproduction of musical works
- 16 (c) *Synchronization* – the coordination between musical works and visual
17 images in motion pictures, television shows and advertising commercials
- 18 (d) *Printing* – the publication of works in musical and vocal arrangement
- 19

20 SECTION 4. *Musical Industry Development Council.* – To achieve the objectives
21 of this Act, there is hereby created a Music Industry Development Council, hereinafter
22 referred to as the Council, hereinafter referred to as the Council.

23

24 The Council shall have the following powers and functions:

25

- 26 (a) To stimulate and promote the creation and rendition of good music by means
27 of grants, loans and other forms of assistance to qualified persons and
28 institutions applying therefor;
- 29 (b) To encourage and facilitate the organization of clubs and societies
30 throughout the Philippines for the promotion and popularization of Filipino
31 music through media;
- 32 (c) To encourage the development of plans and programs, whether by private or
33 government sectors, for the identification, selection, training and support of
34 musically gifted children;
- 35 (d) To devise a system of payment of royalties to Filipino musicians that will
36 guarantee Filipino musicians a minimum amount of royalty that will
37 adequately compensate him or her for the work;
- 38 (e) To promote the right and privileges of the Filipino artists performing in the
39 country, giving priority to local artists over foreign performers;
- 40 (f) To monitor, mediate or arbitrate in the following cases, in accordance with
41 guidelines it shall formulate:
- 42
- 43 1. Infringement of copyright and neighboring rights of whatever nature or
44 character.
 - 45 2. Controversies arising out of royalty rates, license schemes, compulsory
46 licenses and relations between and among intellectual property creators,
47 users, publishers, collecting societies, performers, producers of sound
48 recordings and broadcasting organizations
 - 49 3. Controversies involving intellectual property in music, its assignment or
50 transfer, or those involving licenses, whether exclusive or non-exclusive.
- 51 (g) To accept donations, grants or contributions and to undertake fund-raising
52 activities and administer the funds solicited thereat, for the attainment of the
53 objectives of this Act;
- 54 (h) To submit an annual report of its activities as well as recommendations to
55 the Department of Education (DepEd)
- 56

1 SECTION 5. *Board of Directors.* – There shall be a board of Directors
2 composed of nine (9) members, who, as far as practicable, should come from
3 recognized associations in the music industry representing the following: composers,
4 arrangers, singers, instrumentalists, conductors and producers of sound recordings.

5
6 The Board shall also have as one of its members, a director of a reputable music
7 school, a music patron and a representative from DepEd.

8
9 The Chairman of the Board shall be elected by the members from among
10 themselves.

11
12 The first members of the Board shall be appointed by the President with the
13 following staggered terms: three (3) for a term of two (2) years; three (3) for term of
14 three (3) years; and three (3) for a term of four (4) years from the date they qualify and
15 assume office.

16
17 Their successor shall be appointed by the President for uniform term of six (6),
18 except that any person elected by the Board to fill a vacancy in the Board shall serve
19 only for the unexpired term of the member who he or she succeeds.

20
21 Each member shall, for each day of meeting actually attended by him, receive
22 from the general fund of the Council per diem of not more that Five hundred pesos
23 (P500.00) and in no case shall the total per diem per month exceed One thousand five
24 hundred pesos (P1,500.00).

25
26 SECTION 6. *Equity.* – Equity or the preferential right of local performers over
27 foreign performers, shall be given to local performers, producers of sound recordings
28 and all others involved in the music industry.

29
30 An equity fee chargeable to the foreign performer/worker per show, from the lead
31 artists down to the minor workers, shall be in such amount as may be determined by
32 the Council: *Provided*, That it shall not be applied to the following:

- 33
34 (a) classical artists;
35 (b) those who perform under a cultural exchange program;
36 (c) those who are sponsored or sent by counterpart cultural organizations;
37 (d) those who perform for the benefit of organizations of Filipino Artists;
38 (e) those who waive their regular fees or perform without fees; and
39 (f) Filipino artists who have acquired foreign citizenship
40

41 The income from equity collections of the Council shall be constituted into a fund
42 which shall be administered and managed by the Council in accordance with rules and
43 regulations duly adopted by it.

44
45 The fund shall be utilized primarily for the benefit of the local performers.

46
47 SECTION 7. *Taxation and Foreign Recordings.* – The Council shall have the
48 authority to impose reasonable taxes on foreign musical recordings, the proceeds which
49 shall go to the Fund.

50
51 SECTION 8. *Promotion and Popularization of Filipino Music.* – All radio stations
52 shall allot at least sixty percent (60%) of airtime to Filipino compositions, including
53 background music, in every clockhour of a program with a musical format.

54
55 All musical/variety/cultural programs in all TV stations shall also allot at least
56 sixty percent (60%) of airtime to Filipino compositions, including background music, for
57 every clockhour of showtime/airtime.

1
2 All advertisements with music format over radio and TV stations shall likewise
3 allot at least seventy-five percent (75%) of airtime to Filipino compositions.
4

5 All background music of Filipino films shall likewise allot at least seventy-five
6 (75%) of playtime to Filipino music.
7

8 All public places shall be required to play at least sixty percent (60%) of Filipino
9 music for every clockhour. These public places are specified as follows:
10

- 11 (a) *Moviehouses* – during screening intervals
- 12 (b) *Parks/Plazas* – music played through their public address systems
- 13 (c) *Hotels and other lodging places, restaurants* – piped-in music or
14 entertainment fare
- 15 (d) *Shopping Malls* – music played through their public address systems, in
16 shows and entertainment fare
- 17 (e) *Public transportation by air, land and sea* – piped-in music and recordings
18 played
- 19 (f) *Government offices and buildings* – piped-in music
- 20 (g) *School, colleges and universities* – music played through their public address
21 systems, in school programs, shows and ceremonies.
22

23 SECTION 9. *Enforcement and Implementation.* – The enforcement and
24 implementation of the above mentioned provisions shall be performed by government
25 agencies such as DepEd, in coordination with the Department of Transportation and
26 Communication (DOTC), Kapisanan ng mga Broadcasters ng Pilipinas (KBP), the
27 Department of the Interior and Local Government (DILG), volunteer groups, civic
28 organizations and deputized police agencies.
29

30 SECTION 10. *Penalties.* – In case of violation, the punishment or penalty is as
31 follows:
32

- 33 (a) Any franchise holder or operator/owner of radio/TV station which fail to play
34 at least sixty percent (60%) OPM during airtime shall be fined in the amount
35 of Twenty thousand pesos (P20,000.00) per violation.
- 36 (b) After due hearing the appropriate government agency shall cancel the
37 Certificate of Registration and Authority to operate any radio/TV station in the
38 event of three (3) repeated violations.
39

40 SECTION 11. *Government Incentives.* – To develop the music industry, the
41 following incentives are provided:
42

- 43 (a) *Formation of regional recording studios* – Regional recording studios
44 administered by the Council shall be established to provide equal access to
45 recording studios
- 46 (b) *Tax Relief* – The following tax incentives shall be imposed:
 - 47 1. Taxes on imported musical instruments, as long as they do not compete
48 with local counterparts of the same quality, shall be reduced to fifty
49 percent (50%);
 - 50 2. Taxes on imported musical instrument needed for recordings and/or live
51 performances, as long as they do not compete with local counterparts of
52 the same quality, shall be reduced to fifty percent (50%);
 - 53 3. Taxes on raw materials used in recording, whether it be local or imported,
54 shall be reduced by twenty percent (20%);
- 55 (c) *Grants/Awards/Scholarships* – Scholarship grants shall be created for both
56 amateur and professional singers/musicians in order to further develop their
57 capabilities.

1 Musical awards shall be given annually to both amateur and
2 professional singers/artists/performers and all other music-related
3 performances and jobs, at the provincial, regional and national levels, to be
4 called the "*Parangal sa Musikang Pilipino*".

5 The Council in coordination with agencies and entities involved in
6 the promotion of Filipino music, shall organize these annual events.
7

8 SECTION 12. *Promotions and Marketing*. – There shall be created a promotions
9 and marketing Bureau of the Council for promotion and marketing of talents both locally
10 and internationally. It shall closely coordinate with the Department of Foreign Affairs
11 and the Department of Tourism for the purpose.
12

13 The Bureau's main functions are as follows:
14

- 15 (a) To determine, adopt and implement the best possible means for the Filipino
16 performers to penetrate the international market;
- 17 (b) To disseminate to all Filipino performers information on national and
18 international competitions, including the mechanics and processes involved
19 in achieving national and international success;
- 20 (c) To develop mechanisms whereby tourists and other foreigners are exposed
21 to Filipino music and musical performances;
- 22 (d) To coordinate with the various producers, agents, talent directors both in the
23 local and international market.
24

25 SECTION 13. *Tax Exemption*. – All donations, contributions, subsidies or aids
26 which may be made to the Council shall be considered allowable deductions from the
27 income of the donors or grantors for income tax purposes.
28

29 SECTION 14. *Appropriations*. – Out of any funds in the National Treasury not
30 otherwise appropriated, the sum of Five million pesos (P5,000,000.00) is hereby
31 appropriated as aid to the Council for its initial expenses. Thereafter, the Council shall
32 submit a proposed annual budget for inclusion in the annual General Appropriations
33 Act.
34

35 SECTION 15. *Repealing Clause*. – All existing laws, decrees, executive orders
36 and rules and regulations or parts thereof inconsistent with the provisions of this Act are
37 hereby repealed, or modified accordingly.
38

39 SECTION 16. *Separability Clause*. - If any part, section or provision of this Act
40 shall be held unconstitutional or invalid, other parts or provisions hereof which are not
41 affected thereby shall continue to be in full force and effect.
42

43 SECTION 17. *Effectivity*. – This Act shall take effect fifteen (15) days after its
44 publication in at least two (2) newspapers of general circulation.
45

46 Approved,