

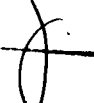
SEVENTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
First Regular Session )



16 JUL 19 P5:56

SENATE

S. No. 609

RECEIVED BY: 

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Introduced by Senator Antonio "Sonny" F. Trillanes IV

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**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**

**EXPLANATORY NOTE**

The State recognizes the role of the 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.<sup>1</sup> 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<sup>2</sup>.

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<sup>1</sup> Information retrieved from <http://filmacademyphil.org!?page id=9>

<sup>2</sup> Information retrieved from <http://entertainment.inquirer.net!304SS!philippine-film-industry-in-decline>

This bill, 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 of the Philippines. 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 of the Philippines 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  
*Senator*

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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 2016*".

3  
4           **SEC. 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 and  
6     nationalism, accelerate social progress, and promote total human liberation and development,  
7     the state shall promote and support the development and growth of the local film industry as  
8     an aesthetic and cultural medium for a better understanding and appreciation of Filipino  
9     social values and national identity and as an indispensable economic partner in nation-  
10    building,

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  
13    commercial purposes, intended for public entertainment, that seek to enhance the quality of  
14    life, examine the human and social conditions and contribute to the dignity and nobility of the  
15    human spirit.

16  
17           **SEC. 3. Creation of the Philippine Film Commission.** – To implement the policies  
18    and attain the objectives enunciated in this Act, the Film Development Council of the  
19    Philippines (FDCP) created under Republic Act no. 9167 is hereby reorganized into the  
20    Philippine Film Commission hereinafter referred to as the "Commission". The Commission

1 shall be an independent agency. It shall render an annual report of its activities and  
2 achievements to the President and to the Congress and shall have its principal offices in  
3 Metropolitan Manila.

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

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

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

- 27 1. The Secretary of the Department of Trade and Industry or his/her duly designated  
28 regular representative;
- 29 2. The Secretary of the Department of Education or his/her duly designated regular  
30 representative;
- 31 3. The Secretary of the Department of Tourism or his/her duly designated regular  
32 representative;

- 1           4. The Secretary of the Department of Foreign Affairs or his/her duly designated  
2           regular representative;
- 3           5. The Secretary of the Department of Interior and Local Government or his/her duly  
4           designated regular representative;
- 5           6. The Secretary of the Department of Finance or his/her duly designated regular  
6           representative;
- 7           7. The Director General of the Film Academy of the Philippines or his/her duly  
8           designated regular representative;
- 9           8. The President of the Cultural Center of the Philippines or his/her duly designated  
10          regular representative; and
- 11          9. The head of the Cinema Committee of the National Commission for Culture and  
12          the Arts or his/her duly designated regular representative.

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

21  
22           **SEC. 6. Powers and Functions.** – The Commission shall have the following powers  
23 and functions:

- 24          1. To coordinate all programs and policies of government departments and agencies that  
25          are related to the development of the local film industry;
- 26          2. To establish and implement a Cinema Evaluation System in accordance with the  
27          criteria set forth in this Act;
- 28          3. To develop and implement an incentive and reward system for the producers based on  
29          merit to encourage the production of quality films;
- 30          4. To promote, organize, encourage or support a more scientific system in which local  
31          films can be marketed locally and internationally;

- 1 5. To develop and promote programs to enhance the skills and expertise of Filipino film  
2 artists, technicians and workers through continuous craft and technical upgrading as  
3 well as attitude training;
- 4 6. To set up and operate a one-stop shop to assist foreign and local producers making  
5 films in the country;
- 6 7. To develop and implement a two-pronged program that will encourage the production  
7 of quality films;
- 8 8. To encourage, support and coordinate the holding of national and regional film  
9 festival exclusively of Filipino films;
- 10 9. To establish, organize, operate and maintain international film festivals, exhibitions  
11 and similar activities, including an ASEAN film festival and market;
- 12 10. To encourage and facilitate participation in international film festivals and to ensure  
13 the continuous presence of Philippine films in international markets;
- 14 11. To invest funds and other assets in such activities or undertakings that shall directly or  
15 indirectly promote development of the film industry, including the production of  
16 films, and other terms and conditions as it may deem wise and desirable;
- 17 12. To ensure the establishment of a film archive in order to conserve and protect film  
18 negatives and/or prints as part of the nation's historical, cultural and artistic heritage;
- 19 13. To take measures to acquire for safeguarding and preservation any part or all of the  
20 national film production, including the institution of mandatory deposit systems  
21 which is hereby expressly authorized;
- 22 14. To set up mechanics to address the welfare and working conditions of local film  
23 workers, a concern to be implemented in coordination with the Mowelfund and the  
24 Nagkakaisang Manggagawa ng Pelikulang Pilipino;
- 25 15. To promote the establishment of cinema clubs in barangays and schools in  
26 coordination with the Department of Education and the Commission on Higher  
27 Education and to develop elective courses related to film at the collegiate levels as  
28 part of a film audience development program;
- 29 16. To prescribe the procedures for the exercise of its powers and functions as well as the  
30 performance of its duties and responsibilities;
- 31 17. To determine the Commission's organizational structure and staffing pattern and  
32 appoint its officers and employees in accordance with Civil Service laws, rules and  
33 regulations;

- 1 18. To promote the development and growth of the independent film movement;  
2 19. To acquire, manage and hold such real and personal property as may be necessary to  
3 carry out the purpose and objectives of this Act; and  
4 20. To perform such other functions as may be necessary to carry out the provisions of  
5 this Act.

6  
7 **SEC. 7. Meetings.** – The Commission shall meet at least once a month or as often as  
8 necessary at the call of the Chairperson or majority of the members. A majority of the regular  
9 members of the Commission shall constitute a quorum to do business. The members of the  
10 Commission shall be entitled to honoraria based on existing government accounting and  
11 auditing rules and regulations.

12  
13 **SEC. 8. The Chairperson.** – The Chairperson shall be the Chief Executive Officer  
14 and shall exercise overall administrative supervision to ensure the effective and efficient  
15 implementation of the policies laid down by the Commission. The Chairperson shall have the  
16 same rank and salary as an Undersecretary of a Department as provided for in the Salary  
17 Standardization Law.

18  
19 **SEC. 9. Functions of the Chairperson.** – The Chairperson shall have the following  
20 functions:

- 21 1. Execute and administer the policies, plans and programs approved by the  
22 Commission;  
23 2. Direct and supervise the operations and internal affairs of the Commission;  
24 3. Establish the internal organization and administrative procedures of the Commission;  
25 4. Recommend to the Commission the appointment, transfer or detail, suspension,  
26 dismissal for cause of its subordinate officials and employees; and  
27 5. Such other functions, which the Commission may assign from time to time.

28  
29 **SEC. 10. The Executive Director.** – The Chairperson shall be assisted by an  
30 Executive Director to be appointed by the Commission upon the recommendation of the  
31 Chairperson. The Executive Director shall have a salary comparable to that equivalent rank  
32 under the Revised Compensation and Position Classification System and shall be co-terminus  
33 with the Chairperson unless sooner removed for cause.

1           **SEC. 11. Cinema Evaluation Board.** – The Commission will absorb the Cinema  
2 Evaluation Board of the FDCP, hereinafter referred to as the “CEB”, which shall evaluate and  
3 grade films submitted to the Commission, subject to the following:

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

27  
28           **SEC. 12. Cinema -Evaluation System.** – The CEB shall formulate and establish a set  
29 of standards and criteria and procedures for the Cinema Evaluation System, subject to the  
30 approval of the Commission, primarily based on but not limited to the following: direction;  
31 screenplay; cinematography; editing; production design; musical scoring; sound and acting.



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

- 3           a. *Pre-qualification procedures and requirements.* – The Commission shall prescribe  
4 pre-qualification procedures and requirements for application for grading; *Provided,*  
5 That only films whose premiere showing shall be held in the Philippines, and those  
6 which have not had any theatrical release, free television broadcast, cable broadcast or  
7 video release in any commercial medium anywhere in the world shall be qualified for  
8 evaluation by the board; *Provided further,* That the CEB should evaluate and grade  
9 only films that are intended for theatrical and other forms or exhibition that will  
10 charge admission fees and which are at least eighty (80) minutes in length and that the  
11 producer shall submit his/her film for grading at least seven (7) days before its  
12 scheduled day of play date.
- 13           b. *Evaluation Period.* – A film shall be reviewed, evaluated and graded by the CEB  
14 within five (5) working days after submission of the application. The CEB shall  
15 transmit its decision to the Commission within twenty four (24) hours from the  
16 rendering of the decision. The Commission shall inform the producer of the CEB's  
17 decision not later than twenty four (24) hours upon receipt therewith.
- 18           c. *Grading of Films.* – The CEB shall review and grade a film submitted for grading.  
19 The CEB and the Commission shall, at any time neither be allowed to cut, delete,  
20 shorten or modify in any manner films being graded by the CEB, nor shall they be  
21 allowed to suggest cuts or deletion or any other form of modification to the film  
22 makers and prerequisites for earning the CEB grading. Such grading shall be given  
23 due weight and consideration by the Movie and Television Review and Classification  
24 Board (MTRCB), the Optical Media Board (OMS), the Department of Trade and  
25 Industry (DTI) and other government agencies for the graded film's viewing,  
26 reproduction, exportation and other purposes.
- 27           d. *Reconsideration to the Board En Banc.* – The action taken by the CEB on the film  
28 submitted for evaluation and grading may be reconsidered upon motion to the CEB en  
29 banc within twenty four (24) hours from receipt of notice of said action, and the CEB  
30 en banc shall render its decision within forty eight (48) hours from its receipt of the  
31 motion for reconsideration. The CEB en banc must be composed of at least majority  
32 of the CEB.

1 e. Finality of Grading. - The grading submitted by the CEB en banc to the Commission  
2 shall be final.

3  
4 **SEC. 14. *Privileges of Graded Films.*** - Films which have obtained an "A" or "B"  
5 grading from the Commission pursuant to Sections II and 12 of this Act shall be entitled to  
6 the following privileges:

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

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

20  
21 **SEC. 15. *Amusement Tax Deduction and Remittances.*** - All revenues from the  
22 amusement tax on the graded film which may otherwise accrue to the cities and  
23 municipalities in Metro Manila and highly urbanized and independent component cities in the  
24 Philippines pursuant to Sections 140 of the Republic Act No. 7160 during the period the  
25 graded film is exhibited, shall be deducted and withheld by the proprietors, operators or  
26 lessees of theaters or cinemas and remitted within thirty (30) days from the termination of the  
27 exhibition to the Commission which shall reward the corresponding amusement tax to the  
28 producers and the talents and workers of the graded film within fifteen (15) days from receipt  
29 thereof.

30 Proprietors, operators or lessees of theaters or cinemas who fail to remit amusement  
31 tax proceeds within the prescribed period shall be liable to a surcharge equivalent to five  
32 (5%) percent of the amount due for each month of delinquency which shall be paid to the  
33 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  
4 pesos (Php 100,000.00) 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  
7 its implementing rules and regulations.
- 8           3. Cause the closure of any theater or cinema that fails or unreasonably refuse to remit  
9 tax collected on the graded film for a period not exceeding fifteen (15) days after  
10 which such period shall automatically be lifted without prejudice to the right of the  
11 Commission to cause or initiate criminal or administrative prosecution against the  
12 erring theater or 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  
15 this act and its implementing rules and regulations.

16                       For this purpose, the Commission may constitute regional sub-commissions in  
17 the cities and municipalities throughout the country composed of representatives from  
18 the government and from the private sector as may be appropriate to implement the  
19 purposes and objectives of this Act and its implementing rules and regulations and  
20 they shall serve without compensation and only for such period of time as the  
21 Commissioner shall 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  
26 Board hereinafter referred to as the FEB which shall provide subsidy for the production of  
27 worthwhile screenplays and films submitted to the FEB for consideration, subject to the  
28 following:

- 29           a. **Composition, Qualifications and Appointment.** – The FEB shall be composed of a  
30 Board Chairperson and seven (7) members, four (4) of whom shall come from the  
31 film industry, and the other three (3) from the arts, academe, business and other  
32 sectors as the Commission may choose to identify. The Chairperson of the  
33 Commission shall appoint the members of the FEB from among fifteen (15) nominees

1 submitted by the members of the Commission: *Provided*, That the persons appointed  
2 to the FEB should be knowledgeable of the artistic and technical aspects of  
3 filmmaking and fully committed to the promotion and development of  
4 cinematographic art along world class standards and local and global marketability.

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

13 c. Participation. – No member of the FEB shall participate in approving of funding for a  
14 film in which he or she or any member of his or her family or any relative within the  
15 fourth degree of consanguinity or affinity, or have financial or any other interest;  
16 *Provided*, That such member shall disclose fully at the time of his or her inhibition,  
17 the nature of his or her interest including actual or potential conflict of interest and the  
18 reasons of his or her inhibition.

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

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

27 a. Pre-qualification procedures and requirements – The Commission shall prescribe pre-  
28 qualification procedures and requirements for application for endowment funding;  
29 *Provided*, That only original screenplays which have not yet been produced and  
30 which when filmed are at least eighty (80) minutes in length or only films whose  
31 premiere showing shall be held in the Philippines, and those which have not had any  
32 theatrical release, free television broadcast, cable broadcast or video release in any

1 commercial medium anywhere in the world shall be qualified for evaluation by the  
2 board.

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

8 c. Finality of endowment fund decision. – Once the Commission approves a project for  
9 funding, the applicant receives an agreement that includes the Commission's policies  
10 on copyright, distribution, credits, and other matters. The Commission reserves the  
11 right to place additional conditions or stipulations deemed necessary or appropriate on  
12 an endowment award. Unless specifically provided otherwise, the following policies  
13 will apply to projects and to the use of materials produced or distributed with  
14 endowment funds.

15 1. Ownership, copyright, distribution, exhibition, and use rights for all projects  
16 developed or distributed with endowment funds shall be vested in the producer,  
17 writer, artist, or other originator of the work: *Provided*, That the Commission will  
18 require the applicant to assign a share of all rights including copyright in the work  
19 to the Commission as security for its investment. The Commission will take a fifty  
20 (50%) percent share of such rights, with fifty (50%) percent to be retained by the  
21 applicant. The Commission will require repayment of its endowment funding not  
22 later than one (1) year, at which time the Commission will assign its share of the  
23 copyright and other rights back to the applicant or its assignee. In order to secure  
24 repayment of the Commission's development funding, applicant will not be able  
25 to assign, license or otherwise transfer any rights to the work without the prior  
26 written approval of the Commission.

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

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

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

7  
8 **SEC. 20. *Funding.*** – In order to provide for the initial funding of the Commission,  
9 there is hereby created a Philippine Film Commission Fund Account to be deposited in the  
10 National Treasury which shall be included in the annual General Appropriations Act and  
11 shall be constituted from the proceeds from a special film commission tax of two pesos (Php  
12 2.00) which is hereby levied on all admission tickets of movie houses in the Philippines for a  
13 period of twenty (20) years;

14 To augment its operational expenses, the Commission may:

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

25  
26 **SEC. 21. *Authority to Accept Donations.*** – The Commission may accept donations,  
27 contributions, grants, bequest or gifts, in cash or in kind, from various sources, domestic or  
28 foreign, except from movie producers relevant to its functions. Said donations shall be  
29 deemed automatically appropriated for purposes specified by the donor or in the absence  
30 thereof, for the programs or projects as may be approved by the Commission subject to the  
31 usual government accounting and auditing rules and regulations: *Provided*, That cash  
32 donations shall not be used to fund the personal services requirements of the Commission.  
33 Any donation, contribution, subsidy or financial aid which may be made to the Commission

1 shall be exempt from taxes of any kind and constitute allowable deduction in full from the  
2 income of the donors, contributors or givers for income tax purposes.

3  
4 **SEC. 22. Assistance from other Government Agencies.** – The Commission may call  
5 on any department, bureau, office, agency or instrumentality of government for such direct  
6 assistance as may be needed in the performance of its functions.

7  
8 **SEC. 23. Implementing Rules and Regulations.** – The Commission shall, within  
9 ninety (90) days after the approval of this Act, issue the necessary rules and regulations to  
10 implement the provisions hereof.

11  
12 **SEC. 24. Transitory Provision.** – To provide continuity in the operation of the  
13 Commission, the incumbent officials and employees of FDCP and the CEB shall, in a  
14 holdover capacity, continue to perform their respective duties and responsibilities and shall  
15 receive their corresponding salaries and benefits until such time that the organization of the  
16 Commission shall have been completed. The transition period shall not exceed six (6) months  
17 after effectivity of this Act.

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

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

26  
27 **SEC. 25. Organization Structure.** – The organizational structure and staffing pattern  
28 of the Commission shall be established in coordination with the Department of Budget and  
29 Management (DBM) and in accordance with Civil Service laws, rules, and regulations.

30  
31 **SEC. 26. Annual Report.** – The Commission shall, within ninety (90) days after the  
32 end of every fiscal year, submit to Congress an annual report on its compliance with, or  
33 accomplishments under this act, together with its plans and recommendations to improve and

1 develop its capability to enforce the provisions of this Act, and a complete accounting of  
2 transactions with respect to any funds received under this Act.

3

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

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

8

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

12

13 **SEC. 29. *Effectivity.*** – This Act shall take effect fifteen (15) days after its complete  
14 publication in the Official Gazette or in at least two (2) newspapers of national circulation.

*Approved,*