

HOUSE OF REPRESENTATIVES

H. No. 12614

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REYES, SERAPIO, STARKE, TIRADOR, TUGUNG, ALMARIO,
ALMORO, DRAGON, GUANZON, MASTURA, MIRAN, TEVES,
UNAS, VALDEZ, AND VERGARA, PER COMMITTEE REPORT
No. 673

THE BOOK DEVELOPMENT ACT

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

1 SECTION 1. *Title.* - This Act shall be known as the "Book
2 Development Act".

3 SEC. 2. *Declaration of Policy.* - It is the declared policy of
4 the State to actively pursue a thrust in its system of promoting book
5 development which is responsive to the national development by
6 broadening and enhancing its scientific, technical and vocational

1 capability toward an accelerated economic growth.

2 Through the centuries, books have been used as vehicles of
3 ideas, instruments of education and vessels of literature. They thus
4 play a significant role in crystallizing the nation's intellectual
5 capabilities and in strengthening the basic foundations for a speedy
6 economic development.

7 Accordingly, there is a need to develop the book publishing
8 industry, including its related activities with the active participation
9 of the private sector to ensure an adequate supply of affordable,
10 quality produced books not only for the domestic but also for the
11 export markets. To achieve this, the government shall formulate a
12 comprehensive national policy on book development and implement
13 a viable national plan on book development.

14 SEC. 3. *Definitions.* - As used in this Act, the following terms
15 shall mean:

16 (a) *Book* - a printed non-periodical publication of at least
17 forty-eight (48) pages, exclusive of cover pages, made available to
18 the public.

19 (b) *Book Publishing* - a process of choosing and making
20 books dealing with everything known to the human mind and spirit -
21 philosophy, religious beliefs, intellectual ideas, the physical world,
22 all the arts and sciences.

1 (c) *Book Development* - a condition not only of having more
2 output but also different kinds of output than were previously
3 produced, as well as changes in the technical and institutional
4 arrangements by which output is produced and distributed.

5 (d) *Related Activities* - refers to domestic manufacturing
6 industries which have direct bearing to the long term viability of the
7 book publishing industry.

8 (e) *National Policy on Book Development* - a statement of
9 the intention and philosophy of the State as a basis for the
10 formulation and implementation of measures for the development,
11 production and distribution of books.

12 SEC. 4. *National Policy on Book Development*. - The
13 purposes and objectives of the National Policy on Book
14 Development shall be to:

15 (a) Promote the development of indigenous authorship in the
16 vernacular languages;

17 (b) Promote the translation and publication of technical,
18 scientific and medical books and classic works in literature and arts;

19 (c) Inculcate the concept of intellectual property ownership
20 to protect the rights of authors and publishers by strictly enforcing
21 copyright laws and providing legal assistance to authors and
22 publishers relative to suits related thereto;

1 (d) Foster the development of skills for personnel engaged
2 in and interested to join the book publishing through in-service and
3 summer institute training programs;

4 (e) Promote the systematic collection and utilization of waste
5 paper and substitute local raw materials in the manufacture of
6 books;

7 (f) Create conditions conducive to acquisition and adoption
8 of state-of-the-art technology, equipment and machineries on book
9 publishing;

10 (g) Ensure adequate, affordable and accessible supply of
11 books for all segments of the population;

12 (h) Promote book readership especially among the young
13 and neoliterates, book fairs and exhibits, and efficient use of the
14 nationwide system of libraries and reading centers in the barangays;

15 (i) Reaffirm and ensure the country's commitment to the
16 UNESCO principle of free flow of information and other related
17 provisions as embodied in the Florence Agreement and in other
18 similar international agreements; and

19 (j) Promote the effective distribution of books in the
20 domestic as well as in the international markets through an efficient
21 and reliable postal and transport delivery system.

22 SEC. 5. *National Plan on Book Development.*- The National
23 Plan on Book Development shall operationalize on a countrywide

1 basis specific measures on the following:

2 (a) Studies, seminars, workshops and lectures on indigenous
3 authorship in the vernacular languages;

4 (b) Studies and funding for the translation and publication of
5 technical, scientific and medical books and classic works in
6 literature and arts;

7 (c) Studies, seminars, workshops, lectures and conferences to
8 inculcate the concept of intellectual property ownership and
9 promote the implementation of the copyright law;

10 (d) Studies, seminars, workshops, lectures and conferences
11 on book development by interested people and personnel engaged
12 in book publishing;

13 (e) Studies and fiscal incentives on the systematic collection
14 and utilization of waste paper and the substitution of local raw
15 materials in the manufacture of books;

16 (f) Studies and fiscal incentives for the acquisition of state-of-
17 the-art technology, equipment and machineries on book publishing;

18 (g) Studies and fiscal incentives for cost-efficient
19 manufacture of books;

20 (h) Exhibits and book fairs to encourage attendance of pre-
21 school, elementary and secondary schools, colleges, out-of-school
22 youth, public and private employees, and professionals and the

1 utilization of the nationwide system of libraries and reading centers
2 in the barangays;

3 (i) Studies pertaining to the country's commitment to the
4 UNESCO principle of free flow of information and other related
5 provisions as embodied in the Florence Agreement and in other
6 similar international agreements; and

7 (j) Studies, seminars, workshops and conferences on
8 effectiveness, efficiency and reliability of book distribution in the
9 domestic as well as in the international markets.

10 SEC. 6 *Registration of Entities.* - Persons and enterprises
11 engaged in book publishing and its related activities shall register
12 with the National Book Development Board.

13 SEC. 7. *Governing Board; Composition; Powers and*
14 *Functions.* - There is hereby created a National Book Development
15 Board hereinafter referred to as the Board, which shall be under
16 the administrative supervision of the Office of the President. The
17 Governing Board shall be composed of nine (9) members who shall
18 be appointed by the President of the Philippines for a term of three
19 (3) years: *Provided, That* -

20 (a) the tenure of the first set of four (4) members shall be for
21 three (3) years with one (1) representative each from a nationwide
22 organization of: writers and authors in the vernacular languages;
23 writers and authors in trade, religious, textbook, technical, scientific,

1 medical, legal, paperback, mail-order and book clubs publishing;
2 publishers; and university presses.

3 (b) the tenure of the second set of three (3) members shall
4 be for two (2) years with one (1) representative each from a
5 nationwide organization of: paper millers; printing equipment and
6 materials distributors; and printers, graphic artists and designers.

7 (c) and the tenure of the remaining two (2) members shall be
8 for one (1) year with one (1) representative each from a nationwide
9 organization of: advertising practitioners and booksellers; and
10 libraries.

11 The appointees to the Board shall be one of the three (3)
12 nominees of the concerned nationwide organizations duly
13 incorporated with the Securities and Exchange Commission (SEC)
14 and with membership, whenever feasible, in all the cities and
15 provinces throughout the country. The three (3) nominees from
16 each of the concerned nationwide organizations shall come from the
17 islands of Luzon, Visayas and Mindanao.

18 The nine (9) members of the Board shall be geographically
19 and equitably distributed as follows: three (3) from the islands of
20 Luzon; three (3) from the Visayas; and three (3) from Mindanao.
21 They shall elect, from among themselves, a chairman, vice-chairman
22 and other officers it may deem proper.

1 The Secretary of Education, Culture and Sports (DECS) or
2 his authorized representative shall be *ex officio* co-chairman of the
3 Board.

4 No appointive member shall serve for more than two (2)
5 terms.

6 The members of the Board shall serve and continue to hold
7 office until their successors shall have been appointed and qualified.
8 Should a member of the Board fail to complete his term, his
9 successor shall be appointed by the President of the Philippines but
10 only for the unexpired portion of the term.

11 No person shall be appointed to the Board unless he is a
12 citizen of the Philippines, at least thirty years of age, and of
13 established competence and integrity.

14 The Governing Board shall have the following powers and
15 functions:

16 (a) Conduct operations for which it has been lawfully
17 organized and exercise such powers and perform such acts as are
18 directly or indirectly necessary for the attainment of its purposes
19 and objectives;

20 (b) Own, lease, mortgage, encumber or otherwise real and
21 personal property for the attainment of its purposes and objectives;

22 (c) Enter into any obligation or contract essential to the
23 proper administration of its affairs, the conduct of its operations or

1 the accomplishment of its purposes and objectives;

2 (d) Receive donations, grants, legacies, devices and similar
3 acquisitions which shall form as trust fund of the Board to
4 accomplish its development plans on book publishing as
5 enumerated in Section 5 hereof;

6 (e) To import books or raw materials used in book
7 publishing which are exempt from all taxes, customs duties and
8 other charges in behalf of persons and enterprises engaged in book
9 publishing and its related activities duly registered with the Board;

10 (f) Formulate policies necessary for the attainment of the
11 purposes and objectives provided in Sections 4 and 5 hereof and
12 exercise all the powers and functions of the Board in order to
13 implement such policies and accomplish such purposes and
14 objectives;

15 (g) Promulgate rules and regulations governing the manner
16 in which the general affairs of the Board are to be exercised and
17 amend, repeal and modify such rules and regulations whenever
18 necessary;

19 (h) Approve, with the concurrence of the Department of
20 Budget and Management (DBM), the annual and supplemental
21 budgets submitted to it by the Executive Director;

1 (i) Recommend to the President of the Philippines nominees
2 for the positions of the Executive Director and Deputy Executive
3 Director of the Board;

4 (j) Adopt rules and procedures and fix the time and place for
5 holding meetings: *Provided*, That at least, one regular meeting shall
6 be held monthly; and

7 (k) Exercise such other powers and perform such other
8 duties as may be required by law.

9 The members of the Governing Board shall receive *per diem*
10 as may be authorized for every meeting actually attended and
11 subject to pertinent laws, rules and regulations.

12 SEC. 8. *Management of the Board.* - The authority and
13 responsibility for the day-to-day management and direction of the
14 operations and affairs of the Board shall be vested in the Executive
15 Director who shall be its chief executive officer. The Executive
16 Director shall be assisted by a Deputy Executive Director. Both the
17 Executive Director and the Deputy Executive Director shall be
18 appointed by the President of the Philippines. They shall hold
19 office unless sooner terminated in accordance with applicable laws.

20 No person shall be appointed Executive Director and Deputy
21 Executive Director of the Board unless he is a citizen of the
22 Philippines, at least thirty years of age, and of established
23 competence and integrity.

1 The Executive Director shall have the following powers and
2 functions:

3 (a) Execute, administer and implement the policies and
4 measures approved by the Governing Board;

5 (b) Direct and manage the affairs and operations of the
6 Board;

7 (c) Submit within thirty (30) days after the close of every
8 calendar year an annual report to the Governing Board and such
9 other reports it may require;

10 (d) Submit an annual budget and such supplemental budgets
11 as may be necessary to the Governing Board for its consideration
12 and approval;

13 (e) Represent the Board in all transactions with other offices,
14 agencies, and instrumentalities of government and with all persons
15 and other entities, public or private, domestic or foreign;

16 (f) Appoint, subject to the confirmation of the Governing
17 Board, and discipline for cause in accordance with Civil Service
18 laws, rules and regulations, the Board's officers and personnel
19 below the level of Deputy Executive Director;

20 (g) Delegate in writing authority, as may be necessary, to
21 subordinate officers and personnel of the Board; and

1 (h) Perform such other duties as may be assigned to him by
2 the Governing Board, which, according to its sound discretion, are
3 necessary for the efficient and effective implementation of this Act.

4 The Deputy Executive Director shall have the following
5 powers and functions: assist the Executive Director in the discharge
6 of his powers and performance of his functions; act as Executive
7 Director during the Executive Director's absence, sickness or other
8 temporary disability; and discharge such other powers and perform
9 such other functions as may be required by the Executive Director
10 or the Governing Board.

11 The detailed functions, duties and responsibilities and the
12 staffing pattern of the departments and divisions shall be fleshed out
13 by the Board. The Board may create, abolish, merge or otherwise
14 reorganize positions therein as may be necessary for the
15 economical, effective and efficient discharge of its functions and
16 responsibilities subject to existing laws.

17 SEC. 9. *Public School Textbook Publishing.* - The Board, in
18 consultation with the DECS and the private sector, shall prescribe
19 the guidelines, rules and regulations in preparing the minimum
20 learning competencies, and/or prototypes and other specifications
21 for books required by public elementary and secondary schools, and
22 colleges.

1 The determinations with respect to volume and type of
2 textbooks for the public schools shall be the sole responsibility of
3 the DECS.

4 The printing of public elementary and secondary school
5 textbooks shall be done on a regional or provincial level, whenever
6 economically feasible.

7 The government shall within a period of not more than five
8 (5) years from the effectivity of this Act phase out its elementary
9 and secondary textbook publication and distribution functions and
10 shall support the phasing of private sector publishers to assume
11 these functions here. For its part, the Board shall monitor and
12 conduct an annual evaluation of the progress of the shift of function
13 from the government to the private sector.

14 SEC. 10. *Incentives for Book Development.* - Persons and
15 enterprises engaged in book publishing and its related activities duly
16 registered with the National Book Development Board hereof shall
17 be entitled to the applicable fiscal and non-fiscal incentives as
18 provided for under Executive Order No. 226, otherwise known as
19 the Omnibus Investment Code, as amended, subject to the
20 qualifications and requirements set by the Board of Investments
21 (BOI): *Provided*, That book development activities shall always be
22 included in the Investment Priorities Plan (IPP).

1 In the case of tax and duty-free importation of books or raw
2 materials to be used in book publishing, only the Board shall import
3 said books or raw materials in behalf of such persons and
4 enterprises engaged in book publishing and related activities in
5 accordance with Section 7(e) of this Act.

6 Books, magazines, periodicals, newspapers, including book
7 publishing and printing, as well as its distribution and circulation,
8 shall be exempt from the coverage of the expanded value added tax
9 law.

10 **SEC. 11. *Implementing Rules and Regulations.*** - The Board,
11 in consultation with the DECS, BOI, Bureau of Customs (BOC),
12 other appropriate government agencies and the private sector, shall
13 issue guidelines and prescribe rules and regulations for Sections 6, 9
14 and 10 within one hundred twenty (120) days after the effectivity of
15 this Act which shall be published in two (2) newspapers of general
16 circulation. A copy of such guidelines, rules and regulations shall be
17 furnished the Congress of the Philippines.

18 **SEC. 12. *Penal and Administrative Sanctions.*** - Any person
19 who violates any provision of this Act or of the terms and conditions
20 of registration or of the rules and regulations issued pursuant
21 thereto, or aids or abets in any manner any violation shall be subject
22 to a fine not exceeding Ten thousand pesos (P10,000.00) or

1 imprisonment of not more than five (5) years, or both, at the
2 discretion of the court.

3 If the violation is committed by a juridical entity, it shall be
4 subject to a fine not exceeding One hundred thousand pesos
5 (P100,000.00). The president and/or officials responsible therefore
6 shall also be subject to a fine not exceeding Two hundred thousand
7 pesos (P200,000.00).

8 In addition to the foregoing, any person, firm or juridical
9 entity involved shall be subject to forfeiture of all benefits granted
10 under this Act.

11 The SEC shall have the power to impose administrative
12 sanctions as provided herein for any violation of this Act or its
13 implementing rules and regulations.

14 SEC. 13. *Appropriations.* - The amount necessary to carry
15 out the provisions of this Act shall be included in the General
16 Appropriations Act of the year following its enactment into law and
17 thereafter.

18 SEC. 14. *Transitory Provisions.* - Within a period of sixty
19 (60) days after the approval of this Act, the Board shall be
20 constituted to start its operation.

21 SEC. 15. *Separability Clause.* - If any part or section of this
22 Act is declared unconstitutional for any reason whatsoever, such

1 declaration shall not in any way affect the other parts or sections of
2 this Act.

3 SEC. 16. *Repealing Clause.* - Executive Order No. 492,
4 Series of 1991, is hereby repealed. All other laws, rules, regulations
5 and other administrative issuances or provisions thereof which are
6 contrary to or inconsistent with the provisions herewith are hereby
7 repealed or modified accordingly.

8 SEC. 17. *Effectivity.* - This Act shall take effect fifteen (15)
9 days after approval and publication in the *Official Gazette* or in two
10 (2) newspapers of general circulation in the Philippines.

Approved,

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