

FIFTEENTH CONGRESS OF THE REPUBLIC
OF THE PHILIPPINES
First Regular Session

SENATE
OFFICE OF THE SECRETARY

10 JUL -7 10:32

SENATE

Senate Bill No. 504

RECEIVED BY: 

INTRODUCED BY SEN. JINGGOY EJERCITO ESTRADA

EXPLANATORY NOTE

The 1987 Constitution provides under Article XIV, Section 14, that "Arts and Letters shall enjoy the patronage of the State. The State shall conserve, promote and popularize the nation's historical heritage and resources as well as artistic creations."

We, Filipinos, are known to be music lovers and we have proven to the international community that our singers and composers can compete and even best other countries in musical competitions. One way of giving support to our musical artists is to alleviate and promote our music industry.

Music industry plays a vital role in the development and enrichment of the Filipino arts and culture. Hence, every effort must be made in order to encourage and develop the musical creativity of the Filipino, to promote and cultivate the development of our music and to encourage, support and protect the promotion and propagation of Filipino music here and abroad.

Immediate approval of this bill is earnestly sought.


JINGGOY EJERCITO ESTRADA
Senator

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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:

SECTION 1. Title. – This Act shall be known as the “*Music Industry Development Act of 2010*”.

SEC. 2. Declaration of Policy. – In consonance with the Constitutional mandate to conserve, promote and popularize the nation’s historical and cultural heritage and resources, as well as its artistic creations, it is hereby declared to be the policy of the State to develop and enhance the musical creativity of the Filipinos, to promote and cultivate the development of Filipino music, and to encourage, support and protect the promotion and propagation of Filipino music here and abroad.

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

- a) To identify, develop, protect, and promote Filipino musical talent, be it in competition, rendition or production;
- b) To provide opportunities for the appropriate training and professional development of the musically talented;
- c) To provide adequate mechanisms and support for the development and protection of the Philippine music industry; and
- d) To disseminate and promote Filipino music in the country and abroad.

SEC 3. Definition of Terms. –

- 1. Original Pilipino Music – shall refer to a musical composition, with or without lyrics, originally created by a Filipino, in English or in any other language or in any other Philippine dialect;

2. Performers – shall refer to actors, singers, musicians, dancers and other persons, who act, sing, deliver, declaim or otherwise perform literary or artistic work;
3. Music Score – shall refer to any exclusively visual fixation of sounds for renditions, sound, recording or broadcasting;
4. Sound Recording – shall refer to any exclusively aural fixation of sounds of a performance or other sounds;
5. Producer of Sound Records – shall refer to the person who, or the legal entity which, first fixes a performance or recording;
6. Publication – shall refer to the issue or offering to the public of copies of a sound recording in reasonable quantity;
7. Reproduction – shall refer to the making of a copy or copies of a recording or a musical score;
8. Broadcasting – shall refer to the transmission from public reception of sounds or of images and sounds;
9. Broadcasting Organization – shall refer to proprietorships duly authorized to engage broadcasting;
10. Right of the Composer – shall refer to:
 - a. Performace – shall refer to the broadcasting of musical works be it live or recorded.
 - b. Mechanical – shall refer to disc and reproduction of musical works.
 - c. Synchronization – shall refer to the coordination between musical works and visual images in motion pictures, television and advertising commercials.
 - d. Printing – shall refer to the publication works in musical and vocal arrangements.

SEC. 4. *Strengthening the Presidential Commission on Culture and Arts.* – To achieve the objectives of this Act, the existing Presidential Commission on Culture and Arts (PCCA), hereinafter referred to as the Commission, have the following additional powers and functions:

- a) To stimulate and promote the creation and rendition of Filipino music and extend other forms of assistance to qualified persons and institutions;
- b) To facilitate the organization and encourage clubs and societies throughout the Philippines to promote and popularize Filipino music;
- c) To provide guidelines for the popularization of Filipino music through media and public places;
- d) To encourage the development of plans and programs, whether by the private sector or the government, the identification, selection, training, and support of musically-gifted children;

- e) To devise a system of payment of royalties to Filipino musicians;
- f) To promote and protect the rights and privileges of the Filipino artists, giving due recognition to the local artist over and above visiting artists from abroad;
- g) To monitor, mediate or arbitrate in the following cases, in accordance with guidelines it shall formulate:
 - 1) Infringement of copyright and neighboring rights involving music;
 - 2) Controversies arising out of royalty rates, license schemes, compulsory licenses and relations between and among intellectual property creators, users, publishers, collecting societies, performers, producers of sound recordings and broadcast organization involved in music;
 - 3) Controversies involving intellectual property in music, its assignment or transfer, or those involving licenses whether exclusive or not.
- h) To accept donations, grants or contributions and to undertake fund-raising activities, administer the funds solicited thereat for the attainment of the objectives of this Act;
- i) To submit an annual report of its activities, including the utilization and status of fund herein established, to the Department of Education.

SEC. 5. National Music Committee. – The National Music Committee (NMC) under the Commission shall be hereinafter be composed of nine (9) members who, as far as practicable, should come from recognized association in the music industry.

The NMC shall also have as one of its members a director of a reputable music school, a music patron and a representative from the Department of Education.

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

Their successors shall be appointed by the President for a uniform of six (6) years, except that any person elected by the NMC to fill a vacancy in the NMC shall serve only for the unexpired term of the number whom he or she succeeds.

Each member shall, for each day of meeting actually attended by him, receive from the general fund of the Commission a per diem of not more than

Five Hundred Pesos (P500.00) and in no case shall the total per diems per month exceed One Thousand Five Hundred Pesos (P1,500.00).

SEC. 6. *Equity.* – Equity or the preferential right of local performers over foreign shall be given to local performers, producers of sound records, and all other performers involved in the music industry.

An equity fee chargeable to the foreign performer / worker per show, from the lead artists down to the minor workers, shall be in such amount as may be determined by the NMC.

The income from equity collections of the NMC shall be constituted into a Fund which shall be administered and managed by the Council and in accordance with its rules and regulations.

The Fund shall be utilized primarily for the benefit of the local performers.

SEC. 7. *Taxation of Foreign Recordings.* – The NMC shall have the authority to impose reasonable taxes on foreign musical recordings, the proceeds of which shall go to the Fund.

SEC. 8. *Promotion and Popularization of Filipino Music.* – All radio stations shall broadcast a minimum of four (4) Original Pilipino Musical Compositions in every clockhour of a program with a musical format, as stated in Section 1 of Executive Order No. 255.

All musical, variety and cultural programs in all television stations shall include sixty percent (60%) Filipino compositions for every clockhour of showtime / airtime.

Musical scores of Filipino films shall be at least seventy five percent (75%) Filipino music.

All public places shall play sixty percent (60%) Filipino music for every clockhour. These public places are as follows:

- a) Movie houses – during screening intervals
- b) Parks and plazas – music played through their public address systems
- c) Lobbies of hotels and other lodging places, and restaurants piped-in music
- d) Shopping malls – music played through their public address system, in shows and entertainment fare
- e) Public transports by air, land and sea piped-in music
- f) Government offices and buildings piped-in music
- g) Schools, universities and colleges music played through their public address system, in school programs, shows and ceremonies.

SEC 9. Enforcement and Implementation. – The enforcement and implementation of the abovementioned provisions shall be performed by the NMC. It may, however, deputize or seek assistance from other agencies such as, but not limited to the Department of Education, the National Telecommunications Commission (NTC), Kapisanan ng mga Brodkaster ng Pilipinas (KBP), volunteer groups, and other civic organizations.

SEC 10. Penalties. – Any franchise holder, operator or owner of a radio station which fails to broadcast the minimum number of Original Pilipino Musical Compositions in every clockhour of a program with a musical format shall be fined in the amount of One Thousand Pesos (P1,000.00) for the first offense and Two Thousand Pesos (P2,000.00) for the second offense.

The producer / director of the TV musical, variety or cultural program which fail to play the required sixty percent (60%) shall pay a fine of Five Thousand Pesos (P5,000.00) for the first offense and Ten Thousand Pesos (P10,000.00) for the second offense.

After due hearing, the National Telecommunications Commission shall cancel the Certificate of Registration and Authority to operate any radio / TV station in the event of three (3) repeated violations.

SEC. 11. Government Incentives. – To develop the music industry, the following incentives are provided:

- a) Establishment of regional recording studios – Regional recording studios administered by the NMC shall be established to provide equal access to recording studios.
- b) Tax Relief – The following tax incentives shall be provided:
 1. Taxes on imported musical instruments, as long as they do not compete with local counterparts of the same quality, shall be reduced by fifty percent (50%);
 2. Taxes on imported musical equipment needed for recordings and/or live performances, as long as they do not compete with local counterparts of the same quality, shall be reduced by fifty percent (50%);
 3. Taxes on raw materials used in recording, whether it be local or imported, shall be reduced by twenty percent (20%)
- c) Grants, Awards and Scholarships – Scholarship grants shall be created for both amateur and professional singers and musicians in order to further develop their capabilities.

Musical awards shall be given annually to both amateur and professional singers, artists, performers, and other musical-related performances and jobs, to be called the "Parangal sa Musikang Pilipino".

The NMC coordination with agencies and entities involved in the promotion of Filipino music shall organize this annual event.

SEC. 12. *Tax Exemption.* – All donations, contributions, subsidies or aids which may be made to the NMC shall be considered allowable deductions from the income of the donors or grantors for income tax purposes.

Transactions undertaken by the NMC in pursuance of its objectives shall be free from any and all taxes and charges.

SEC. 13. *Appropriations.* – Out of any funds in the National Treasury not otherwise appropriated the sum of Five Million Pesos (P5,000,000.00) is hereby appropriated for the NMC for its initial expenses. Thereafter, the NMC shall submit a proposed budget for inclusion in the annual General Appropriations Act.

SEC. 14. *Repealing Clause.* – All existing laws, rules, charters and regulations or parts thereof inconsistent with the provisions of this Act are hereby repealed, superseded or modified accordingly.

SEC. 15. *Separability Clause.* – If any part, section, or provision of this Act is declared invalid or unconstitutional, no other part, section or provision hereof shall be affected thereby.

SEC. 16. *Effectivity.* – This Act shall take effect six (6) months after its publication in a newspaper of general circulation.

Approved,