

FOURTEENTH CONGRESS OF THE  
REPUBLIC OF THE PHILIPPINES  
First Regular Session

7 NOV 12 2015

SENATE

Senate Bill No. 1830

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INTRODUCED BY HON. MANNY VILLAR

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**EXPLANATORY NOTE**

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

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

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

  
MANNY VILLAR

FOURTEENTH CONGRESS OF THE  
REPUBLIC OF THE PHILIPPINES  
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RECEIVED

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Senate Bill No. **1830**

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

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

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

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

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

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

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

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

- 1 (4) Sound Recording – refers to any exclusively aural fixation of sound of a  
 2 performance or recording.  
 3 (5) Producer of Sound Records – refers to the person who, or the legal entity  
 4 which first fixes the performance or recording  
 5 (6) Publication – refers to the issue of offering to the public of copies of a  
 6 sound recording or a musical score in reasonable quantity  
 7 (7) Reproduction – refers to the making of a copy or copies of a recording or  
 8 a musical score.  
 9 (8) Broadcasting Organization – refers to the proprietorship duly authorized to  
 10 engage in broadcasting  
 11 (9) Broadcasting – refers to the transmission for public reception of sounds or  
 12 of images and sounds  
 13 (10) Rights of the composer refer to:  
 14 (a) *Performance* – the broadcasting of musical works be it live or recorded  
 15 (b) *Mechanical* – refers to the disc and tape reproduction of musical works  
 16 (c) *Synchronization* – the coordination between musical works and visual  
 17 images in motion pictures, television shows and advertising  
 18 commercials  
 19 (d) *Printing* – the publication of works in musical and vocal arrangement  
 20

21 SECTION 4. *Musical Industry Development Council.* – To achieve the  
 22 objectives of this Act, there is hereby created a Music Industry Development  
 23 Council, hereinafter referred to as the Council, hereinafter referred to as the Council.  
 24

25 The Council shall have the following powers and functions:  
 26

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

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

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

10  
11 The Chairman of the Board shall be elected by the members from among  
12 themselves.

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

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

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

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

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

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

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

46  
47 The fund shall be utilized primarily for the benefit of the local performers.

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

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

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

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

7  
8 All background music of Filipino films shall likewise allot at least seventy-five  
9 (75%) of playtime to Filipino music.

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

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

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

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

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

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

- 45  
46 (a) *Formation of regional recording studios* – Regional recording studios  
47 administered by the Council shall be established to provide equal access  
48 to recording studios  
49 (b) *Tax Relief* – The following tax incentives shall be imposed:  
50 1. Taxes on imported musical instruments, as long as they do not  
51 compete with local counterparts of the same quality, shall be reduced  
52 to fifty percent (50%);  
53 2. Taxes on imported musical instrument needed for recordings and/or  
54 live performances, as long as they do not compete with local  
55 counterparts of the same quality, shall be reduced to fifty percent  
56 (50%);

- 1           3. Taxes on raw materials used in recording, whether it be local or  
2           imported, shall be reduced by twenty percent (20%);  
3           (c) *Grants/Awards/Scholarships* – Scholarship grants shall be created for  
4           both amateur and professional singers/musicians in order to further  
5           develop their capabilities.

6           Musical awards shall be given annually to both amateur and  
7           professional singers/artists/performers and all other music-related  
8           performances and jobs, at the provincial, regional and national levels, to  
9           be called the “*Parangal sa Musikang Pilipino*”.

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

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

17  
18          The Bureau’s main functions are as follows:

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

29  
30          SECTION 13. *Tax Exemption.* – All donations, contributions, subsidies or  
31          aids which may be made to the Council shall be considered allowable deductions  
32          from the income of the donors or grantors for income tax purposes.

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

39  
40          SECTION 15. *Repealing Clause.* – All existing laws, decrees, executive  
41          orders and rules and regulations or parts thereof inconsistent with the provisions of  
42          this Act are hereby repealed, or modified accordingly.

43  
44          SECTION 16. *Separability Clause.* - If any part, section or provision of this  
45          Act shall be held unconstitutional or invalid, other parts or provisions hereof which  
46          are not affected thereby shall continue to be in full force and effect.

47  
48          SECTION 17. *Effectivity.* – This Act shall take effect fifteen (15) days after its  
49          publication in at least two (2) newspapers of general circulation.

50  
51          Approved,