

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

SENATE

S. No. 653



Senate

Office of the Secretary

Introduced by **SENATOR RAMON BONG REVILLA, JR.** '19 JUL 22 P 2 :00

AN ACT

RECEIVED BY _____

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

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

Moreover, the film industry has become a significant social institution that exerts tremendous influence in the lives of our people and serves as a vital tool for socio-cultural changes in our society. There is, thus, a need for the government to integrate and rationalize all existing and planned policies and programs designed to encourage the preservation, growth, development and upgrading of the art and science of film making in the country, to the end that the film industry will not only be viable and profitable commercial endeavor intended for public entertainment, but an instrument to enhance the quality of life thru examination of the human and social conditions, contribute to the dignity and nobility of the human spirit, accelerate the artistic, scientific and socio-cultural advancement of the nation, promote patriotism, nationalism, total human liberation and development, and reinforce the national endeavor of social and economic development and progress for the Philippines.

Furthermore, there is a need to continue supporting the declared State policy to provide support and assistance to the local film industry, specifically for the purpose of achieving sound, effective and progressive integration and correlation of this business, economic and commercial functions and operations of the said industry, thereby making the said industry a truly dynamic and vigorous instrument for national cultural growth and development, and vital social institution which will enhance the artistic, scientific and socio-cultural heritage of the nation.

The immediate passage of this bill into law is sought.


RAMON BONG REVILLA, JR.

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

1 Section 1. *Short Title.* – This Act shall be known as the "Local Film Industry Development
2 Act of 2019".

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

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

13 Sec. 3. *Creation of the Philippine Film Commission.* – To implement the policies and
14 attain the objectives enunciated in this Act, the Film Development Council of the Philippines
15 (FDCP) created. under Republic Act 9167 is hereby reorganized into the Philippine Film
16 Commission hereinafter referred to as the "Commission". The Commission shall be an

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

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

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

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

26 The nine (9) members who shall be ex-officio members of the Commission are the
27 following:

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

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

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

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

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

- 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 well
3 as ,attitude training;
- 4 6. To set up and operate a one-stop shop to assist foreign and local producers making films
5 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 festivals
9 exclusively of Filipino films;
- 10 9. To establish, organize, operate and maintain international film festivals, exhibitions and
11 similar activities, including an ASEAN film festival and market;
- 12 10. To encourage and facilitate participation in international film festivals and to ensure the
13 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 films,
16 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 of any part or all of the
20 national film production, including the institution of mandatory deposit systems which is
21 hereby expressly authorized;
- 22 14. To set up mechanics to address the welfare and working conditions of local film workers,
23 a concern to be implemented in coordination with the Mowelfund and the Nagkakaisang
24 Manggagawa ng Pelikulang Pilipino;
- 25 15. To promote the establishment of cinema clubs in barangays and schools in coordination
26 with the Department of Education and the Commission on Higher Education and to
27 develop elective courses related to film at the collegiate levels as part of a film audience
28 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

- 1 17. To determine the Commission's organizational structure and staffing pattern and appoint
2 its officers and employees in accordance with Civil Service laws, rules and regulations;
3 18. To promote the development and growth of the independent film movement;
4 19. To acquire, manage and hold such real and personal property as may be necessary to
5 carry out the purpose and objectives of this Act; and,
6 20. To perform such other functions as may be necessary to carry out the provisions of this
7 Act.

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

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

17 *Sec. 9. Functions of the Chairperson.* – The Chairperson shall have the following
18 functions:

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

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

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

4 a) Composition, Qualifications and Appointment – The CEB shall be composed of a Board
5 Chairperson and twenty (20) members, ten (10) of whom shall come from the film
6 industry, and the other ten (10) from the arts, academe, business and such other sectors
7 as the Commission may choose to identify. The Chairperson of the Commission shall
8 appoint the members of the CEB from among thirty (30) submitted by the members of
9 the Commission; Provided, That the persons appointed to the CEB should be
10 knowledgeable of the artistic and technical aspects of film making and fully committed
11 to the promotion and development of cinematographic art along world class standards
12 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, That if
16 any 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 reappointed; Provided final/y, 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 which
22 he or she or any member of his or her family or any relative within the fourth degree of
23 consanguinity or affinity shall have financial or any other interest; Provided, That such
24 member shall disclose fully at the time of his or her inhibition, the nature of his or her
25 interest including actual or potential conflict of interest and the reasons of his or her
26 inhibition.

27 Sec. 12. *Cinema Evaluation System.* – The CEB shall formulate and establish a set of
28 standards, criteria and procedures for the Cinema Evaluation System, subject to the approval
29 of the Commission, primarily based on, but not limited to the following: direction, screenplay,
30 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 pre-
4 qualification procedures and requirements for application for grading; Provided, That
5 only films whose premiere showing shall be held in the Philippines, and those which
6 have not had any theatrical release, free television broadcast, cable broadcast or video
7 release in any commercial medium anywhere in the world shall be qualified for evaluation
8 by the board; Provided further, That the CEB should evaluate and grade only films that
9 are intended for theatrical and other forms or exhibition that will charge admission fees
10 and which are at least eighty (80) minutes in length and that the producer shall submit
11 his/her film for grading at least seven (7) days before its scheduled day of play date.

12 b) *Evaluation Period.* – A film shall be reviewed, evaluated and graded by the CEB within
13 five (5) working days after submission of the application. The CEB shall transmit its
14 decision to the Commission within twenty four (24) hours from the rendering of the
15 decision. The Commission shall inform the producer of the CEB's decision not later than
16 twenty four (24) hours upon receipt therewith.

17 c) *Grading of Films.* – The CEB shall review and grade a film submitted for grading. The
18 CEB and the Commission shall, at any time neither be allowed to cut, delete, shorten or
19 modify in any manner films being graded by the CEB, nor shall they be allowed to
20 suggest cuts or deletions or any other form of modification to the film makers and per-
21 requisites for earning the CEB grading. Such grading shall be given due weight and
22 consideration by the Movie and Television Review and Classification Board (MTRCB), the
23 Optical Media Board (OMB), the Department of Trade and Industry (DTI) and other
24 government agencies for the graded film's viewing, reproduction, exportation and other
25 purposes.

26 d) *Reconsideration to the Board En Banc.* – The action taken by the CEB on the film
27 submitted for evaluation and grading may be reconsidered upon motion to the CEB en
28 banc within twenty four (24) hours from receipt of notice of said action, and the CEB en
29 banc shall render its decision within forty eight (48) hours from its receipt of the motion
30 for reconsideration. The CEB en bane must be composed of at least majority of the CEB.
31

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

3 Sec. 14. *Privileges of Graded Films.* – Films which have obtained an "A" or "B" grading
4 from the Commission pursuant to Sections 11 and 12 of this Act shall be entitled to Amusement
5 Tax Reward. A grade "A" or "B" film shall entitle the producer to an incentive equivalent to the
6 amusement tax imposed and collected on the graded films by cities and municipalities in Metro
7 Manila and other highly urbanized and independent component cities in the Philippines pursuant
8 to Sections 140 and 151 of Republic Act No. 7160 at the following rates:

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

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

25 Proprietors, operator or lessees of theaters or cinemas who fail to remit amusement tax
26 proceeds within the prescribed period shall be liable to a surcharge equivalent to five percent
27 (5%) of the amount due for each month of delinquency which shall be paid to the Commission.

28 Sec. 16. *Enforcement.* – For purposes of implementing the previous Section, the
29 Commission may:
30

- 1 1. Impose administrative fines and penalties of not more than One Hundred Thousand
2 Pesos (P100,000.00) for the violation of any of the provisions of this Act and/or
3 implementing rules and regulations issued by the Commission.
- 4 2. Cause or initiate the criminal or administrative prosecution of violators of this Act and its
5 implementing rules and regulations.
- 6 3. Cause the closure of any theater or cinema that fails or unreasonable refuse to remit tax
7 collected on the graded film for a period not exceeding fifteen (15) days after which
8 such period shall automatically be lifted without prejudice to the right of the Commission
9 to cause or initiate criminal or administrative prosecution against the erring theater or
10 cinema owners pursuant to paragraph 2 of this Section.
- 11 4. Call upon representatives of the different government agencies and other various
12 organizations in the movie industry to help ensure compliance with the provisions of this
13 Act and its implementing rules and regulations.

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

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

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

- 25 a) *Composition, Qualifications and Appointment.* – The FEB shall be composed of a Board
26 Chairperson and seven (7) members, four (4) of whom shall come from the film industry,
27 and the other three (3) from the arts, academe, business and other sectors as the
28 Commission may choose to identify. The Chairperson of the Commission shall appoint
29 the members of the FEB From among fifteen (15) nominees submitted by the members
30 of the Commission; Provided, That the persons appointed to the FEB should be
31 knowledgeable of the artistic and technical aspects of film-making and fully committed

1 to the promotion and development of cinematographic art along world class standards
2 and local and global marketability.

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

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

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

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

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

- 1 b) *Evaluation Period.* – A submitted screenplay or film shall be evaluated and approved for
2 funding within thirty (30) days after submission. The FEB shall transmit it to the
3 Commission within twenty four (24) hours from the rendering of the decision. The
4 Commission shall inform the filmmaker or scriptwriter of the FEB's decision not later than
5 one (1) week upon receipt therewith.
- 6 c) *Finality of endowment fund decision.* – The evaluation submitted by the FEB en banc to
7 the Commission shall be final.
- 8 d) *Copyright and distribution.* – One the Commission approves a project for funding, the
9 applicant receives an agreement that includes the Commission's policies on copyright,
10 distribution, credits, and other matters. The Commission reserves the right to place
11 additional conditions or stipulations deemed necessary or appropriate on an endowment
12 award. Unless specifically provided otherwise, the following policies will apply to projects
13 and to the use of materials produced or distributed with endowment funds:
- 14 1. Ownership, copyright, distribution, exhibition and use rights for all projects developed
15 or distributed with endowment funds shall be vested in the producer, writer, artist,
16 or other originator of the work; Provided, That the Commission will require the
17 applicant to assign to assign a share of all rights including copyright in the work to
18 the Commission as security for its investment. The Commission will take a fifty
19 percent (50%) share of such rights, with fifty percent (50%) to be retained by the
20 applicant. The Commission will require repayment of its endowment funding no later
21 than one (1) year, at which time the Commission will assign its share of the copyright
22 and other rights back to the applicant or its assignee. In order to secure repayment
23 of the Commission's development funding, applicant will not be able to assign, license,
24 or otherwise transfer any rights to the work without the prior written approval of the
25 Commission.
 - 26 2. Five DVD prints shall become property of the Commission. The Commission reserves
27 the non-exclusive right to distribute or exhibit its copy for non-commercial purposes,
28 as it deems appropriate.
- 29

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

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

10 Sec. 20. *Funding.* – In order to provide for the initial funding of the Commission, there
11 is hereby created a Philippine Film Commission Fund Account to be deposited in the National
12 Treasury which shall be included in the annual General Appropriations Act and shall be
13 constituted from the proceeds from a special film commission tax of Two Pesos (P2.00) which
14 is hereby levied on all admission tickets of movie houses in the Philippines for a period of twenty
15 (20) years.

16 To augment its operational expenses, the Commission may:

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

27 Sec. 21. *Authority to Accept Donations.* – The Commission may accept donations,
28 contributions, grants, bequest or gifts, in cash or in kind, from various sources, domestic or
29 foreign, except from movie producers relevant to its functions. Said donations shall be deemed
30 automatically appropriated for purposes specified by the donor or in the absence thereof, for
31 the programs or projects as may be approved by the Commission subject to the usual

1 government accounting and auditing rules and regulations; Provided, That cash donations shall
2 not be used to fund the personal services requirements of the Commission. Any donation,
3 contribution, subsidy or financial aid which may be made to the Commission shall be exempt
4 from taxes of any kind and constitute allowable deduction in full from the income of the donors,
5 contributors or givers for income tax purposes.

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

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

12 Sec. 24. *Transitory Provision.* – To provide continuity in the operation of the Commission,
13 the incumbent officials and employees of FDCP and the CEB shall, in a holdover capacity,
14 continue to perform their respective duties and responsibilities and shall receive their
15 corresponding salaries and benefits until such time that the organization of the Commission
16 shall have been completed. The transition period shall not exceed six (6) months after effectivity
17 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 new
22 appointments shall be entitled to all compensation and benefits due them under existing laws.

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

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

28 Sec. 26. *Annual Report.* – The Commission shall, within ninety (90) days after the end
29 of every fiscal year, submit to Congress an annual report on its compliance with, or
30 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 *Sec. 27. Repealing Clause.* – Republic Act No. 9167, otherwise known as the Film
4 Development Council of the Philippines Act, is hereby repealed. All other laws, decrees, orders,
5 issuances, rules and regulations which are inconsistent with the provisions of this Act are hereby
6 repealed, amended or modified accordingly.

7 *Sec. 28. Separability Clause.* – If, for any reason, any provision of this Act, or any part
8 thereof, is declared invalid or unconstitutional, all other sections or provisions not affected
9 thereby shall remain in full force and effect.

10 *Sec. 28. Effectivity.* – This Act shall take effect fifteen (15) days after publication in two
11 (2) newspapers of national circulation.

12

13 *Approved,*