

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



Senate
Office of the Secretary

'22 OCT 20 A8 :16

SENATE

S. No. 1409

RECEIVED BY:

Introduced by SENATOR RAMON BONG REVILLA, JR.

**AN ACT
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

The State recognizes the significant role of the Philippine film industry as a medium for information gathering, dissemination and communication, and as a catalyst of public opinion. Being a vital sector, it is a tool that reflects the Filipinos' love for arts, and mirrors our culture and our national identity. More than this, it used to have a sizable contribution to the economy in terms of employment generation and tax revenues.

One of the most popular forms of freedom of expression is in the film industry. It is arguably the most entertaining and far-reaching. It can be archived to be viewed countless times for future generations. Even in the digital age, it remains to be a very powerful tool for preserving our rich culture and heritage. However, at the height of the COVID-19 pandemic, the film industry had to halt production with the closure of cinemas. Experts say it may take a maximum of two years for the film industry to recover losses.¹ A huge setback to this industry, many actors, filmmakers and tireless people behind the cameras have had their source of income and livelihood be put to

¹Rao, MS (24 August 2020). Resetting the Film Industry in the Post-Pandemic World. Accessed from: Resetting the Film Industry in the Post-Pandemic World - CEOWORLD magazine

the test with this pause. This curtain call, they all hope, will only be temporary - and that government assistance would help them recover.

There is, indeed, an urgent need to continue providing support to the local film industry, particularly to achieve sound, effective and progressive integration of the business, economic and commercial functions and operations of the industry. This would, in turn, shape it to become a truly dynamic instrument for cultural development and a vital social institution, which will enhance the nation's artistic, scientific and socio-cultural heritage.

With the pervasive effect of film in the life of every Filipino, and the significant economic contribution of the film industry, it is imperative to enact this measure to regulate it, and strengthen film production as a viable tool for change in enhancing the quality of life of every Filipino. In pursuit of these aims, and in order to implement and attain these ends, this bill will reorganize the Film Development Council of the Philippines (FDCP) into an independent agency to be called the Philippine Film Commission.

The immediate passage of this bill is thus earnestly requested.


RAMON BONG REVILLA, JR. 

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

1 Section 1. *Short Title.* - This Act shall be known as the "*Local Film Industry*
2 *Development Act of 2022*".

3 Sec. 2. *Statement of State Policy.* - Pursuant to the constitutional guarantee on
4 freedom of expression and on the principle of giving priority to arts and culture to
5 foster patriotism and nationalism, accelerate social progress, and promote total human
6 liberation and development, the State shall promote and support the development and
7 growth of the local film industry as an aesthetic and cultural medium for a better
8 understanding and appreciation of Filipino social values and national identity and as
9 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 film making and encourage the production
12 of films for commercial purposes, intended for public entertainment, that seek 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.

15 Sec. 3. *Creation of the Philippine Film Commission.* - To implement the policies
16 and attain the objectives enunciated in this Act, the Film Development Council of the
17 Philippines (FDCP) created under Republic Act No. 9167, is hereby reorganized into
18 the Philippine Film Commission, hereinafter referred to as the "Commission". The

1 Commission shall be an independent agency. It shall render an annual report of its
2 activities and achievements to the President and Congress of the Philippines.

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

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

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

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

- 25 1. The Secretary of the Department of Trade and Industry (DTI) or duly
26 designated regular representative;
- 27 2. The Secretary of the Department of Education (DepEd) or duly designated
28 regular representative;
- 29 3. The Secretary of the Department of Tourism (DOT) or duly designated
30 regular representative;
- 31 4. The Secretary of the Department of Foreign Affairs (DFA) or duly designated
32 regular representative;

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

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

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

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

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

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

18 *Sec. 6. Powers and Functions.* - The Commission shall have the following
19 powers and functions:

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

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

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

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

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

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

- 1 7. To develop and implement a two-pronged program that will encourage the
2 production of quality films;
- 3 8. To encourage, support and coordinate the holding of national and regional
4 film festivals exclusively of Filipino films;
- 5 9. To establish, organize, operate and maintain international film festivals,
6 exhibitions and similar activities, including an ASEAN film festival and market;
- 7 10. To encourage and facilitate participation in international film festivals and
8 ensure the continuous presence of Philippine films in international markets;
- 9 11. To invest funds and other assets in such activities or undertakings that shall
10 directly or indirectly promote development of the film industry, including the
11 production of films, and other terms and conditions as it may deem wise and desirable;
- 12 12. To ensure the establishment of a film archive in order to conserve and
13 protect film negatives and/or prints as part of the nation's historical, cultural and
14 artistic heritage;
- 15 13. To take measures to acquire for safeguarding and preservation of any part
16 or all of the national film production, including the institution of mandatory deposit
17 systems, which is hereby expressly authorized;
- 18 14. To set up mechanics to address the welfare and working conditions of local
19 film workers, a concern to be implemented in coordination with the Mowelfund and
20 the Nagkakaisang Manggagawa ng Pelikulang Pilipino;
- 21 15. To promote the establishment of cinema clubs in barangays and schools,
22 in coordination with the Department of Education (DepEd) and the Commission on
23 Higher Education (CHED), and to develop elective courses related to film at the
24 collegiate levels as part of a film audience development program;
- 25 16. To prescribe the procedures for the exercise of its powers and functions,
26 as well as the performance of its duties and responsibilities;
- 27 17. To determine the Commission's organizational structure and staffing
28 pattern, and appoint its officers and employees in accordance with Civil Service laws,
29 rules and regulations;
- 30 18. To promote the development and growth of the independent film
31 movement;

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

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

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

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

15 *Sec. 9. Functions of the Chairperson.* - The Chairperson shall have the following
16 functions:

17 1. Execute and administer the policies, plans and programs approved by the
18 Commission;

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

20 3. Establish the internal organization and administrative procedures of the
21 Commission;

22 4. Recommend to the Commission the appointment, transfer or detail,
23 suspension, and 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 the
26 Executive Director to be appointed by the Commission, upon the recommendation of
27 the Chairperson. The Executive Director shall have a salary comparable to that
28 equivalent rank under the Revised Compensation and Position Classification System,
29 and shall be co-terminus with the Chairperson, unless sooner removed for cause.

30 *Sec. 11. Cinema Evaluation Board.* - The Commission will absorb the Cinema
31 Evaluation Board of the FDCP, hereinafter referred to as the "CEB", which shall
32 evaluate and grade films submitted to the Commission, subject to the following:

1 a) Composition, Qualifications and Appointment - The CEB shall be composed
2 of a Board Chairperson and twenty (20) members, ten (10) of whom shall come from
3 the film industry, and the other ten (10) from the arts, academe, business and such
4 other sectors as the Commission may choose to identify. The Chairperson of the
5 Commission shall appoint the members of the CEB from among thirty (30) nominees
6 submitted by the members of the Commission; *Provided*, That the persons appointed
7 to the CEB should be knowledgeable of the artistic and technical aspects of film making
8 and fully committed to the promotion and development of cinematographic art along
9 world class standards and global marketability.

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

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

23 Sec. 12. *Cinema Evaluation System*. - The CEB shall formulate and establish a
24 set of standards, criteria and procedures for the Cinema Evaluation System, subject
25 to the approval of the Commission, primarily based on, but not limited to, the
26 following: direction, screenplay, cinematography, editing, production design, musical
27 scoring, sound, and acting.

28 Sec. 13. *Grading of Films*. - The grading of films by the CEB shall be subject to
29 the following provisions:

30 a) Pre-qualification procedures and requirements. - The Commission shall
31 prescribe pre-qualification procedures and requirements for application for grading;
32 *Provided*, That only films whose premiere showing shall be held in the Philippines, and

1 those which have not had any theatrical release, free television broadcast, cable
2 broadcast or video release in any commercial medium anywhere in the world, shall be
3 qualified for evaluation by the Board; *Provided further*, That the CEB should evaluate
4 and grade only films that are intended for theatrical and other forms of release or
5 exhibition that will charge admission fees, and which are at least eighty (80) minutes
6 in length, and that the producer shall submit the film for grading at least seven (7)
7 days before its scheduled day of play date.

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

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

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

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

29 Sec. 14. *Privileges of Graded Films*. - Films which have obtained an "A" or "B"
30 grading from the Commission, pursuant to Sections 11 and 12 of this Act, shall be
31 entitled to Amusement Tax Reward. A grade "A" or "B" film shall entitle the producer
32 to an incentive equivalent to the amusement tax imposed and collected on the graded

1 films by cities and municipalities in Metro Manila and other highly urbanized and
2 independent component cities in the Philippines pursuant to Sections 140 and 151 of
3 Republic Act (RA) No. 7160 or the "*Local Government Code of 1991*" as amended at
4 the following rates:

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

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

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

25 Sec. 16. *Enforcement* - For purposes of implementing the previous Section, the
26 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.

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

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

6 4. Call upon representatives of the different government agencies and various
7 organizations in the movie industry to help ensure compliance with the provisions of
8 this Act and its IRR.

9 For this purpose, the Commission may constitute regional sub-commissions in
10 the cities and municipalities throughout the country composed of representatives from
11 the government and the private sector, as may be appropriate to implement the
12 purposes and objectives of this Act and its IRR, and they shall serve without
13 compensation and only for such period as the Commissioner shall determine.

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

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

21 a) Composition, Qualifications and Appointment. - The FEB shall be composed
22 of a Board Chairperson and seven (7) members, four (4) of whom shall come from
23 the film industry, and the other three (3) from the arts, academe, business and other
24 sectors as the Commission may choose to identify. The Chairperson of the Commission
25 shall appoint the members of the FEB from among fifteen (15) nominees submitted
26 by the members of the Commission; *Provided*, That the persons appointed to the FEB
27 should be knowledgeable of the artistic and technical aspects of film-making and fully
28 committed to the promotion and development of cinematographic art along world
29 class standards and local and global marketability.

30 b) Term of Office. - The FEB Chairperson and members shall serve for a term
31 of two (2) years and shall be eligible for re-appointment for a second term; *Provided*,
32 That no member shall serve for two (2) consecutive terms; *Provided further*, That if

1 any member fails to complete a term, the person appointed to fill the vacancy shall
2 serve only for the unexpired portion of the term of the former, unless re-appointed;
3 *Provided finally*, That the service of the unexpired portion shall not be counted as a
4 term. The FEB Chairperson and the seven (7) members shall hold office for two (2)
5 years.

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

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

16 Sec. 19. *Endowment Funding for Films*. - The endowment funding for films by
17 the FEB shall be subject to the following provisions:

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

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

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

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

8 1. Ownership, copyright, distribution, exhibition and use rights for all projects
9 developed or distributed with endowment funds shall be vested in the producer, writer,
10 artist or other originator of the work; *Provided*, That the Commission will require the
11 applicant to assign a share of all rights, including copyright in the work, to the
12 Commission as security for its investment. The Commission will take a fifty percent
13 (50%) share of such rights, with fifty percent (50%) to be retained by the applicant.
14 The Commission will require repayment of its endowment funding not later than one
15 (1) year, at which time the Commission will assign its share of the copyright and other
16 rights back to the applicant or its assignee. In order to secure repayment of the
17 Commission's development funding, applicants will not be able to assign, license, or
18 otherwise transfer any rights to the work without the prior written approval of the
19 Commission.

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

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

1 Sec. 20. *Funding.* - In order to provide for the initial funding of the Commission,
2 there is hereby created a Philippine Film Commission Fund Account to be deposited in
3 the National Treasury, which shall be included in the annual General Appropriations
4 Act, and shall be constituted from the proceeds of a special film commission tax, which
5 is hereby levied on all admission tickets of movie houses in the Philippines for a period
6 of twenty (20) years.

7 To augment its operational expenses, the Commission may:

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

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

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

19 Sec. 21. *Authority to Accept Donations.* - The Commission may accept
20 donations, contributions, grants, bequests or gifts, in cash or in kind, from various
21 sources, domestic or foreign, except from movie producers, relevant to its functions.
22 Said donations shall be deemed automatically appropriated for purposes specified by
23 the donor or in the absence thereof, for the programs or projects as may be approved
24 by the Commission, subject to the usual government accounting and auditing rules
25 and regulations; *Provided,* That cash donations shall not be used to fund the personal
26 services requirements of the Commission. Any donation, contribution, subsidy or
27 financial aid, which may be made to the Commission, shall be exempt from taxes of
28 any kind and constitute allowable deduction in full from the income of the donors,
29 contributors or givers for income tax purposes.

30 Sec. 22. *Assistance from other Government Agencies.* - The Commission may
31 call on any department, bureau, office, agency or instrumentality of the government

1 for assistance as may be needed in the performance of its functions, and upon the
2 approval of the head of the concerned department, bureau, office or agency.

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

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

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

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

29 *Sec. 27. Separability Clause.* - If, for any reason, any provision of this Act, or
30 any part thereof, is declared invalid or unconstitutional, all other sections or provisions
31 not affected thereby shall remain in full force and effect.

1 *Sec. 28. Repealing Clause.* - Republic Act No. 9167, otherwise known as the
2 Film Development Council of the Philippines Act, is hereby repealed. All other laws,
3 decrees, orders, issuances, rules and regulations which are inconsistent with the
4 provisions of this Act are hereby repealed, amended or modified accordingly.

5 *Sec. 28. Effectivity.* - This Act shall take effect fifteen (15) days after publication
6 in the *Official Gazette* or in two (2) newspapers of national circulation in the
7 Philippines.

Approved,