### SEVENTEENTH CONGRESS OF THE REPUBLIC OF THE PHILIPPINES

Second Regular Session



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S E N A T E
COMMITTEE REPORT NO. 140 RECEIVED BY:
Submitted jointly by the Committees on Education, Arts and Culture, Ways and Means and Finance on
Re: Senate Bill No. 1529
Recommending its approval in substitution of Senate Bill Nos. 420, 556, 608, 671, 915, 1081 and 1174.
Sponsor: Senator Escudero

#### MR. PRESIDENT:

The Committees on Education, Arts and Culture, Ways and Means and Finance to which were referred Senate Bill No. 420, introduced by Senator Loren B. Legarda and Senator Maria Lourdes Nancy S. Binay, entitled:

"AN ACT PRESERVING THE COUNTRY'S TRADITIONAL FOLK ARTS AS PART OF ITS INTANGIBLE CULTURAL HERITAGE, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 8492, OTHERWISE KNOWN AS THE "NATIONAL MUSEUM ACT OF 1998" AND FOR OTHER PURPOSES"

Senate Bill No. 556, introduced by Senator Antonio "Sonny" F. Trillanes, entitled:

"AN ACT ESTABLISHING THE PHILIPPINE NATIONAL MARITIME MUSEUM, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES"

Senate Bill No. 608, introduced by Senator Antonio "Sonny" F. Trillanes, entitled:

"AN ACT PROVIDING FOR THE RETENTION AND UTILIZATION OF THE INCOME DERIVED BY THE NATIONAL MUSEUM, AMENDING FOR THE PURPOSE SECTION 26 OF REPUBLIC ACT NO. 8492, OTHERWISE KNOWN AS THE NATIONAL MUSEUM ACT OF 1998"

Senate Bill No. 671, introduced by Senator Paolo Benigno "Bam" Aquino IV, entitled:

"AN ACT GRANTING PUBLIC SCHOOL STUDENTS FREE ADMISSION TO ALL PUBLIC MUSEUMS AND NATIONAL HISTORICAL SHRINES AND LANDMARKS"

Senate Bill No. 915, introduced by Senator Loren B. Legarda and Senator Maria Lourdes Nancy S. Binay, entitled:

AN ACT STRENGTHENING THE NATIONAL MUSEUM OF THE PHILIPPINES, REPEALING FOR THE PURPOSE REPUBLIC ACT NO. 8492, OTHERWISE KNOWN AS THE NATIONAL MUSEUM ACT OF 1998, AND APPROPRIATING FUNDS **THEREFOR** 

Senate Bill No. 1081, introduced by Senator Joseph Victor G. Ejercito, entitled:

# "AN ACT PROVIDING FOR THE RETENTION AND UTILIZATION OF THE INCOME DERIVED BY THE NATIONAL MUSEUM, AMENDING FOR THE PURPOSE SECTION 26 OF REPUBLIC ACT NO. 8492, OTHERWISE KNOWN AS THE NATIONAL MUSEUM ACT OF 1998"

and Senate Bill No. 1174, introduced by Senator Antonio "Sonny" F. Trillanes, entitled:

### "AN ACT GRANTING PUBLIC ELEMENTARY AND HIGH SCHOOL STUDENTS FREE ADMISSION TO ALL PUBLIC MUSEUMS AND NATIONAL HISTORICAL SHRINES AND LANDMARKS"

have considered the same and have the honor to report them back to the Senate with the recommendation that the attached bill, Senate Bill No. 1529, prepared by the Committees, entitled:

"AN ACT STRENGTHENING THE NATIONAL MUSEUM OF THE PHILIPPINES, REPEALING FOR THE PURPOSE REPUBLIC ACT NO. 8492, OTHERWISE KNOWN AS THE NATIONAL MUSEUM ACT OF 1998, AND APPROPRIATING FUNDS THEREFOR"

be approved in substitution of Senate Bill Nos. 420, 556, 608, 671, 951, 1081 and 1174, with Senators Legarda, Binay, Trillanes IV, Aquino IV, Ejercito and Escudero as authors thereof.

Respectfully submitted:

SEN. FRANCIS G. ESCUDERO

Chairperson
Committee on Education, Arts and Culture
Member, Committees on Finance and
Ways and Means

SEN. LOREN B. LEGARDA

Chairperson
Committee on Finance

Vice Chairperson, Committee on Ways and Means

*Member*, Committee on Education, Arts and Culture

SEN. SONNY M. ANGARA

Chairperson

Committee on Ways and Means
Vice Chairperson, Committees on Education, Arts and Culture
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Vice Chairpersons:

SEN. PAOLO BENIGNO AQUINO IV

Committee on Education, Arts and Culture

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SEN. JOE VILLANUEVA

Committee on Education, Arts and Culture Committee on Ways and Means *Member*, Committee on Finance

SEN. CYNTHIA A. VILLAR

Committee on Finance *Member*, Committee on Education, Arts and Culture

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Means

SEN GRACE POE

Committees on Education, Arts and Culture, Finance and Ways and

Means

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SEN. FRANCIS "KIKO" PANGILINAN

Committees on Education, Arts and Culture,

Finance and Ways and Means

SEN. JUAN MIGUEL "MIGZ" F. ZUBIRI

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Committees on Education, Arts and Culture, Finance and Ways and

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SEN. FRANKLIN MUDRILON

Senate Minority Floor Leader

SEN. VICENTE C. SOTTO III

Senate Majority Floor Leader

SEN. RALPH G. RECTO

Senate President Pro-Tempore

HON. AQUILINO "KOKO" PIMENTEL III

Senate President

## SEVENTEENTH CONGRESS OF THE ) REPUBLIC OF THE PHILIPPINES ) Second Regular Session )



#### SENATE

17 JUL 31 A11:33

Senate Bill No. 1529

(In substitution of Senate Bill Nos. 420, 556, 608, 671, 915, 1081 and 1174)

Prepared jointly by the Committees on Education, Arts and Culture, Ways and Means and Finance, with Senators Legarda, Binay, Trillanes IV, Aquino IV, Ejercito and Escudero as authors

AN ACT STRENGTHENING THE NATIONAL MUSEUM OF THE PHILIPPINES, REPEALING FOR THE PURPOSE REPUBLIC ACT NO. 8492, OTHERWISE KNOWN AS THE NATIONAL MUSEUM ACT OF 1998, AND APPROPRIATING FUNDS THEREFOR

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

- **SECTION 1. Short Title.** This Act shall be known as the "National Museum of the Philippines Act".
- **SEC. 2. Declaration of Policy.** It is the policy of the State to pursue and support the cultural development of the Filipino people, through the preservation, enrichment and dynamic evolution of Filipino national culture, based on the principle of unity in diversity in a climate of free artistic and intellectual expression.
- **SEC. 3. Name of the Agency.** The National Museum is hereby renamed as the "National Museum of the Philippines", or, alternatively in Filipino, "*Pambansang Museo ng Pilipinas*".

The shortened name "National Museum" or "Pambansang Museo" shall be understood as exclusively referring to the same, and its use in any manner or part of any name with respect to any institution within the Philippines shall be reserved exclusively to the same.

Hereinafter in this Act, the National Museum of the Philippines shall be referred to as either the National Museum or the Museum.

**SEC. 4. Mandate, Duties and Functions.** – The National Museum shall be the primary institution of the State for the management and development of museums and collections of national scope or significance in the areas of historical and cultural heritage, arts, and natural history, for purposes of protecting, preserving, studying and promoting the national patrimony for the benefit of current and future generations, supporting education and social progress, and contributing to economic development through educational, scientific, cultural, tourism and leisure services and industries. It shall be a permanent institution in the service of the entire national community and its development, accessible to the public, and not intended for profit.

In this regard, the Museum shall:

a) Function as an educational, cultural and scientific institution that, through its operations, projects and programs, documents, acquires, preserves, exhibits, and fosters scholarly study and public appreciation of works of art, specimens, cultural and historical artifacts, indigenous and folk practices, and intangible cultural heritage representative of, or unique to, the historical, cultural and artistic heritage of the Filipino people and the natural history of the Philippines, as well as their significance to the nation;

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b) Establish, manage and develop the National Museum of the Philippines Complex in Rizal Park, Manila, other central museums, as well as regional museums, sites and other facilities, and promote the principles of universal access by the public;

- c) Manage and develop the national collections of the Republic of the Philippines in the areas of historical and cultural heritage, arts, and natural history;
- d) Carry out permanent research programs combining integrated laboratory and field work in biodiversity, geological history, human origins, pre-historical and historical archaeology, maritime and underwater cultural heritage, ethnology and indigenous practices, art history, immoveable, movable and intangible cultural properties, and similar or associated fields;
- e) Disseminate technical and museological skills and support museum development in the country;
- f) Extend technical assistance in the preservation and restoration of cultural properties of national significance; and
- g) Carry out any and all other functions characteristic of public collecting and research museum institutions of similar mandate and national scope, in line with prevailing international principles and best practices.
- SEC. 5. Agency Classification and Attachment. The Museum shall be classified as a National Government Agency and as an attached agency of the National Commission for Culture and the Arts, which shall exercise administrative supervision and budgetary and policy coordination over the Museum through its Head of Agency and in coordination with its Board of Trustees as constituted herein.
- SEC. 6. Permanent Site and Complex in the National Capital. The whole Executive House, also known as the old Congress or Legislative Building, the Department of Finance Building and the Department of Tourism, originally Agriculture and Commerce, Building, on Agrifina Circle in the City of Manila shall be the permanent and exclusive site of the Museum, and shall form the core of the National Museum of the Philippines Complex in the National Capital.

In addition to these existing buildings, likewise appropriated to the Museum for the establishment and development of its Museum Complex are the following:

- a) The entirety of the portion of Rizal Park in the City of Manila bounded by Padre Burgos Avenue, Taft Avenue, Teodoro M. Kalaw Avenue and Maria Orosa Avenue, including the roadways leading to the Agrifina Circle therein;
- b) The existing building of the National Planetarium, located in Rizal Park and since 1975 operated by the Museum, with its lot as presently delineated; and
- c) The monument to Gomburza by Solomon Saprid and its existing associated plaza, the median strip, traffic islands and west side of Padre Burgos Avenue between General Luna Street and Victoria Street, the entire portion of the existing golf course or former moat of Intramuros between the aforementioned streets and the walls of Intramuros, together with the median strip and traffic islands of Finance Road, which is hereby renamed National Museum Avenue.

Within one (1) year of the effectivity of this Act, the Museum and all concerned entities shall ensure that these properties and lands have been properly transferred and secured in favor of the Museum.

**SEC. 7. Evidence of Title to Structures and Lands.** – The record of the description of such structures and lands appropriated to the Museum for its Museum Complex by virtue of this Act, or a copy thereof, certified by the Board of Trustees, shall be received as evidence in all courts of the extent and boundaries of the structures and lands appropriated to the Museum.

SEC. 8. Preservation of the Former Senate Session Hall. – Without prejudice to its appropriate use in the operations of the Museum, the Museum shall preserve the former Senate Session Hall in the Old Legislative Building as a tribute to the legacy of the great men and women of the Philippine Senate for their invaluable contributions to the Filipino people, and as a relic where democracy and freedom reigned and events of national significance transpired.

SEC. 9. Dedication of the Museum Complex to Dr. Jose Rizal. – The Museum Complex, being part of Rizal Park in Manila, shall be dedicated to the life, work, martyrdom and memory of the National Hero, Dr. Jose Rizal, whose encyclopedic range of intellectual, professional, and patriotic interests are to be imbued as far as possible in the Museum's public operations and activities throughout its Museum Complex in the fields of history and literature in addition to anthropology, fine

arts, architecture and the natural sciences, among others.

SEC. 10. Master Plan of the Museum Complex. – The Museum shall develop the Museum Complex with reference to the Burnham Plan for Manila of 1905, to include such institutional requirements as public exhibition halls, activity and function halls, office and operational spaces, museological and technical facilities, premises for commercial operations, vehicular parking, integrative infrastructure between its constituent buildings, parks and otherwise green areas, as well as with public transportation networks and systems, including the Light Rail Transit, and other kinds of public spaces, both above and below ground. The Museum shall likewise implement a design for a large public plaza and park fronting the Old Legislative Building, integrating it with Intramuros and exposing features of the former moat in this area.

For this purpose, the Museum shall formulate a Master Plan that shall be approved by its Board of Trustees within one (1) year of the effectivity of this Act, to be financed by the proceeds of its Endowment Fund should no appropriation from the General Fund be available for the purpose, and shall transmit the same to the President of Philippines for approval and consequent implementation in a systematic manner.

The Museum is also authorized to enter into appropriate public-private partnerships concerning property development and management to further the implementation of its Master Plan, subject to pertinent laws and issuances.

The said Master Plan may establish a distinct identity and delineation for the Museum Complex, maintaining appropriate integration with the larger area of Rizal Park as well as the surrounding areas of Intramuros and Ermita in the City of Manila.

SEC. 11. Central Museums. – The central museums of the Museum shall include the existing National Museum of Fine Arts, National Museum of Anthropology, National Museum of Natural History and the National Planetarium. The Museum is hereby directed to also take steps towards the establishment of central museums dedicated to archaeology, maritime and underwater cultural heritage, architectural arts and built heritage, and political and social history, which may be established within its Museum Complex or elsewhere within the National Capital Region as appropriate.

SEC. 12. Regional Museums and Satellite Offices. – The Museum shall maintain its existing regional museums and satellite offices and, if none exists, establish a regional museum and satellite office in each administrative region of the Philippines beyond the National Capitol Region, *provided*, that this regional network of the Museum be harmonized with that of the NCCA and that any institutional duplication be avoided; as such, the appropriate transfer or sharing of regional facilities between the Museum, NCCA and any other attached agencies of NCCA may be undertaken at the initiative of the NCCA Chairman for the purpose of better realizing the collective mandates of the same.

Area and site museums and offices shall also be established wherever necessary, and under the same terms and conditions with relation to NCCA.

The specific sites of the new regional, area and site museums and satellite offices shall be selected based on considerations of geography, population distribution, and administrative efficiency

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as well as of outstanding national artistic, cultural and natural heritage significance, and educational, environmental and tourism considerations.

Appropriate staffing patterns for such existing and projected museums and offices shall be formulated and endorsed by the Board of Trustees for the approval of the Department of Budget and Management.

**SEC. 13. The Board of Trustees.** – The Museum shall be governed by a Board of Trustees, with the following powers and functions:

a) To represent and mobilize pertinent areas of the private sector and the public sector in support of the mission and aims of the Museum;

b) To serve as the appointing authority for the Head of Agency and Agency Management;

c) To exercise general oversight on behalf of both the private and public sector over the operations and performance of the Museum through the Head of Agency and Agency Management;

d) To approve strategic policies, goals and directions for the Museum where necessary, and any such special projects and programs as it may consider appropriate to carry out for its benefit, for implementation through the Head of Agency and Agency Management;

e) To administer the Museum Endowment Fund, Museum Donations Fund and Museum Income Fund as provided for in this Act;

f) To consider and appropriately dispose of appeals regarding administrative decisions of the Head of Agency, where appropriate in line with pertinent laws and issuances; and

g) To carry out such other functions as provided herein, as well as in other pertinent laws and issuances.

SEC. 14. Composition of the Board of Trustees. – The Board of Trustees shall be comprise eleven (11) members, to be composed of the following:

a) The NCCA Chairman, as the ex officio Chairperson of the Board of Trustees;

b) Seven (7) representatives of the private sector, all citizens of the Philippines, each with a demonstrated personal or professional commitment to the mission and aims of the Museum, to include one (1) distinguished Filipino artist, architect or cultural worker, one (1) distinguished Filipino anthropologist or historian, and one (1) distinguished Filipino scientist in the field of natural history;

c) The Chairperson of the appropriate Committee of the Senate covering the field of culture, as an *ex officio* member;

d) The Chairperson of the appropriate Committee of the House of Representatives covering the field of culture, as an *ex officio* member; and

e) The Director-General of the Museum, as an ex officio member.

**SEC. 15. Appointment of Trustees.** – The private sector representatives shall be appointed by the President of the Philippines for a term of four (4) years, and are eligible for reappointment to succeeding terms of four (4) years, based on merit and performance. Appointment to a position vacated due to death, disability, resignation or any similar cause, shall be for the duration of said unexpired term only.

A Co-Chairperson of the Board of Trustees shall be designated by the President from among the representatives of the private sector appointed by him or her, and such designation shall be

effective for the current term of the representative concerned. In the absence of any such designation, the Board may elect an Acting Co-Chairperson until such designation is made by the President.

This Section shall be effective only with respect to the appointment of new Trustees after the effectivity of this Act, and upon the expiry of the respective terms of incumbent Trustees, if any.

**SEC. 16. Organization of the Board of Trustees.** – The Board of Trustees shall meet at any agreed location within the Philippines, and the presence of six (6) of its members shall constitute a quorum.

 The members of the Board of Trustees shall serve without compensation, but shall be entitled to an appropriate honorarium for attendance at regular meetings to be held no less than once every three (3) months, and at any such special meetings as may be called, in accordance with pertinent laws and guidelines, as well as appropriate expenses and allowances related to travel and participation in the official activities of the Museum, within the Philippines and overseas, with the necessity of such to be certified by the Director-General of the Museum and authorized by the NCCA Chairman.

The Board of Trustees shall establish an Executive Committee of five (5) members, to include the Co-Chairperson of the Board and the Director-General of the Museum together with three (3) of their members to be elected as such. The Board may establish such other committees as it may deem proper.

The President of the Philippines shall be the Patron and Honorary Chairperson of the Museum.

The Board is authorized to adopt an official seal which shall be judicially noticed and to make such bylaws, rules, and regulations, as it deems necessary for the administration of its functions under this Act, including the organization and procedure of the Board and any other matter that falls within the ambit of its powers and functions, pursuant to this Act and existing laws, rules and regulations.

SEC. 17. Head of Agency and Management of the Museum. – The Museum shall be headed by a Director-General, who shall be the Head of Agency and have the rank and emoluments of an Undersecretary. There shall likewise be two (2) Deputy Directors-General of the Museum: one (1) Deputy Director-General for Museums and one (1) Deputy Director-General for Administration, who shall respectively have the rank and emoluments of an Assistant Secretary.

The central and regional museums and satellite offices of the Museum shall be managed under the Director-General and Deputy Directors-General by the following seven (7) Directors, who shall have the rank and emoluments of a Bureau Chief:

- a) Director of the National Museum of Fine Arts;
- b) Director of the National Museum of Anthropology;
- c) Director of the National Museum of Natural History and the National Planetarium;
- d) Director of the National Museum of Archaeology and Maritime Heritage;
- e) Director of National Museums and Sites (Northern Philippines), covering the six (6) present administrative regions in Luzon of Region II, Region II, the Cordillera Administrative Region, Region III, Region IV-A and Region V;
- f) Director of National Museums and Sites (Central Philippines), covering the five (5) present administrative regions in MIMAROPA and the Visayas of Region IV-B, Region VI, the Negros Island Region, Region VII, and Region VIII; and
- g) Director of National Museums and Sites (Southern Philippines), covering the six (6) present administrative regions in Mindanao and the Sulu Archipelago of Region IX, Region XI, Region XII, Region XIII, and the Autonomous Region in Muslim Mindanao.

Each Director enumerated above shall be respectively assisted by an Assistant Director, who shall have the rank and emoluments of an Assistant Bureau Chief. Changes in their designations and any additional such third-level positions as may be necessary to create for the appropriate management of the said central and regional museums and satellite offices provided for by this Act shall be endorsed by the Board of Trustees for the approval of the Department of Budget and Management.

All the aforementioned positions shall be occupied by persons who are citizens of the Philippines, with a proven track record of competent administration, superior appropriate knowledge of museum or relevant institutional operations or management, and a demonstrable personal or professional commitment to the mission and aims of the Museum.

SEC. 18. Appointment and Term of the Head of Agency and Agency Management. – The Director-General, Deputy Directors-General, Directors and Assistant Directors provided for herein shall be appointed by the Board of Trustees of the National Museum for a term of four (4) years, and are eligible for reappointment to succeeding terms of four (4) years, based on merit and performance. Appointment to a position vacated due to death, disability, resignation or any similar cause, shall be for the duration of said unexpired term only.

Each shall be provided with appropriate support staff of coterminous term with the incumbent, as endorsed by the Board of Trustees for the approval of the Department of Budget and Management.

The Board of Trustees may also appoint or designate persons to the aforementioned positions in an acting capacity in cases of vacancy, illness, absence or other cause, and may change such appointment or designation from time to time as the interests of the Museum may in its judgment require.

The existing organizational structure and staffing pattern of the National Museum shall be amended so as to integrate appropriately the provisions of this Act. The incumbent Director and two (2) Assistant Directors, if any, shall be automatically upgraded to the posts of Director-General and Deputy Directors-General as provided herein, and shall be granted a term of one (1) year upon effectivity of this Act before their performance is subject to review by the Board of Trustees for purposes of reappointment, if any, as provided herein.

**SEC. 19. Appropriation.** – The Museum shall continue to submit and receive its annual budget from the general appropriations of the National Government, covering the entirety of its mandated operations and functions, as well as all programs and projects approved by the Department of Budget and Management.

SEC. 20. Retention of Income and Disposition of Donated Funds. – The Museum is hereby authorized to retain the entirety of its income from all sources of its operations nationwide and overseas, and to expend the same for any purpose in benefit of the Museum as may be authorized by its Board of Trustees, in accordance with this Act and other laws pertinent to the Museum and any special provisions as may be provided for in the General Appropriations Act for any given fiscal year. Such income shall be placed in a dedicated Museum Income Fund, and may accumulate for disbursement in future fiscal years if not expended within the fiscal year in which the said income was generated.

The Museum shall be authorized to accept anonymous donations of money, in Philippine or foreign currency, from its visitors, which shall be considered as gratuities and part of the income of the Museum, and which shall be credited to the said Museum Income Fund. Such donations may be accepted through the placement of donation boxes or by persons authorized for the purpose by the Director-General of the Museum. The handling and accounting of such donations shall be subject to rules and regulations to be prescribed by the Museum in agreement with the Commission on Audit within six (6) months of the effectivity of this Act.

The Museum shall not charge admission fees to the general public throughout its central and regional network, with the exception of special activities, programs or temporary exhibitions for which appropriate fees may be charged upon approval by the Director-General. The Museum shall be allowed to recommend to visitors a schedule of donations, to be formulated and approved by its Board of Trustees, the handling and accounting of the proceeds of which shall fall within the said agreement between the Museum and the Commission on Audit.

The existing Revolving Fund of the Museum is hereby abolished, and its balance shall be transferred to the Museum Income Fund as herein established.

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Donations of moneys covered by legally executed deeds of donation shall be placed in a dedicated Museum Donations Fund, to be disbursed according to the terms and purposes of the respective deeds or, in cases where no specific purposes are stipulated, to be otherwise disbursed for any purpose in benefit of the Museum as may be authorized of the Board of Trustees.

As a general principle, and unless otherwise provided for by law, the retained income of, and anonymous donations and donations covered by deeds of donation that do not have any specified purpose to, the Museum, shall be applied to the purchase of capital assets for the benefit of the Museum, including real properties and movable assets such as equipment and collections items. In all cases, the disbursement of such funds shall be subject to the authorization of the Board of Trustees and consequent approval by the Director-General of the Museum.

**SEC. 21. Museum Endowment Fund.** – The existing Museum Endowment Fund shall continue to be utilized for the purpose of implementing such special programs, projects and activities of the Museum that the Board of Trustees may approve in furtherance of its mandate and which are not covered by the general appropriations of the Museum that shall continue to fully provide for its regular operating budget.

The Museum Endowment Fund shall be directly administered by the Board of Trustees, which shall be allowed to appoint professional fund managers for the purpose of appropriately managing and investing the Fund on its behalf. Rules governing such administration, management and investment shall be similar to those pertaining to relevant government financial institutions, and shall be agreed between the Museum, the Department of Finance, and other concerned government agencies.

The initial principal of the Endowment Fund shall amount to Five Hundred Million Philippine Pesos (P500,000,000), to be derived from the amount of Two Hundred and Fifty Million Philippine Pesos (P250,000,000) from the Philippine Charity Sweepstakes Office and the amount of Two Hundred and Fifty Million Philippine Pesos (P250,000,000) from the Philippine Amusement and Gaming Corporation. Taking into account past remittances, only the outstanding balances from either agency is hereby appropriated, to be payable in quarterly remittances with a period of three (3) years from the effectivity of this Act until the prescribed total amount has been reached.

Donations made to the Endowment Fund of the Museum shall be explicitly made and executed for the purpose, and once credited to it shall be considered as part of its principal. Such donations and bequests will be exempt from any and all taxes.

Only the interest of the Endowment Fund may be expended by the Board of Trustees, which shall authorize, as appropriate, the transfer of necessary amounts to a corresponding special projects account to be disbursed through the Head of Agency.

SEC. 22. Exemption from Taxes. – The Museum shall be exempt from paying import taxes and tariff duties on all items that are to be directly used in its operations, including but not limited to books and other printed or digital publications, films and other similar media, art materials, chemicals for preservation and restoration, exhibit and technical supplies and equipment, and any item acquired or in the process of being acquired for its collections.

Donations and legacies to the Museum in the form of money or in kind, other than collections items as provided for in Section 31, shall be exempt from donor's, estate and inheritance taxes.

For donations in kind, excepting collections items, the Board of Trustees shall recommend to tax authorities the appropriate amount of exemption for donations of objects or donations in kind: *provided*, that the Board shall refer to qualified external evaluators to determine the proper valuation of the donation.

SEC. 23. Tax Incentives for Donations of Items to the Museum Collections. – All donations of such items as the Museum might seek to acquire for its collections shall qualify for deductions against income and/or inheritance taxes based on their estimated market value in Philippine Pesos as certified by a resolution of the Board of Trustees, which shall formulate the said estimate upon the

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advice of the Museum and external experts, if appropriate, should no market or appraised value, in Philippine or foreign currency, within the last two (2) years be available for the item in question.

The extent of the deductions shall be as follows:

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- a) One hundred and fifty (150) percent of the estimated market value in Philippine pesos for any work of national significance which the Board of Trustees will approve for acceptance by the Museum;
- b) Two hundred (200) percent of the estimated market value in Philippine pesos for any work of important and outstanding national significance, that of the level of Important Cultural Property, which the Board of Trustees will approve for acceptance by the Museum, and which the Director-General will endorse for declaration by the pertinent authority as such, if not already so declared, immediately after its donation; and
- c) Three hundred (300) percent of the estimated market value in Philippine pesos for any work of the most exceptional and extraordinary national significance, that of the level of National Cultural Treasure, which the Board of Trustees will approve for acceptance by the Museum, and which the Director-General will endorse for declaration by the pertinent authority as such, if not already so declared, immediately after its donation.

Deductions against taxable inheritance applied for under this Act that may exceed the total amount owed may be deductible from the taxable income of the legal heirs within the current year or otherwise spread over a maximum of five (5) consecutive years including the current year.

Deductions against taxable income applied for under this Act may be made in full for within the current year or otherwise spread over a maximum of five (5) consecutive years including the current year.

SEC. 24. Procurement of Items for the Museum Collections. – The procurement of items by the Museum for its collections, charged to any of its sources of funds as may be allowed, and authorized by the Head of Agency and/or the Board of Trustees as herein provided, shall be regarded as a unique and special case, and is thereby exempted from all laws, rules and regulations regarding government procurement.

The Museum, as a general rule, shall be allowed to procure collections items by means of direct negotiation with the owners of such items, or their duly designated agents or representatives, in the Philippines and abroad, as follows:

- a) A written and signed quotation for the sale of the item(s), shall be issued and addressed to the Museum by the owner, or his or her agent or representative;
- b) A certification that the item to be acquired is of appropriate significance to the Museum and of importance to the heritage and patrimony of the Filipino people, that the negotiated price is reasonable and fair, that no conflicts of interest as may be defined by prevailing laws, rules and regulations exist, and that the item in question has not been illegally acquired or trafficked, shall be issued by the Head of Agency;
- c) For items above One Million Philippine Pesos (P1,000,000) or its foreign currency equivalent in price, the Head of Agency shall recommend in writing to the Board of Trustees the issuance of a resolution for the approval in principle of the transaction; items under this amount may be procured upon the sole authority of the Head of Agency *provided*, that there is no "splitting" as defined in pertinent procurement laws, rules and regulations;
- d) A resolution of the Board of Trustees approving in principal the purchase of the concerned item by the Museum and authorizing the signing by Head of Agency of a Deed of Sale as well as all other documents to the transaction shall be issued for items above One Million Philippine Pesos (P1,000,000) or its foreign currency equivalent in price;

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e) A resolution of the Bids and Awards Committee of the Museum verifying that the aforementioned documents, where applicable, have been produced, certifying as to the availability of funds, and authorizing the issuance of a Notice of Award pertaining to the purchase of the item(s) for the signature of the Head of Agency, shall be issued;

- f) After the Notice of Award has been issued, the execution of the Deed of Sale by the Head of Agency shall be made, after which the Bids and Awards Committee of the Museum shall issue the Notice to Proceed which, once signed by the Head of Agency, shall authorize the processing of payment in Philippine or foreign currency to the seller; receipt of payment in Philippine or foreign currency shall be acknowledged by an official receipt or, in cases where the issuance of an official receipt is not possible, any legal equivalent;
- g) Payment for collections items made under this provision shall be made by the National Museum gross of any deductions for tax. It shall be the sole responsibility of the owner, or his agent or representative, to pay all direct and indirect taxes owed to Philippine and pertinent foreign authorities from the sale of the item as may be due under existing, laws, rules and regulations of the Philippines and any pertinent foreign jurisdiction; and
- h) Certified true copies of all the aforementioned documents shall be posted within the designated public place of the Museum and on its official website for at least six (6) months, as well as transmitted to the Commission on Audit through the resident auditor of the Museum, the Department of Budget and Management, the Government Procurement Policy Board, the Bureau of Internal Revenue and, if the item has been acquired from abroad and is being imported into the Philippines, the Bureau of Customs.

SEC. 25. Movable Cultural Properties and Collections of the National Government. - All movable cultural properties of national significance, including natural history specimens, owned by all agencies and instrumentalities of the National Government, including Government Owned and Controlled Corporations, that fall within the coverage of the Museum as provided for in this Act, particularly works of fine and applied art, archaeological and historical artifacts, relics of built heritage, and ethnographic materials, shall be registered with the Museum and form part of a general inventory and catalogue of national government collections in these areas that will be produced and published by it within three (3) years of the effectivity of this Act, and updated annually thereafter to incorporate any changes as reported by the agencies concerned to the Museum. Such national government collections shall be considered as being held in trust for the Filipino people and shall not be alienated or otherwise disposed of without the approval of the Museum, in accordance its policies on deaccessioning as provided for in this Act.

The Museum shall have the authority to request the transfer or loan of any such national government collections, or any item pertaining thereto, for purposes of protection, preservation, study or public exhibition, and such requests shall be given the very highest consideration by the head of the agency, instrumentality, or government owned or controlled corporation concerned. Likewise, all such entities of the National Government are enjoined to offer for transfer or loan to the Museum such items of movable cultural property as they may possess, in support of the aforementioned purposes and the mandate of the Museum.

- **SEC. 26. Commercial Operations of the Museum.** The National Museum shall be authorized to undertake commercial operations, the proceeds of which shall be credited to the Museum Income Fund as established herein, and which shall include, but not be limited to, the following:
  - a) The rental of dedicated areas for external events, functions and similar activities, the terms and conditions for which shall be prescribed by the Museum according to a schedule of fees approved by the Board of Trustees;
  - b) The lease of dedicated areas for the erection and operation of commercial establishments, which the Museum shall be allowed to award, through public bidding, and giving preference to non-profit organizations of a nature related to or supportive of its mandate, for a term of up to five (5) years per contract;

- c) The lease of dedicated areas for the erection and operation of vehicular parking, which the Museum shall be allowed to award, through public bidding, to qualified firms, for a term of up to five (5) years per contract; and
- d) The production and/or licensing of official merchandise, including publications and audiovisual media, which the Museum shall be allowed to award, through public bidding, and giving preference to non-profit organizations of a nature related to or supportive of its mandate, for a term of up to five (5) years per contract.

The Museum shall be authorized to outsource, through public bidding, all general, non-museological, property management, including security and maintenance operations, pertaining to its real properties, particularly its Museum Complex, for a term of up to five (5) years per contract, the funds for which shall be provided by general appropriations in each year.

SEC. 27. Personnel Training, Development and Performance Incentives. – The Museum shall undertake training and development programs to upgrade the capabilities of its personnel in the various functions of the Museum. Personnel shall be allowed to train or study, in the Philippines or abroad, on official time, subject to the needs of the service, upon approval of the Director-General of the Museum.

Museum personnel belonging to the Scientific Career System shall be allowed one (1) year of paid sabbatical leave for every five (5) years of at least very satisfactory service in the Museum, provided, that the said sabbatical leave shall contribute appropriately towards the scientific research agenda of the Museum and be embodied in a legally–binding instrument to that effect to be approved by the Director-General of the Museum.

A system of monetary incentives in addition to general incentives for government employees shall be established in the Museum to reward superior performance and milestones of professional development on the part of management and administrative and technical personnel of the Museum, to be formulated together with appropriate procedures by the Board of Trustees and approved by the Department of Budget and Management and the Civil Service Commission.

Such monetary incentives may be funded from any available and allowable sources, including the General Fund, Museum Income Fund, Museum Donations Fund and Museum Endowment Fund. The granting of all monetary incentives established by virtue of this section shall be approved of the Board of Trustees.

- **SEC. 28. De-Accessioning Policy.** The Museum may provide for a de-accessioning policy with regard to its collections, except in those cases where it is restricted by terms of donations or by prevailing laws. The de-accessioning of any item shall require the approval of the Board of Trustees in each and every case.
- **SEC. 29. Reorganization of the Museum.** Except where the provisions of Section 17 and 18 of this Act shall apply, the Board of Trustees shall be allowed whenever there is, it is judgement, a need for such, to propose a reorganization of the Museum, or changes to its organizational structure or staffing pattern, to be endorsed for the approval of the Department of Budget and Management.
- **SEC. 30. Transfer of Regulatory Functions.** All regulatory functions of the Museum, as provided for by Republic Act No 4846, Presidential Decree No. 374, Republic Act No. 8492, Republic Act No. 9105, Republic Act No. 10066, and all other laws and issuances, are hereby transferred to the National Commission for Culture and the Arts, together with concerned organizational units and regular plantilla items in the central office of the Museum.

This section notwithstanding, the Museum is enjoined to provide all technical and expert assistance within its mandated competencies as the National Commission for Culture and the Arts may require in the execution of the said regulatory functions.

It shall be a matter of policy that the Museum not be mandated to engage in any regulatory function, except that which is prescribed in Section 25 of this Act pertaining to national government

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collections, but shall rather focus exclusively on developing itself as the premier museum institution and repository of the State in the areas provided herein and by other laws.

**SEC. 31. Repealing Clause.** – Republic Act No. 8492 is hereby repealed *in toto*; Republic Act No. 4846, Presidential Decree No. 374, Republic Act No. 9105, Republic Act No. 10066 and all other laws and issuances to the extent that they are inconsistent with this Act, are hereby repealed or amended accordingly.

SEC. 32. Separability Clause. – If, for any reason, any part or provision of this Act is declared invalid or unconstitutional, the parts or provisions not affected thereby shall remain in full force and effect.

**SEC. 33. Effectivity Clause.** – This Act shall take effect fifteen (15) days following its publication in the Official Gazette or in two (2) newspapers of general circulation, whichever comes first.

Approved,