

**IMPLEMENTING RULES AND REGULATIONS OF REPUBLIC ACT NO. 7356
(LAW CREATING THE NATIONAL COMMISSION FOR CULTURE AND THE
ARTS)**

The National Commission for Culture and the Arts hereby approves the amended rules and regulations to implement Republic Act No. 7356, otherwise known as the "Law Creating the National Commission for Culture and the Arts."

RULE 1

Declaration of Purpose and Principles

1.1 *Purpose*

These rules and regulations are approved by the National Commission for Culture and the Arts pursuant to Sec. 13 k of R.A. No. 7356 which mandates the Commission to promulgate rules, regulations and undertake any and all measures as may be necessary to implement the Act.

1.2 *Declaration of Primary Principles*

1.2.1 Culture is a manifestation of the freedom of belief and of expression, and is a human right to be accorded due respect and allowed to flourish.

1.2.2 Culture reflects and shapes values, beliefs and aspirations, thereby defining a people's national identity. A Filipino national culture that mirrors and shapes Philippine social, economic, and political life shall be conserved, evolved and promoted.

1.2.3 The Filipino national culture shall be:

- a. independent, free of political and economic structures which inhibit social sovereignty;
- b. equitable, effectively creating and distributing cultural opportunities and correcting the imbalance that has long prejudiced the poor and other marginalized sectors who have the least opportunities for cultural development and educational growth;
- c. dynamic, continuously developing in pace with scientific, technological, social, economic and political changes, nationally and internationally levels;
- d. progressive, developing the vast potential of all Filipinos as responsible change agents of society; and
- e. humanistic, ensuring the freedom and creativity of the human spirit and imagination.

1.2.4 The Filipino national culture shall be evolved and developed by the people themselves in a climate of freedom and responsibility. National cultural policies and programs shall be formulated which policies shall be:

- a. pluralistic, fostering deep respect for the cultural identity of each locality, as well as elements assimilated from other cultures through the natural process of acculturation;
- b. democratic, encouraging and supporting the participation of the vast masses of the Filipino people in its programs and projects;
- c. non-partisan, open to all people and institutions, regardless of creed, affiliation, ideology, ethnic origin, age, gender or class, with no organized group or sector having monopoly of its services; and
- d. liberative, having concern for the decolonization and emancipation of the Filipino psyche in order to ensure the full-flowering of Filipino culture.

1.2.5 The creation of artistic and cultural products shall be promoted and disseminated to the greatest number of the Filipino people. The level of consciousness of the Filipino people about their own cultural values in order to strengthen the Filipino culture and to still nationhood and cultural unity. shall be raised formally through the educational system and informally through extra-scholastic means, including the use of traditional as well as modern media of communication.

1.2.6 It is the duty of every citizen to preserve and conserve the Filipino cultural heritage and resources. The retrieval and conservation of artifacts of Filipino culture and history shall be vigorously pursued.

1.3 *Declaration of Secondary Principles*

1.3.1 The NCCA adheres to the spirit of volunteerism and shall be organized in this light. Volunteerism is defined for these purposes as an unselfish act or willingness to assist the Commission in the fulfillment of its mandate and goals with the use of one's expertise and experience in a particular cultural sector, without expectation of financial gain. Acceptance of the services of a volunteer shall be at the discretion of the Commission and shall be in accordance with these Rules and Regulations.

1.3.2 Respect for the intellectual property and artistic rights of creators, whether pertaining to individuals, groups or communities shall be promoted and protected. The preceding

notwithstanding, the NCCA shall strive to find the optimum balance between protecting the intellectual property rights of creators and allowing general access to intellectual creations.

- 1.3.3 The Commission shall adhere to the democratic principle of consultation with the general public, including arts and culture sectors and volunteers, in the formulation of policies and plans of the Commission.

RULE 2

Structure, Rationale and Functions of the National Commission for Culture and the Arts

2.1 *Nature* — The NCCA is an independent agency that is organizationally situated within the Office of the President. It is assigned the following tasks:

- a. formulate policies and plans for the development of culture and the arts;
- b. implement these policies in coordination with affiliated cultural agencies;
- c. coordinate the implementation of programs of these affiliated agencies;
- d. administer the National Endowment Fund for Culture and the Arts (NEFCA);
- e. encourage artistic creation within a climate of artistic freedom;
- f. develop and promote the Filipino national culture and arts;
- g. preserve Filipino cultural heritage; and
- h. enhance and integrate traditional culture and their creative expressions within the national cultural mainstream in relation to f and g hereof.

2.2 *Organizational Units* — The organizational units referred to in these Implementing Rules and Regulations include the following:

- a. National Commission for Culture and the Arts. This is the fifteen person group constituted by Sec. 8 of R.A. No. 7356, variously known as "Commission", "Board of Commissioners" or "Board."
- b. Sub-Commission. These consist of eminent persons in the various fields of culture and the arts within the respective sectors of Cultural Communities and Traditional Arts, Cultural Heritage, the Arts, and Cultural Dissemination pursuant to Secs. 9 and 15 of R.A. 7356.
- c. Secretariat. The administrative organization responsible for the

day to day operations of the Commission, established pursuant to Sec. 13b and Sec. 14 of R.A No. 7356.

- d. National Advisory Board — The chairpersons of the National Committees, in accordance with Sec. 17 of R.A. No. 7356.
- e. National Committee. These consists of individuals who assist in the work of the NCCA, including representatives of associations of artists and cultural workers and other non-government organizations, government organizations, organized into groups pursuant to Sec. 15 of R.A. No. 7356.
- f. Executive Council of National Committees. The working group constituted pursuant to Committee rules and regulations for the purpose of conducting the affairs of the National Committee.
- g. Policies and Grants Committee. A Standing Committee of the Commission created to review recommendations of Sub-Commissions from a multi-sectoral perspective.
- h. Cultural Agencies Coordinating Committee. A Standing Committee of the Commission created to identify programs of common action and to encourage coordination and cooperation among cultural agencies of government in the context of E.O. No. 80 and of R.A. No. 7356.
- i. Management Committee. A Committee consisting of senior officers of the Secretariat, intended to ensure coordination in the performance of Secretariat functions.

RULE 2A

The Commission

2.1 Mandate. — The Commission is hereby mandated to formulate and implement policies in accordance with the principles stated in Title I, Sec. 12 of R.A. No. 7356.

2.2 Powers and Functions. — The Commission shall exercise the following powers and functions:

- a. encourage and facilitate the organization of a network of regional and local councils for culture and the arts, hereunder described, to ensure a broad nationwide, people-based participation in the formulation of plans, the enforcement of culture-related laws and regulations, the implementation of programs/projects and the review of funding requirements;
- b. establish a Secretariat under an Executive Director for the Administrative and day-to-day operations of the Commission;
- c. set up a system of networking and coordination with and among all existing government cultural agencies for the effective

implementation of programs and activities and to avoid unnecessary duplication of functions therein;

- d. create committees and other mechanisms to help expedite the implementation of plans and strategies;
- e. call upon and coordinate with other government and non-government art and cultural institutions and agencies in assistance in any form;
- f. generate resources, both from the Government and private sectors, local, national and international, for its operation, as well as for the National Endowment Fund for Culture and the Arts;
- g. receive and accept donations and other conveyances including funds, materials and other conveyances including funds, materials and services, by gratuitous title;
- h. administer the National Endowment Fund for Culture and the Arts, through a Comptroller, and give grants for the development, protection, preservation, and dissemination of Philippine culture and the arts;
- i. cause the preparation of the annual budget of the NCCA, approve and submit the same to the President for inclusion in the annual General Appropriations Act;
- j. advise the President on matters pertaining to culture and the arts, including the creation of special decoration or award, for persons who have significantly contributed to the development and promotion of Philippine culture and arts;
- k. regulate activities inimical to preservation/conservation of national cultural heritage/properties;
- l. institute a body to investigate such inimical activities in conjunction with the proper government agencies, such as the Department of Interior and Local Government, the National Historical Institute, the National Museum and other such agencies, with the aim of prosecuting such activities and recommending other action such as legislation, or pursuant to the next succeeding provision, the use of good offices of the Commission. The said body shall be organized under the Legal Services Offices;
- m. may make available the NCCA's good offices for the settlement of disputes concerning issues affecting artist and cultural workers, including issues arising from the activities of various government agencies which may implicate cultural heritage properties if such activities are potentially inimical to their preservation and conservation; and

n. promulgate other rules, regulations and undertake any and all measures as may be necessary to implement R.A. No. 7356.

2.3 *Composition.* — The Commission shall consist of fifteen (15) members as follows:

2.3.1 Officials from the Legislative and Executive Branches of Government, including Heads of cultural agencies, who serve in an *ex-officio* capacity:

- a. Undersecretary, Department of Education Culture and Sports;
- b. Undersecretary, Department of Tourism;
- c. Chairman, committee on Basic Education and Culture, House of Representatives;
- d. Chairman, Committee on Education, Arts and Culture, Senate of the Philippines;
- e. President, Cultural Center of the Philippines;
- f. Executive Director, National Historical Institute;
- g. Director, National Museum;
- h. Director, The National Library;
- i. Chairman, Komisyon sa Wikang Filipino;
- j. Director, Records Management and Archives Office; and
- k. Executive Director, National Commission for Culture and the Arts.

2.3.2 The Head of the Sub-Commission on Cultural Communities and Traditional Arts who shall be elected by the Heads of the National Committees within the Sub-Commission.

2.3.3 Representatives from the private sector elected by the Heads of the National Committees within the respective Sub-Commissions, namely;

- a. Sub-Commission on Cultural Heritage;
- b. Sub-Commission on the Arts; and
- c. Sub-Commission on Cultural Dissemination.

provided that employees of state universities and colleges, including faculty members and administrators, are considered as belonging to the public sector.

2.4 *Chairman.* — The Chairman of the Commission shall be elected by the members of the Commission from among themselves. He shall have a

term of three (3) years, reckoned from July 1, 1992 for as long as he remains a member of the Commission, whether as SubCommission Head or *ex-officio* member, as the case may be.

Subject to due process, the Chairman may be replaced before the expiration of his/her term on vote of two-thirds of the entire Commission, on any of the following grounds: culpable violation of the NCCA Code of Ethics, culpable violation of the NCCA Implementing Rules and Regulations; conviction by final judgment for the violation of the Code of Conduct and Ethical Standards for Public Officials and Employees; conviction by final judgment of a crime involving moral turpitude; and conduct unbecoming a public official.

2.4.1 *Responsibilities.* The Chair shall have the following responsibilities:

- a. preside over meetings of the Commission;
- b. propose the agenda for meetings of the Commission and its Standing Committees and of the National Advisory Board;
- c. serve as the Chief Executive Officer of the NCCA and be responsible for the effective execution of the policies determined by the Commission in accordance with the procedure established herein;
- d. oversee the work of the Executive Director and the Secretariat, particularly in the implementation of the decisions and resolutions approved by the Commission;
- e. represent the Commission on official matters; and
- f. perform such other duties which the Commission may delegate to him/her from time to time.

2.4.2 *Vice Chairmen.* The Undersecretary of Education, Culture and Sports and the Undersecretary of Tourism shall be the Vice-Chairmen of the Commission. They shall preside over meetings in the absence of the Chairman.

2.5. *Term of Office and Compensation of Commissioners*

2.5.1 The Head of a SubCommission shall have a term of three (3) years, reckoned from July 1, 1991. No person may be Head of a SubCommission for more than two (2) successive terms of three (3) years.

2.5.2 A non-*ex-officio* member of the Commission, or in his absence, his/her representative, meeting, shall receive *per diem* as recommended by the Department of Budget and Management an amount as may be approved by the Commission, for actual attendance in the meetings of the

Commission. In addition, he/she shall be entitled to charge travel expenses actually incurred in connection with attendance at Commission meetings. The members' *per diem* and travel expenses shall be reimbursed to them immediately after the meeting.

2.5.3 *Ex-officio* members of the Commission shall receive representation and travel allowances (RATA) in accordance with rates recommended by the Department of Budget and Management. *Ex-officio* members with the rank of Undersecretary shall be entitled to reimbursement of expenses incurred in connection with his/her duties as Commissioner, in accordance with such ceilings as may be authorized by the Department of Budget and Management.

2.6. *Strictures*. — A Commissioner shall not be eligible for any grant, or such other financial aid, from the Commission as an individual, and such prohibition may not be circumvented through the use of subterfuge and/or other device: *Provided that* a former Commissioner may compete for grants and awards on the same level as other artists one (1) year after leaving the Board.

2.7 *Meetings*. —

a. *Regular Meetings*. The Commission shall meet at least once a month at a place and time approved by the Commission.

b. *Special Meetings*. Special Meetings of the Commission may be called by the Chairman alone or by one of the Vice Chairmen on request of at least five (5) Commissioners and shall be held at a time and place to be specified in a notice to be furnished the members at least two days (2) before the scheduled meeting.

c. *Quorum*. A majority of the Commissioners or their authorized representatives shall constitute a *quorum*. A representative who attends in lieu of a Commissioner shall be counted for *quorum* purposes but shall be allowed to vote only when authorized to do so in writing by the Commissioner concerned.

d. *Decisions*. Commission decisions shall be made as much as possible on the basis of consensus among the Commissioners or their authorized representatives present. Failing a consensus, the vote of a majority of the Commissioners or their respective authorized representatives present shall be sufficient to carry a Motion. In the absence of a *quorum*, members present may still arrive at a decision; *Provided that* said decision is subsequently ratified in writing after the meeting but not later than the next regular meeting, by a sufficient number of members who were absent; *Provided*

further that the total members present who voted affirmatively and the absent-members who ratified shall constitute a majority of all members.

- e. *Referenda.* The Chairman may authorize the circulation in referendum of matters that are of such urgency that these cannot await the next Regular Commission meeting. In such cases, approval of a majority of the members of the Commission shall be sufficient for final action; *provided that* matters approved in referendum shall be submitted to the Commission at its next succeeding meeting for confirmation.

2.8 *Committees.* — The Commission shall conduct its work with the assistance of a Policies and Grants Committee and a Cultural Agencies Coordinating Committee and such other Standing Committees or *Ad Hoc* Committees as it may see fit to facilitate its work.

2.9 *The Commission Secretary* — The Commission shall be assisted in its functions by the Commission Secretary who shall have the following functions:

- a. issue Notices of Meetings of the Commission and its Standing Committees upon approval of the Chairman;
- b. prepare the Agenda material for Meetings of the Commission and its Standing Committees;
- c. prepare the minutes of meetings of the Commission, the Policies and Grants Committee and the Cultural Agencies Coordinating Committee, and other Standing Committees as may be created by the Commission, for approval by the Chairman prior to their submission for confirmation, at the next regular meeting of the body concerned;
- d. prepare excerpts of approved Minutes of Meetings, including approved Resolutions;
- e. keep custody of the proceedings of the Commission and its Standing Committees, including tapes and meetings and the originals of agenda material;
- f. head the Chairman's technical staff;
- g. oversee the functions of the technical staff of non-*ex officio* members of the Commissioners; and
- h. perform other such functions as may be assigned by the Chairman.

RULE 2B

The Secretariat

2.10 *Functions.* — The Secretariat shall provide administrative and technical support to the Commission and other pertinent bodies attached thereto, the

SubCommissions, and the National Committees, and other bodies attached thereto, the SubCommissions and the National Committees, and other bodies and individuals that render work for the NCCA. In general, it shall perform the following functions:

- a. assist the Commission in formulating a National Development Plan for Culture and the Arts, in accordance with the policies laid down by the Commission, after due consultation with all sectors concerned, including but not limited to the National Committees, cultural agencies and organizations, public or private, individual cultural workers, and those who support culture and the arts, and which plan shall be subject to the approval of the Commission;
- b. establish and maintain a system for the achievement of the foregoing Plan, and recommend and undertake measures, upon approval thereof by the Commission, for the effective and efficient implementation of the Plan;
- c. submit to the Commission periodic reports on the progress of programs and projects, and on the implementation of policies and plans for cultural and artistic development;
- d. prepare the annual report to the President and the Congress, which shall be subject to the final approval of the Commission;
- e. implement projects, where circumstances require, and monitor projects funded by the NCCA; and
- f. undertake other activities that are necessary to achieve the foregoing functions, or such other activities as directed or delegated by the Commission.

2.11 *The Executive Director.* — The Executive Director shall head the Secretariat, and shall be appointed by the Commission. In addition to his/her membership in the Commission, the Executive Director shall perform the following functions:

- a. take charge of the administration, direction and supervision of the Secretariat, ensuring the implementation of Commission resolutions and decision;
- b. formalize the implementation of grants approved by the Commission, in the form of Memoranda of Agreement or contracts with grantees;
- c. ensure that the Secretariat provides support to the Commission and bodies directly attached thereto, the SubCommission, the National Committees, and other bodies and individuals who perform work for the NCCA;

- d. preside over the meetings of the Management Committee;
- e. perform such other functions as may be assigned by the Commission and the Chair from time to time.

2.11.1 *Appointment.* — The Executive Director shall be appointed by the Commission based on open nominations. Appointments shall be made after meeting and due deliberation of the Commission sitting as a collegial body. The rules on *quorum* and meetings laid down in Rule 2.8 shall apply hereto.

2.11.12 *Qualifications.* — The qualification of the Executive Director shall be set by the Commission in conjunction with existing Civil Service Rules and Regulations which qualifications shall be reviewed periodically.

RULE 2C

The SubCommissions and the National Committees

2.12 *Scope.* — The Commission shall oversee the operation and maintenance of National Committees within the four (4) SubCommissions, whose respective coverage shall include but not limited to the following areas:

- a. SubCommission on Cultural Heritage — libraries and information services, archives, museums, galleries, monuments and sites, and historical research;
- b. SubCommission on the Arts — literary arts, visual arts, architecture, dramatic arts, music, dance and cinema;
- c. SubCommission on Cultural Dissemination — language and translation, communication, cultural education, cultural information and special events; and
- d. SubCommission on Cultural Communities and Traditional Arts — Agta/Ayta culture and arts, cultures and arts of Northern Cultural Communities, Southern cultural communities, Muslim cultural communities and lowland cultural communities.

2.13 *Functions.* — A SubCommission shall have the following functions:

- a. assess the state of the arts, cultural communities and traditional arts, cultural heritage, and cultural dissemination, as the case may be and formulate proposals for policy and programs for their enhancement;
- b. consolidate and/or harmonize the position of various Committees that fall under the same SubCommission on issues of interest and concern to the Committees, including proposals for Commission policies and legislations and

executive issuances;

- c. contribute to the formulation of Commission policies by way of proposals and other similar undertakings;
- d. coordinate with other SubCommission on programs, projects and other similar activities that require the participation of two or more SubCommissions; and
- e. perform such other functions as may be delegated by the Commission.

2.14 *Coordination.* The Chairs of the National Committees shall assist their respective SubCommission Head in the foregoing functions. The National Committee Chairs sitting collectively in their capacity as the National Advisory Board, as provided for in Rule 4, shall propose measures to facilitate the coordination of the programs of two or more SubCommissions.

2.15 *SubCommission Proceedings*

- a. *Meetings.* A SubCommission meeting may be called by its Head or in his absence, by the SubCommission Vice Head or by the Chairman of the Commission.
- b. *Quorum.* A majority of the Committee Heads within the SubCommission or their Representatives shall constitute a *quorum*. In the absence of a consensus, the vote of a majority of the Committee Heads or Representatives present shall be sufficient to reach a decision.
- c. *Officers.* Each SubCommission shall have a Head and a Vice Head, who shall be elected for terms of three (3) years reckoned from July 1, 1992.
- d. *Ground for Removal.* Subject to due process, a SubCommission Head may be removed before the expiration of his/her term on vote of two-thirds of the entire Commission, on any of the following grounds: culpable violation of the NCCA Code of Ethics, culpable violation of the NCCA Implementing Rules and Regulations; conviction by final judgment for the violation of the Code of Conduct and Ethical Standards for Public Officials and Employees; conviction by final judgment of a crime involving moral turpitude; and conduct unbecoming a public official.

2.16 *National Committees.* — The National Committees are intended to be the mechanism through which the community of Philippine artists and cultural workers can participate in decision making affecting culture and arts. They are not intended to be implementors of Commission programs, projects and activities, but shall be channels of communication regarding the objectives, status, accomplishments, concerns, feedback on government and

NCCA initiatives, and generally ideas for the improvement of the sectors that they represent.

2.16.1 In between meetings of a National Committee, its business shall be conducted by an Executive Council, which shall consist of not less than five (5) and not more than fifteen (15) members, who shall be selected in accordance with Committee practice formulated in accordance with Commission policy. As a general rule, these Executive Councils shall consist of representatives of the major organizations of artists and cultural workers within their respective Sectors and individuals who have achieved national eminence in their respective fields.

2.16.2 A volunteer is one who is invited or accepted to become a member of a National Committee due to his/her personal qualifications, having achieved national eminence in his/her field and who is able to voice the viewpoint of his/sector or constituency. He is, furthermore, expected, through dialogue, to reconcile conflicting points of view and transcend a sectoral viewpoint to consider the national interests for culture and the arts.

2.16.3 Volunteers shall inhibit themselves from participation in any deliberation or action on any matter that may be of personal or professional benefit to them, whether directly or indirectly. They shall strictly observe the Code of Ethics herein included as Rule 10 and act to avoid actual or perceived conflicts of interest on NCCA project grants or procurement of goods and services, nominations for international or national grants coursed through the NCCA, and other matters.

2.16.4 In order to ensure board representation among artists and cultural workers, the officers and members of Executive Councils shall be elected for three-year terms, reckoned from July 1, 1992. No person may be elected to an Executive Council for more than two (2) consecutive terms. However, the Commission may authorize measures to ensure a smooth transition in cases where the terms of office of all the members of the Executive Council of a National Committee expire simultaneously.

2.16.5 The Commission shall formulate the detailed rules and regulations affecting the formation, composition, operations and dissolution of Committees.

2.17 *Functions of National Committees.* The National Committees shall have the following functions:

a. *Policy Formulation* — initiate studies and make policy and project recommendations in their respective areas, for

consideration of the Commission, advise the Commission on policy matters, including but not limited to the use of grant funds, and on other related matters such as pending bills in Congress on culture and the arts; and initiate and/or propose bills relating to culture and the arts, and advocate and/or lobby for the passage thereof.

- b. *Planning* — draw-up annual, medium and long-term plans for their respective areas of concern; and standardize and formulate criteria for prioritizing programs/projects/activities.
- c. *Evaluation and Assessment* — assist in the evaluation of the worthiness of project proposals and make opinions and recommendations on Committee Grants for consideration of the SubCommission and the Commission; evaluate project terminal reports submitted by proponents whose projects have been funded by the NCCA; and assist in identifying individual artists and cultural workers, non-government organizations, academic institutions and other organizations that may be able to contribute to the work of the NCCA.

2.18 *Meetings of National Committees.* The rules governing the meetings of SubCommission shall apply also to the National Committees, except as may be otherwise approved by the Commission under the rules and regulations pertaining to Committee operations.

RULE 3

The Role of Local, Provincial, or Regional Culture and Arts Councils

3.1 *Establishment.* In the promotion, development and implementation of its programs and plans, the Commission, through the appropriate resolution and at its discretion, may decide: (a) to establish local, provincial or regional representations of the NCCA, (b) to assist in the creation of local, provincial or regional culture and arts councils, within the governmental framework or through non-government organizations or (c) work with existing arts and culture councils or analogous organizations that may already be operating on local initiative.

Assistance in the creation of such councils may be in the form of incentives, which the Commission shall deem proper; provided that the Commission shall ensure within a reasonable time, the establishment of these councils, whether as an agency of the NCCA or other government offices, or as voluntary endeavors of non-government organizations, where such councils do not presently exist.

3.2 *Cooperation with existing Local, Provincial or Regional Culture and Arts Councils.* Whenever possible, the Commission shall develop joint projects and otherwise cooperate with local, provincial or regional culture and arts councils and organizations, whether governmental or non governmental, in the identification, evaluation, or implementation of culture and arts projects. Formalization of such cooperative undertakings shall be done through the appropriate Memorandum of Agreement between the

Commission and the agency concerned, which may be:

- a. local, provincial or regional culture and arts council and organizations of a governmental nature including local government units and organizations that are mainly financed by public funds; and
- b. non-government local, provincial or regional culture and arts, councils and organizations, including groups within cultural communities that practice or encourage the traditional arts, provided that in identifying non-government organizations with which to work, the Commission shall pay particular attention to the organization's record of accomplishment and organizational soundness.

3.3 *Role in Policy Making.* Local, provincial or regional culture and arts councils, both government and non-government, shall be encouraged to propose policies that would encourage the arts cultural heritage preservation, and other aspects of culture in their respective localities.

RULE 4

The National Advisory Board

4.1 *Composition.* The National Advisory Board shall consist of the Heads of National Committees, pursuant to Sec. 17 of R.A. No. 7356.

4.2 *Functions.* In addition to its function of assisting in the coordination of the programs of two or more SubCommissions, the Board shall also perform the following functions:

- a. assess the general condition of Philippine culture and the arts, including traditional communities and traditional arts, and propose approaches, including policies and programs that may be adopted by government or by the Commission, pursuant to Sec. 8 of R.A. No. 7356.
- b. render opinions on proposed activities of nationwide scale that the NCCA, through the Secretariat, SubCommissions, Committees, and/or contracted persons undertake, and those that involve two or more SubCommissions for the purpose of facilitating the proposed undertaking;
- c. render opinions on any matter where the same is sought by the Commission; and
- d. serve as a forum for the discussion of matters affecting all committees, with a view to coordinating policies and other related matters

RULE 5

Coordination with Government Agencies

5.1 Rationale

- 5.1.1 To maximize and ensure efficiency in the use of government funds, including the NEFCA, the Commission shall coordinate with the national cultural agencies including but not limited to the Cultural Center of the Philippines, National Historical Institute, National Museum, The National Library, Komisyon sa Wikang Filipino, and Records Management and Archives Office. This coordination shall be done in the context of the respective charters of the agencies concerned.
- 5.1.2 To ensure that artists and cultural workers are not subject to unnecessary complications in the implementation of their projects, the Commission shall likewise establish close relations with government agencies that significantly affect the financial aspects of NCCA-funded projects, such as, but not limited to, the Commission on Audit, the Department of Finance, under whose jurisdiction fall the Bureau of Customs and the Bureau of Internal Revenue, and similar government agencies.
- 5.1.3 To ensure the enforcement of culture related laws, the Commission through its duly authorized representative shall coordinate with and establish working relations with other agencies of government, including local government units, Department of Justice, National Bureau of Investigation, Department of the Interior and Local Government, Department of Labor and Employment, and Technical Education and Skills Development Authority and other such agencies, in accordance with their respective jurisdictions.

5.2 *Effecting the Coordination*

- 5.2.1 *Cultural Agencies Coordinating Committee.* The Commission shall create a Cultural Agencies Coordinating Committee consisting of the President of the Cultural Center of the Philippines, the Executive Director of the National Historical Institute, the Director of the National Museum, the Director of the National Library, the Chairman of the *Komisyon sa Wikang Filipino*, the Director of the Records Management and Archives Office, the Executive Director of the Commission, and such other government agencies as may be named by the Commission.
- 5.2.2 The Commission and the government agencies concerned, including the NEDA and those identified *a priori* by the Commission, shall determine and agree on their working schedule; *provided that* a meeting between the Commission and the agencies concerned shall be held at least six months before the incoming fiscal year, and before the budget hearings of the House of Representatives, to discuss their proposed programs and their respective budgets; provided

that this meeting shall not be taken as an authority on the part of the NCCA to interfere in the programs of the partner agencies.

- 5.2.3 In the formulation of the Commission's policies, the input of pertinent agencies, especially where they are not represented in the Commission shall be sought and considered.

RULE 6

The National Endowment Fund for Culture and the Arts

6.1 *Composition.* The National Endowment Fund for Culture and the Arts (NEFCA or Fund) established by Sec. 20 of R.A. No. 7356 to support Philippine art and cultural programs, projects and activities. The Fund is composed of the following:

- a. contribution from the PAGCOR in the amount of One Hundred Million Pesos (P100,000,000 00) remitted to NCCA at five million pesos for twenty months representing seed capital.
- b. ten percent (10%) share of the travel tax collection from the annual allotment given to the Philippine Tourism Authority.
- c. grants from government corporations not exceeding fifteen percent (15%) of their unimpaired surplus.
- d. donations from private corporations/individuals and other conveyances including funds, materials, property and services by gratuitous title.

6.2 *General Principles in the Utilization of the NEFCA* In addition to the principles governing the mandate and operations of the NCCA, the following general principles shall likewise specifically guide the Commission to ensure the maximized and efficient utilization of the Fund:

- a. *Defined Priorities.* As a national commission, the NCCA shall give greatest emphasis to programs, projects and activities of national significance and generally those that identify, develop and encourage highly talented Filipinos, enhance cultural literacy and appreciation among Filipinos, and lead to self sufficiency among cultural institutions.
- b. *Transparency.* The Commission shall be accountable to artists and cultural workers and to the general public. As such, full and immediate information on approved Grants and NCCA Activities shall be made available to all interested parties.
- c. *Predictability.* The Commission shall consider project proposals within a clear and established system of grants priorities and programs. It shall aim to ensure general understanding of the type of activities that may qualify for NCCA support.

- d. *Decentralization.* The Commission shall take such measures as may be necessary and appropriate to see to it that NCCA support reaches as many people as possible, both those who do creative work, and the Filipino public that is the audience of the finished work and that all cultural communities are given due attention.
- e. *Democratic Participation.* The Commission shall ensure that the recommendations and proposals of local, provincial, and regional culture and arts councils, both government and non-government, and individuals in the formulation of policies shall be meaningfully discussed and considered.

6.3 *Guidelines in the Utilization of NEFCA* The funds shall be utilized as follows:

- a. twenty percent (20%) may be devoted to administrative expenses of the Commission and repairs, maintenance and conservation of NCCA Building and other NCCA facilities;
- b. seventy percent (70%) shall be used for its programs and projects; and
- c. ten percent (10%) shall be earmarked as part of the fund's capital.

6.4 Administrative Expenses shall include the following:

- a. personal services including but not limited to salaries and benefits of personnel, RATA of the Commissioners, fees and *honoraria* and other monetary consideration;
- b. maintenance and other operating expenses for policy formulation and coordination of government and non-government activities on culture and arts, which including but not limited to local and international travel of staff, cultural workers and artists, committee members, Commissioners, consultancies and other similar services;
- c. extraordinary and miscellaneous items to be used with the approval of the NCCA Chairman but not exceeding the amount approved under GAA;
- d. acquisition of furniture, fixtures, equipment and other such capital outlay for administrative purposes; and
- e. repairs and maintenance of NCCA building facilities, equipment, motor vehicle and other related capital outlay, including insurance.

6.5 Project Expenditures shall include the following:

- a. grants to individual artists and cultural workers, including non-

government organizations, local government units and other government organizations,

- b. awards, indemnities, subsidies, to recognized artists and cultural workers, includes but not limited to National Artists and GAMABA;
- c. infrastructure projects for culture and the arts;
- d. expenditures for the preservation, restoration and conservation of Philippine tangible cultural heritage and the enforcement of culture related laws;
- e. support for activities of cultural agencies of government, and
- f. NCCA and committee activities.

6.6 The Commission shall appoint a reputable government-accredited investment institution as Fund Manager, such as, but not limited to, the Land Bank of the Philippines and the Development Bank of the Philippines. Available funds shall be invested in Treasury Bill or other government or government backed securities or in common shares listed in the Philippine Stock Exchange and high grade fixed income securities as may be approved by the Commission on recommendation of the Fund Manager.

6.7 Only the earnings of private contributions may be used, unless otherwise authorized by the donor.

6.8 *Strictures.* The following are restrictions imposed on the use of the Fund:

- a. no part of the seed capital of the fund, including earnings shall be spent for administrative expenses;
- b. administrative expenses shall be subject to the approval of the Executive Director, with the exception of international travel which shall be submitted to the Commission for approval unless otherwise delegated by the Commission;
- c. All Grants, and NCCA Activities, including projects and activities provided in the General Appropriations Act, shall be subject to the approval of the Commission. NCCA Activities shall be understood to mean projects administered by the Secretariat, as against Grants to an outside party which are monitored by the Secretariat.

6.9 Funds authorized by the Commission for Grants or NCCA Activities that are undrawn by the Grantee or otherwise unobligated at the end of the fiscal year shall be automatically reverted to NEFCA, but may be reappropriated by the Commission.

6.10 The NEFCA Comptroller shall have the following functions:

- a. review, analyze and report to the Commission on the performance of the NEFCA and of the Fund Manager;

- b. see to it that the Fund Manager implements approved Fund Investment policy and take care of the day to day relations with the Fund Manager;
- c. provide budgeting, accounting and auditing services for the NEFCA;
- d. see to the efficient and effective management of the NEFCA staff;
- e. inform the Commission of plans, schemes and other undertakings that can augment the NEFCA administration; and
- f. perform such other functions as may be delegated by the Commission.

The foregoing functions notwithstanding, any and all acts of the Comptroller that have implications for the NEFCA's sound administration; including but not limited to its quantitative level and release shall require the Commission's approval.

RULE 7

Policies and Grants Committee

7.0 *Policies and Grants Committee.* The Commission shall create a Policies and Grant Committee for the purpose of reviewing, evaluating and recommending on policies, project and activities recommended by the various SubCommissions. The Committee is intended to review SubCommission recommendations from a multi-sectoral perspective preparatory to final Commission action. The Committee shall consist of all Commissioners or their representatives, but it may proceed to conduct business with the presence of any three (3) of the SubCommission Heads and the Executive Director or their respective representatives.

RULE 8

Tax Exemption

8.0 The Commission shall be exempt on all its income and duty obligations. All materials that are necessary and are not manufactured or produced locally for use of the Filipino artist shall be tax or duty-free. Toward this end, the Commission, through the Chair, may pursuant to Rule 5 of these Rules, enter into Memoranda of Agreements or similar formal arrangements with the Department of Finance, Bureau of Internal Revenue, Bureau of Customs and other agencies that will facilitate the implementation of this Rule.

RULE 9

Revolving Fund

9.0 The income of the Commission not exceeding the amount of five hundred thousand pesos (P500,000.00) derived from the proceeds of sales of cultural items or publications shall be constituted as a revolving fund for

the fabrication of such items or printing of such publications. Sales proceeds in excess of the aforementioned amount shall be remitted to the National Treasury and shall accrue to the General Fund.

The Finance Division shall establish the rules governing this fund, with the view of facilitating and maximizing the use thereof, subject to the approval of the Commission.

RULE 10

Code of Ethics

10.1 The provisions of this Rule shall constitute the Code of Ethics which shall apply to Commissioners, officials and staff of the Secretariat, including Consultants, volunteers who serve on National Committees and their Executive Councils, and members of NCCA Regional and Local Councils, who are collectively referred to as members of the NCCA community.

10.2 Background

10.2.1 R.A. No. 7356 encompasses a wide variety of concerns and activities with cultural implications and involves the public and private sectors. The pursuit of its mandate requires extensive interaction amongst the members of the NCCA community, with other government and non-government agencies, and the public in general.

10.2.2 In the furtherance of its mission and in conformity with the declared policy of the State to promote a high standard of ethics in the public service pursuant to R.A. No. 6713, it is necessary to adhere to explicit principles and moral standards governing the behavior of civil servants. The conduct of government affairs should be judged both by its legality and its propriety or morality. The accepted standard of good government is that in their actuation, public officials and employees should go beyond legality into the demands of morality.

10.2.3 The members of the NCCA community are expected to carry out the mandate imposed upon them by R.A. No. 7356. In the process, they shall demonstrate fealty to the principles declared under Title I of the said law. In a larger sense, they are partners in a common endeavor to fully harness culture and the arts in the interest of national development.

10.2.4 It is appreciated that numerous persons contribute their time and expertise and otherwise make personal sacrifices in furtherance of national culture and arts and the work of the NCCA. Notwithstanding the private sector status of these persons, they, too, shall observe the ethical standards expected of civil servants, especially in the exercise of decision making functions within the NCCA framework.

10.3 *Professional Integrity*

10.3.1 Members of the NCCA community hold a public trust under which they are, at all times, accountable to the people whom they are expected to serve with the highest degree of responsibility, integrity, loyalty, and efficiency. Those of the NCCA community who are in the government service shall faithfully adhere to the norms of conduct prescribed by law, including the Anti-Graft Law, the Code of Ethical Standards of Government Officials and Employees and the Civil Service Code.

10.3.2 The members of NCCA shall conduct themselves in a professional manner. They shall maintain strict objectivity in their dealings, aim for excellence and adhere to the highest standards of professional work. They shall serve the public with utmost integrity and incorruptibility. Both in their official and financial acts, they shall promote the values and set a high example of honesty, uprightness and fortitude. They shall not utilize their position in the NCCA community for personal gain, professional advancement or other private ends. They shall comport themselves in a manner that upholds the dignity of their office.

10.3.3 The members of the NCCA community shall perform their functions and discharge their duties and responsibilities in accordance with the norms of conduct and ethical standards expected of public servants, namely: commitment to the public interest, professionalism, justness and sincerity, political neutrality, responsiveness to the public, nationalism and patriotism, commitment to democracy, and simple living. In particular, they shall act:

- a. in utmost good faith and diligence and to the best of their ability;
- b. with promptness and dispatch so as to expedite the transaction of official business;
- c. with cordiality and courtesy in their dealings and inter-relationship among themselves as well as with the rest of government, with non-government agencies and with the public in general, so as to merit the respect, confidence and esteem of all;
- d. with dedication and commitment to the highest ideas of public service as well as the highest standards of decency, dignity and dependability which are the hallmarks of official respectability;
- e. without infringing on the public interest and placing

themselves in positions which would benefit or promote their own welfare rather than the public's;

- f. without seeking any favor or acquiring any personal interest or using their office to advance their own financial or professional interests;
- g. without misrepresenting the views and positions of others or using their position in the NCCA organization, including Committee memberships, in furtherance of other objectives; and
- h. on the basis of merit and objective criteria, to the exclusion of personal friendships, enmity or other similar consideration.

10.3.4 A member of the NCCA community shall act only within his authority and shall not make any unauthorized commitments, nor misrepresent or anticipate decisions of the Commission or other decision-maker. He shall use the letterhead of the NCCA only for official purposes and within the limits of his authority or to implement decisions taken by the appropriate body or decision-maker.

10.4 *Conflict of Interest*

10.4.1 The officers and employees of the Secretariat, as full time government employees, shall not engage in activities that may reduce their effectiveness in discharging their responsibilities, always bearing in mind that they owe an undivided duty and loyalty to the people.

10.4.2 Members of the NCCA community shall act with utmost impartiality. They shall desist from participating in any way in the analysis, evaluation or approval of any project or grant application in which they have a direct or indirect interest, whether professional or financial or whether favorable or adverse, and whether the project application is made by them or by organizations of which they are directors, trustees or officers.

10.4.3 In situations where there is possibility of conflict of interest, the NCCA community member concerned shall declare in writing the nature of the possible conflict of interest and shall desist from participating in any discussion of the proposal. In such cases, the Commission shall study the circumstances of the case and may conclude that there is no conflict of interest or may decide using its discretion, to waive the provisions on conflict of interest in the particular case.

10.4.4 Persons who are members of a National Committee or its Executive Council as officially designated representatives of

an organization that is approved by the Commission to be on the Committee or its Executive Council shall not be considered as being in conflict of interest in cases where the organization submits a project proposal, provided that the said person shall not participate in any discussion relative to such proposal.

10.5 *Others*

10.5.1 The decisions of the Commission, including policies or action on grants proposals, shall be communicated in writing to all concerned and shall be made known to members of the NCCA community and the general public. In reporting on decisions, members of the NCCA community shall be truthful, objective, accurate, and fair. They shall focus on issues and rationale and shall desist from going into personalities.

10.5.2 As a matter of procedure, members of the NCCA community shall manifest in a sworn statement filed with the Secretariat, all direct and indirect affiliations with organizations that deal with the NCCA as grant applicants or as supplier of goods and services.

RULE 11

Miscellaneous Provisions

11.1 *Amendments.* Amendments to these Implementing Rules and Regulations may be adopted by the Commission after due consultations with the National Committees and the national community of artists and cultural workers, *provided that* nothing in this document shall be understood to limit the authority of the Commission to approve policies, procedures and rules that are not inconsistent with R.A. No. 7356 or these Implementing Rules and Regulations.

11.2 *Saving Clause.* All rules and regulations approved by the Commission regarding the implementation of R.A. No. 7356, which are inconsistent with these Rules and Regulations, are hereby repealed or amended accordingly.

11.3 *Separability Clause.* Any portion or provision of these Rules and Regulations that are declared by the Court as in contravention of R.A. No. 7356 shall not have the effect of nullifying other portions or provisions hereof where such portions or provisions can continue to subsist and be given effect in their entirety.

11.4 *Effectivity Clause.* These Implementing Rules and Regulations shall become effective 15 days after filing with the University of the Philippines Law Center, pursuant to the provisions of the Administrative Code of 1987.

Excerpts from the Minutes of the Regular Commission Meeting Held on December 20, 2000

In giving final consideration to the proposed Implementing Rules and Regulations of R.A. No. 7356, the Commission recalled that a series of drafts prepared with the assistance of staff members of the U.P. Law Center and

the NCCA Legal Consultants have been presented to the Commission for review, which drafts had been prepared taking into account the comments and suggestions received from the various National Committees and directly from individual artists and cultural workers and the general public at numerous consultative meetings held in various parts of the Philippines.

On this basis and upon motion made and duly seconded, the Commission unanimously approved and confirmed.

Resolution No. 2000-322

*Approving the Implementing Rules and Regulations of R.A. No. 7356,
Law Creating the National Commission of Culture and the Arts*

RESOLVED, as it is hereby Resolved, To approve the Implementing Rules and Regulations of Republic Act No. 7356 Creating the National Commission for Culture and the Arts, superseding the Implementing Rules and Regulations approved under Resolution No. 92-02.

Prepared By:

(SGD.) MARIA TERESA C. CARLOS
Board Secretary

Approved By:

SGD.) JAIME C. LAYA
Chairman

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