

NINETEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
*First Regular Session* )



Senate  
Office of the Secretary

23 JAN 12 P5 51

SENATE  
S. No. 1676

RECEIVED BY: \_\_\_\_\_

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Introduced by Senator MARK A. VILLAR

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**AN ACT  
PROMOTING AND SUPPORTING THE DEVELOPMENT AND GROWTH OF THE  
PHILIPPINE FILM INDUSTRY, CREATING FOR THIS PURPOSE THE  
PHILIPPINE FILM COMMISSION, DEFINING ITS POWERS AND  
FUNCTIONS, AND FOR OTHER PURPOSES**

**EXPLANATORY NOTE**

The Philippine film industry has been a cornerstone of the country's identity for over a century, both in terms of its significant contribution to the economy and its unique role as a mechanism for instilling the Philippine culture and showcasing it on a global platform.

Film industry provides thousands of jobs and economic opportunities to Filipinos, making it a vital source of employment and income. At the same time, film also plays a major role in shaping the cultural identity that is reflective of Filipino life.

The Film Development Council of the Philippines was created in 2002 by the virtue of Republic Act No. 9167. However, after almost 20 years since its enactment, the industry had faced challenges that hindered its growth. Further, various changes had emerged with the evolving technology and with the difficult realities of the pandemic. Thus, the closing of movie theaters and changes in people's entertainment habits.

The Film industry is also one of the numerous sectors greatly affected by the COVID-19 pandemic. Thus, there is a need to revitalize and bolster support in the film industry for them to be at par with other Asian countries, such as South Korea.

The proposed measure seeks to position Philippine cinema to be globally competitive and at par with other countries. In pursuit of these aims, this bill will

reorganize the Film Development Council of the Philippines (FDCP) into an independent agency to be called the Philippine Film Commission.

With the right investments that focus on building the infrastructure to support local talent, and with an improved commission that leads Philippine film industry, this industry could become an even more vibrant and vital part of the international film industry. In doing so, they will help to inspire Filipino throughout the world, providing a sense of representation, pride and accomplishment.

In view of the foregoing, the approval of this measure is earnestly sought.



**MARK A. VILLAR**

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**FUNCTIONS, AND FOR OTHER PURPOSES**

*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*  
2           *Development Act of 2023*"

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

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

1           Sec. 3. *Creation of the Philippine Film Commission.* – To implement the  
2 policies and attain the objectives enunciated in this Act, the Film Development  
3 Council of the Philippines (FDCP) created under Republic Act No. 9167, is hereby  
4 reorganized into the Philippine Film Commission, hereinafter referred to as the  
5 “Commission”. The Commission shall be an independent agency. It shall render an  
6 annual report of its activities and achievements to the President and Congress of the  
7 Philippines.

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

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

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

3           1. The Secretary of the Department of Trade and Industry (DTI) or  
4 duly designated regular representative;

5           2. The Secretary of the Department of Education (DepEd) or duly  
6 designated regular representative;

7           3. The Secretary of the Department of Tourism (DOT) or duly  
8 designated regular representative;

9           4. The Secretary of the Department of Foreign Affairs (DFA) or duly  
10 designated regular representative;

11          5. The Secretary of the Department of Interior and Local Government  
12 (DILG) or duly designated regular representative;

13          6. The Secretary of the Department of Finance (DOF) or duly  
14 designated regular representative;

15          7. The Director General of the Film Academy of the Philippines (FAP) or  
16 duly designated regular representative;

17          8. The President of the Cultural Center of the Philippines (CCP) or duly  
18 designated regular representative;

19          9. The head of the Cinema Committee of the National Commission for  
20 Culture and the Arts (NCCA) or duly designated regular representative.

21          Sec. 5. *Term of Office.* – The Chairperson and the eight (8) regular members  
22 shall hold office for a term of three (3) years, unless sooner removed by the  
23 Commission; Provided, That they shall be eligible for reappointment after the  
24 expiration of their terms; Provided further, That if a member fails to complete the  
25 term, the person appointed to fill the vacancy shall serve only the unexpired portion  
26 of the vacated term whom the latter succeeds; Provided finally, That such service of  
27 the unexpired portion shall not be counted as a term.

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

3           1. To coordinate all programs and policies of government departments and  
4 agencies that are related to the development of the local film industry;

5           2. To establish and implement a Cinema Evaluation System, in accordance  
6 with the criteria set forth in this Act;

7           3. To develop and implement an incentive and reward system for the  
8 producers based on merit to encourage the production of quality films;

9           4. To promote, organize, encourage or support a more scientific system in  
10 which local films can be marketed locally and internationally;

11           5. To develop and promote programs to enhance the skills and expertise of  
12 Filipino film artists, technicians and workers through continuous craft and technical  
13 upgrading, as well as attitude training;

14           6. To set up and operate a one-stop shop to assist foreign and local  
15 producers in making films in the country;

16           7. To develop and implement a two-pronged program that will encourage the  
17 production of quality films;

18           8. To encourage, support and coordinate the holding of national and regional  
19 film festivals exclusively of Filipino films;

20           9. To establish, organize, operate and maintain international film festivals,  
21 exhibitions and similar activities, including an ASEAN film festival and market;

22           10. To encourage and facilitate participation in international film festivals and  
23 ensure the continuous presence of Philippine films in international markets;

24           11. To invest funds and other assets in such activities or undertakings that  
25 shall directly or indirectly promote the development of the film industry, including  
26 the production of films, and other terms and conditions as it may deem wise and  
27 desirable;

1           12. To ensure the establishment of a film archive in order to conserve and  
2 protect film negatives and/or prints as part of the nation's historical, cultural and  
3 artistic heritage;

4           13. To take measures to acquire for safeguarding and preservation of any  
5 part or all of the national film production, including the institution of mandatory  
6 deposit systems, which is hereby expressly authorized;

7           14. To set up mechanics to address the welfare and working conditions of  
8 local film workers, a concern to be implemented in coordination with the Mowelfund  
9 and the Nagkakaisang Manggagawa ng Pelikulang Pilipino;

10           15. To promote the establishment of cinema clubs in barangays and schools,  
11 in coordination with the Department of Education (DepEd) and the Commission on  
12 Higher Education (CHED), and to develop elective courses related to film at the  
13 collegiate levels as part of a film audience development program;

14           16. To prescribe the procedures for the exercise of its powers and functions,  
15 as well as the performance of its duties and responsibilities;

16           17. To determine the Commission's organizational structure and staffing  
17 pattern, and appoint its officers and employees in accordance with Civil Service laws,  
18 rules and regulations;

19           18. To promote the development and growth of the independent film  
20 movement;

21           19. To acquire, manage and hold such real and personal properties, as may  
22 be necessary to carry out the purposes and objectives of this Act; and

23           20. To perform such other functions as may be necessary to carry out the  
24 provisions of this Act.

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

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

6           Sec. 9. *Functions of the Chairperson.* – The Chairperson shall have the  
7 following functions:

8           1. Execute and administer the policies, plans and programs approved by the  
9 Commission;

10          2. Direct and supervise the operations and internal affairs of the Commission;

11          3. Establish the internal organization and administrative procedures of the  
12 Commission;

13          4. Recommend to the Commission the appointment, transfer or detail,  
14 suspension, and dismissal for cause of its subordinate officials and employees; and

15          5. Such other functions which the Commission may assign from time to time.

16          Sec. 10. *The Executive Director.* – The Chairperson shall be assisted by the  
17 Executive Director to be appointed by the Commission, upon the recommendation of  
18 the Chairperson. The Executive Director shall have a salary comparable to that  
19 equivalent rank under the Revised Compensation and Position Classification System,  
20 and shall be co-terminus with the Chairperson unless sooner removed for cause.

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

24          a) Composition, Qualifications and Appointment - The CEB shall be composed  
25 of a Board Chairperson and twenty (20) members, ten (10) of whom shall come  
26 from the film industry, and the other ten (10) from the arts, academe, business and  
27 such other sectors as the Commission may choose to identify. The Chairperson of  
28 the Commission shall appoint the members of the CEB from among thirty (30)  
29 nominees submitted by the members of the Commission; Provided, That the persons



1 appointed to the CEB should be knowledgeable of the artistic and technical aspects  
2 of filmmaking and fully committed to the promotion and development of  
3 cinematographic art along world-class standards and global marketability.

4         b) Term of Office - The CEB Chairperson and members shall serve for a term  
5 of two (2) years and shall be eligible for re-appointment for a second term;  
6 Provided, That no member shall serve for more than two (2) consecutive terms;  
7 Provided further, That if any member fails to complete a term, the person appointed  
8 to fill the vacancy shall serve only for the unexpired portion of the term of the  
9 former, unless reappointed; Provided finally, That the service of the unexpired  
10 portion shall not be counted as a term. In the initial appointments, the CEB  
11 Chairperson and the twenty (20) members shall hold office for two (2) years.

12         c) Participation - No member of the CEB shall participate in the grading of a  
13 film in which they, or any family member, or relative within the fourth degree of  
14 consanguinity or affinity, have financial or any other interest; Provided, That such  
15 member shall disclose fully at the time of inhibition, the nature of interest, including  
16 actual or potential conflict of interest, and the reasons thereof.

17         Sec. 12. *Cinema Evaluation System.* – The CEB shall formulate and establish a  
18 set of standards, criteria and procedures for the Cinema Evaluation System, subject  
19 to the approval of the Commission, primarily based on, but not limited to, the  
20 following: direction, screenplay, cinematography, editing, production design, musical  
21 scoring, sound, and acting.

22         Sec. 13. *Grading of Films.* – The grading of films by the CEB shall be subject  
23 to the following provisions:

24         a) Pre-qualification procedures and requirements. - The Commission shall  
25 prescribe pre-qualification procedures and requirements for application for grading;  
26 Provided, That only films whose premiere showing shall be held in the Philippines,  
27 and those which have not had any theatrical release, free television broadcast, cable  
28 broadcast or video release in any commercial medium anywhere in the world, shall  
29 be qualified for evaluation by the Board; Provided further, That the CEB should  
30 evaluate and grade only films that are intended for theatrical and other forms of

1 release or exhibition that will charge admission fees, and which are at least eighty  
2 (80) minutes in length, and that the producer shall submit the film for grading at  
3 least seven (7) days before its scheduled day of a play date.

4           b) Evaluation Period. - A film shall be reviewed, evaluated and graded by the  
5 CEB within five (5) working days after submission of the application. The CEB shall  
6 transmit its decision to the Commission within twenty-four (24) hours from the  
7 rendering of the decision. The Commission shall inform the producer of the CEB's  
8 decision not later than twenty-four (24) hours upon receipt.

9           c) Grading of Films. - The CEB shall review and grade a film submitted for  
10 grading. The CEB and the Commission shall, at any time, neither be allowed to cut,  
11 delete, shorten or modify in any manner films being graded by the CEB, nor shall  
12 they be allowed to suggest cuts or deletions or any other form of modification, to  
13 the filmmakers and pre-requisites for earning the CEB grading. Such grading shall be  
14 given due weight and consideration by the Movie and Television Review and  
15 Classification Board (MTRCB), the Optical Media Board (OMB), the DTI and other  
16 government agencies for the graded film's viewing, reproduction, exportation and  
17 other purposes.

18           d) Reconsideration to the Board En Banc - The action taken by the CEB on  
19 the film submitted for evaluation and grading may be reconsidered upon motion to  
20 the CEB *en banc* within twenty-four (24) hours from receipt of notice of said action,  
21 and the CEB *en banc* shall render its decision within forty-eight (48) hours from its  
22 receipt of the motion for reconsideration. The CEB *en banc* must be composed of at  
23 least a majority of the CEB.

24           e) Finality of Grading. - The grading submitted by the CEB *en banc* to the  
25 Commission shall be final.

26           Sec. 14. *Privileges of Graded Films.* – Films which have obtained an "A" or "B"  
27 grading from the Commission, pursuant to Sections 11 and 12 of this Act, shall be  
28 entitled to Amusement Tax Reward. A grade "A" or "B" film shall entitle the producer  
29 to an incentive equivalent to the amusement tax imposed and collected on the  
30 graded films by cities and municipalities in Metro Manila and other highly urbanized

1 and independent component cities in the Philippines pursuant to Sections 140 and  
2 151 of Republic Act (RA) No. 7160 or the "Local Government Code of 1991" as  
3 amended at the following rates:

4 1. For grade "A" Films - Eighty percent (80%) of the amusement tax is  
5 collected on such films. The remaining twenty percent (20%) shall accrue to the  
6 funds of the Commission; and

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

12 *Sec. 15. Amusement Tax Deduction and Remittances.* – All revenues from the  
13 amusement tax on the graded film, which may otherwise accrue to the cities and  
14 municipalities in Metro Manila and highly urbanized and independent component  
15 cities in the Philippines pursuant to Sections 140 of RA 7160, during the period the  
16 graded film is exhibited, shall be deducted and withheld by the proprietors,  
17 operators or lessees of theaters or cinemas and remitted within thirty (30) days  
18 from the termination of the exhibition to the Commission, which shall reward the  
19 corresponding amusement tax to the producers and the talents and workers of the  
20 graded film within fifteen (15) days from receipt thereof. Proprietors, operators, or  
21 lessees of theaters or cinemas who fail to remit amusement tax proceeds within the  
22 prescribed period shall be liable to a surcharge equivalent to five percent (5%) of  
23 the amount due for each month of delinquency, which shall be paid to the  
24 Commission.

25 *Sec. 16. Enforcement.* – For purposes of implementing the previous Section,  
26 the Commission may:

27 1. Impose administrative fines and penalties of not more than One Hundred  
28 Thousand Pesos (P 100,000.00) for the violation of any of the provisions of this Act  
29 and/or Implementing Rules and Regulations (IRR) issued by the Commission.

1           2. Cause or initiate the criminal or administrative prosecution of violators of  
2 this Act and its IRR.

3           3. Cause the closure of any theater or cinema that fails or refuses to remit tax  
4 collected on the graded film for a period not exceeding fifteen (15) days, after which  
5 such period shall automatically be lifted without prejudice to the right of the  
6 Commission to cause or initiate criminal or administrative prosecution against the  
7 erring theater or cinema owners pursuant to the 1st paragraph of this Section.

8           4. Call upon representatives of the different government agencies and  
9 various organizations in the movie industry to help ensure compliance with the  
10 provisions of this Act and its IRR. For this purpose, the Commission may constitute  
11 regional sub-commissions in the cities and municipalities throughout the country  
12 composed of representatives from the government and the private sector, as may be  
13 appropriate to implement the purposes and objectives of this Act and its IRR, and  
14 they shall serve without compensation and only for such period as the Commissioner  
15 shall determine.

16           5. To deputize any law enforcement agency and instrumentality of the  
17 government for assistance in the implementation and enforcement of its functions  
18 and orders.

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

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

1 of film-making and fully committed to the promotion and development of  
2 cinematographic art along world class standards and local and global marketability.

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

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

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

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

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

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

6           c) Finality of Endowment Fund Decision. - The evaluation submitted by the  
7 FEB *en banc* to the Commission shall be final.

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

15           1. Ownership, copyright, distribution, exhibition and use rights for all projects  
16 developed or distributed with endowment funds shall be vested in the producer,  
17 writer, artist or other originators of the work; Provided, That the Commission will  
18 require the applicant to assign a share of all rights, including copyright in the work,  
19 to the Commission as security for its investment. The Commission will take a fifty  
20 percent (50%) share of such rights, with fifty percent (50%) to be retained by the  
21 applicant. The Commission will require repayment of its endowment funding no later  
22 than one (1) year, at which time it will assign its share of the copyright and other  
23 rights back to the applicant or its assignee. In order to secure repayment of the  
24 Commission's development funding, applicants will not be able to assign, license, or  
25 otherwise transfer any rights to the work without the prior written approval of the  
26 Commission.

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

1           3. The Commission reserves a royalty-free, non-exclusive and irrevocable  
2 right to reproduce, publish, or otherwise use these materials for government  
3 purposes and to authorize others to do so. All projects developed through a  
4 Commission endowment, including associated publicity or promotional materials,  
5 shall carry a statement indicating that it was funded by the Commission. There shall  
6 also be a disclaimer statement to the effect that the views expressed therein are not  
7 necessarily those of the Commission. The project must be promoted as a Philippine  
8 work at film festivals and in markets abroad. In co-productions, the Philippine  
9 nationality of the produced film must be mentioned together with the others.

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

17           1. Utilize the remaining twenty percent (20%) and thirty-five percent (35%)  
18 of the amusement tax collected during the period that grades "A" and "B" films are  
19 exhibited, as provided under Sections 14 and 15 hereof;

20           2. Impose reasonable fees and charges for services rendered; Provided, That  
21 the amount actually collected shall be deposited in the National Treasury as a special  
22 account in the General Fund, and may be used to augment its maintenance and  
23 other operational expenses and capital outlays, except the purchase of motor  
24 vehicles, subject to existing accounting and budgeting rules and regulations; and

25           3. Secure funding from the Philippine Amusement and Gaming Corporation  
26 (PAGCOR) for the amount necessary to subsidize the production of thirty (30) films  
27 annually.

28           Sec. 21. *Authority to Accept Donations.* – The Commission may accept  
29 donations, contributions, grants, bequests or gifts, in cash or in kind, from various  
30 sources, domestic or foreign, except from movie producers, relevant to its functions.

1 Said donations shall be deemed automatically appropriated for purposes specified by  
2 the donor or in the absence thereof, for the programs or projects as may be  
3 approved by the Commission, subject to the usual government accounting and  
4 auditing rules and regulations; Provided, That cash donations shall not be used to  
5 fund the personal services requirements of the Commission. Any donation,  
6 contribution, subsidy or financial aid, which may be made to the Commission, shall  
7 be exempt from taxes of any kind and constitute an allowable deduction in full from  
8 the income of the donors, contributors or givers for income tax purposes.

9         *Sec. 22. Assistance from other Government Agencies.* – The Commission may  
10 call on any department, bureau, office, agency or instrumentality of the government  
11 for assistance as may be needed in the performance of its functions, and upon the  
12 approval of the head of the concerned department, bureau, office or agency.

13         *Sec. 23. Implementing Rules and Regulations (IRR).* – The Commission shall,  
14 within ninety (90) days from the approval of this Act, issue the necessary rules and  
15 regulations to implement the provisions hereof.

16         *Sec. 24. Transitory Provision.* – To provide continuity in the operation of the  
17 Commission, the incumbent officials and employees of FDCP and the CEB shall, in a  
18 holdover capacity, continue to perform their respective duties and responsibilities,  
19 and shall receive their corresponding salaries and benefits until such time that the  
20 organization of the Commission shall have been completed. The transition period  
21 shall not exceed six (6) months after the effectivity of this Act. All officials of the  
22 FDCP and CEB shall be deemed resigned from services upon the organization of the  
23 Commission; Provided, That the officials and employees who shall be laid off shall be  
24 given preferential treatment in appointments to new positions to which they may  
25 qualify under the new staffing pattern; Provided finally, That those who shall not be  
26 given new appointments shall be entitled to all compensation and benefits due them  
27 under existing laws. All books, assets, rights, privileges, records, obligations and  
28 liabilities of FDCP and CEB are hereby transferred to the Commission.

29         *Sec. 25. Organizational Structure.* – The organizational structure and staffing  
30 pattern of the Commission shall be established in coordination with the Department



1 of Budget and Management (DBM), and in accordance with Civil Service laws, rules,  
2 and regulations.

3        *Sec. 26. Annual Report.* – The Commission shall, within ninety (90) days after  
4 the end of every fiscal year, submit to Congress an annual report on its compliance  
5 with, and accomplishments under this Act, together with its plans and  
6 recommendations to improve and develop its capability to enforce the provisions of  
7 this Act, and a complete accounting of transactions with respect to any funds  
8 received 28 under this Act.

9        *Sec. 27. Separability Clause.* – If any provision of this Act is held  
10 unconstitutional or invalid, such holding shall not affect other provisions not affected  
11 thereby.

12        *Sec. 28. Repealing Clause.* – Republic Act No. 9167, otherwise known as the  
13 Film Development Council of the Philippines Act, is hereby repealed. All laws,  
14 decrees, executive orders, issuances, rules, and regulations that are inconsistent  
15 with the provisions of this Act are hereby repealed or amended accordingly.

16        *Sec. 29. Effectivity.* — This Act shall take effect fifteen (15) days after its  
17 publication in the Official Gazette or in at least two (2) newspapers of general  
18 circulation.

*Approved,*