

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

THIRTEENTH CONGRESS
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H. B. 368

Introduced by HON. ROSELLER L. BARINAGA

EXPLANATORY NOTE

Presidential Decree was enacted in October 1985, creating the Movie and Television Review and Classification Board (MTRCB) to help the motion picture industry from virtual collapse. It also aimed to enable the various sectors of the industry to participate in the review and classification process as a prelude to self-regulation.

As a regulatory body, the MTRCB's function included not only review and classification of motion pictures and television programs, but also censorship of the same.

Since its creation, however, the MTRCB, has been involved in controversies over classification of motion picture, which had required the intervention of the President. Given the present economic problems in the country, the President will need all of the powers and functions of the office as well as the concentration, focus and energy to address the problems and concerns of the country. The President does not need to waste precious time and energy in solving problems of motion picture classification.

This House Bill proposes to repeal the outdated Presidential Decree 1986. It also proposes to create a new Board with the primary functions of classification and review, and limited censorship. Movie classification is targeted primarily at parents who must make choices and decisions for their young children. A good classification system and review combined with a good information and education plan can help parents and guardians determined which picture or television program their minor children should be allowed to watch.

This proposal also seeks to pave the way for the industry to undertake self-regulatory. Section 25 mandates Congressional oversight to be undertaken six years after the effectivity of the law to assess effectiveness of implementation and to determine its relevance. The motion picture industry, in effect is given six years to start and undertake self-regulation activities.

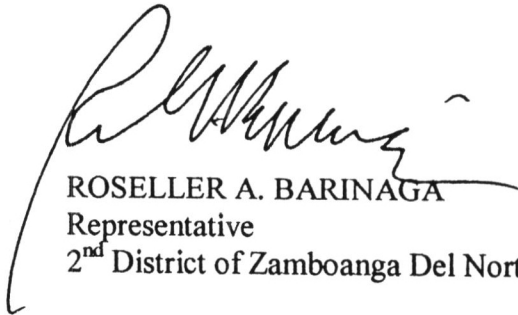
The other features of this bill are:

- Establishment of a management board of 9 members who shall be responsible for policy formulation, development and implementation and administrative supervision of the MTRCB.
- Creation of a Review and Classification Committee who shall directly perform the work of review and classification, including monitoring of exhibition of motion pictures and television programs. The Review and Classification Committee shall be appointed by the board from nominees from the industry and various concerned sectors.

- Rationalization of Classification Categories for motion pictures, television and publicity materials.
- Rationalization of the procedure for review and appeal on X-classifications. After the Board has rendered its final ruling on X-classified material, appeals shall be directed to the appropriate courts.
- Rationalization of penalties and sanctions for violation of the provisions of the law.

In sum, this legislative proposal recognizes the importance of motion pictures as a medium of information and communication, in addition to entertainment. Information and communication are vital components in nation-building. It also recognizes that the movie industry, as one sector that could assist in helping improve the country's economy, should be given the chance to help itself, develop and prosper. It further recognizes that the Filipino should be given the right information and guidance in order they can make informed and intelligent choices for themselves.

It is in this light that I am urging immediate approval of this house Bill.



ROSELLER A. BARINAGA
Representative
2nd District of Zamboanga Del Norte

HOUSE OF REPRESENTATIVES

H.B. No. 368

Introduced by HON. ROSELLER L. BARINAGA

AN ACT

CREATING THE MOVIE AND TELEVISION REVIEW AND CLASSIFICATION BOARD, REPEALING FOR THE PURPOSE PRESIDENTIAL DECREE NO. 1986, "CREATING THE MOVIE AND TELEVISION REVIEW AND CLASSIFICATION BOARD," AND FOR OTHER PURPOSES

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

SECTION 1. *Short Title.* - This Act shall be called the Movie and Television Review and Classification Board or MTRCB Reorganization Act of 2004.

SEC. 2. *State Policies.* - It is a declared policy of the State to protect and promote the right of free speech expression in order to continuously enhance the climate for free artistic and intellectual expression.

It is declared that motion pictures, television and cable television are imbued with public interest and that the State is concerned with the use of these media so as not to violate the laws, public morals and good customs and corrupt the mlhds of the children and the youth.

It is likewise declared a policy of the State warrant the eventual self-regulation and policing of the movie, television, and cable television industries once the members have demonstrated their sense of responsibility, maturity and self-reliance.

SEC. 3. *Definition of Terms.* - For the purpose of this Act, the following terms are defined, thus:

- (1) "Adult" shall refer to any person eighteen (18) years of age and over;
- (2) "Advertisements" shall refer to any oral, written, or graphic statement or notice that solicits patronage of a product or service when the same is shown in movie theaters, cinemas or on television;
- (3) "Board" shall refer to the Managing Board of the MTRCB;
- (4) "Chairperson" shall refer to the chairperson of the MTRCB;
- (5) "Classification" shall refer to the rating imposed by the MTRCB on any motion picture or television programs to determine audience suitability;
- (6) "Committee" shall refer to the Review and Classification Committee of the MTRCB;
- (7) "General viewing" shall refer to making motion pictures available to the general public for its viewing through convenient film packs or similar materials, sold, leased, or lent in commercial outlets, public lending clubs and similar organizations;

- (8) "Live programs" shall refer to any television containing events which are happening simultaneously as it is actually being broadcast;
- (9) "Movie theaters and cinemas" shall refer to amusement places where a person seek admission, by paying an admission fee or a membership fee, to view a motion picture;
- (10) "Motion picture" shall refer to a series of pictures projected on screen in rapid succession, with objects shown in successive positions slightly changed so as to produce the optical effect of a continuous picture in which the objects move, whether the picture be black and white or colored, silent or with accompanying sound, on whatever medium and with whatever mechanisms or equipment they are projected, and in whatever material they are preserved or recorded for instant projection. For the purpose of this Act, the materials in which the motion picture is contained, preserved or recorded, forms an integral part of the motion picture subject of this Act;
- (11) "MTRCB" shall refer to the entire organizational structure of the Movie and Television Review and Classification Board;
- (12) "Newscast or news program" shall refer to reports of happenings of recent occurrence of a varied character, such as political, social, moral, religious and other subjects intended for the information of the general public. It shall also refer to straight news reporting as distinguished from news analyses or editorials, commentaries and opinions;
- (13) "Non-theatrical distribution" shall refer to;
 - a) Public showing of long and short motion pictures through the use of mobile projection equipment not imposing admission fee;
 - b) Showing of long and short motion pictures to organizations, societies, clubs, groups, associations, etc., such as films for children, and educational documentary, cultural, scientific, news programs, industrial, sales, public relations and instructional films;
- (14) "President" shall refer to the President of the Republic of the Philippines;
- (15) "Public affairs program" shall refer to a television program which discusses or presents topics or issues of public interest which may affect the welfare of the public but may also include entertainment. Public affairs programs are presented in any of the following formats such as, but not limited to, interview, documentary, investigative report, talk show, debate, open forum, public service, news magazine and infotainment;
- (16) "Publicity materials" shall refer to any material employed to generate public interest in a motion picture or television program and includes trailers which consists of scenes taken from a motion picture or television program, layouts for print publication, press release or advertorials, still photos, leaflets, posters and billboards;
- (17) "Review" shall refer to examination of motion pictures and television programs by the Committee for the purpose of audience classification.
- (18) "Television broadcast" shall refer to public showing transmitting sound or images by television, cable television or similar equipment;
- (19) "Television program" shall refer to any matter aired or broadcast on television and cable television including live programs, advertisements, teleplays and motion pictures originally shown in movie theaters, cinemas or similar establishments; and
- (20) "Theatrical distribution" shall refer to public showing and/or exhibition in any cinema or theater or in any other amusement place imposing admission fees on persons to view said motion picture.

SEC. 4. Creation. – To implement the policies enunciated in this Act, there is hereby created the Movie and Television Review and Classification Board, herein referred as MTRCB.

The MTRCB shall be composed of a managing board, a review and classification committee and a secretariat.

The MTRCB shall be placed under the Office of the President and shall have its principal office in Metropolitan Manila.

SEC. 5. Composition of the MTRCB Managing Board. – The MTRCB Managing Board, herein referred to as the Board, shall be composed of a chairperson, a vice-chairperson and seven (7) Board members, all of whom shall be appointed by the President of the Philippines. They shall hold office for a term of three (3) years unless sooner removed by the President for cause: *Provided*, That they shall be eligible for reappointment after the expiration of their respective terms: *Provided, further*, That no member shall serve for more than two (2) consecutive terms. If any member fails to complete his term, the person appointed to fill the vacancy shall serve only for the unexpired portion of the term of the member whom he succeeds.

In the selection of the members of the Board, due consideration shall be given to ensure a balanced representation of the different concerned sectors of society: *Provided*, That at least two (2) members of the Board shall be members of the Philippine Bar.

SEC. 6. Qualifications. – The Members of the Board shall be natural-born Filipino citizens, at least twenty-one years (21) of age, and of good moral character; *Provided*, That the chairperson and vice-chairperson shall be at least thirty-five (35) years of age, of known probity and managerial and administrative competence.

SEC. 7. Compensation. – The chairperson and vice-chairperson shall receive salary and allowances based on the current approved standardized government compensation.

The members of the Board shall be entitled to honoraria subject to existing laws, rules and regulation.

SEC. 8. Powers and Functions. – The Board shall have the following functions, powers and duties:

- (1) To formulate and implement such policies and programs as are necessary or proper for the accomplishment of the purposes and objectives of the MTRCB;
- (2) To constitute and supervise the Review and Classification Committee herein created.

The Board shall determine the number of members of the Committee as may be necessary to accomplish the purposes and objectives of the MTRCB;

- (3) To formulate and implement a standard and numeric system and other systems it deems necessary for the review and classification of movies, television programs and publicity materials related thereto;
- (4) To sit and resolve with the Review and Classification committee *en banc*, appeals on "X" classifications;
- (5) To grant, deny, suspend, or cancel, permits and licenses for the distribution, copying, sale, lease, exhibition, and/or television broadcast of all motion pictures, television programs and related publicity materials intended for theatrical exhibition and/or broadcast on television in the Philippines.
- (6) To deputize representatives from the government, various civic organizations and concerned sectors, including the local government units whose main duties shall be to help monitor compliance with report violations of the provisions of this Act, its rules and regulations, and other pertinent laws;

The Board may constitute monitoring councils as may be appropriate to implement the purposes and objectives of this Act.

The Board also call on any law enforcement and or any government agency or instrumentality for assistance in the implementation and enforcement of its decisions and orders.

- (7) To levy, assess and collect, periodically adjust and revise, the rates of fees and charges for the work or review and classification and for the licenses and permits granted by the Board;
- (8) To impose administrative sanctions such as, but not limited, to the imposition of fines and penalties, suspension of the exhibition of television programs, the closure of movie theaters, cinemas or similar establishments engaged in the public exhibition of motion pictures and television programs which violate the provisions of this Act and its rules and regulations;
- (9) To prescribe the internal and operational procedures for the exercise of its powers and functions, the performance of its duties and responsibilities and other related matters;
- (10) To cause the prosecution, on behalf of the people of the Philippines, of violators of this Act; and
- (11) To exercise such other powers and functions as may be necessary or incidental to the attainment of the purposes and objectives of this Act and to perform other related duties and responsibilities as may be directed by the President.

SEC. 9. Review and Classification Committee – There is hereby created a Review and Classification Committee, herein referred as the Committee, under the direct supervision of the chairperson which shall review and classify all foreign and locally produced motion pictures, television programs including publicity materials pertaining thereto and advertisements of commercial programs intended for general viewing whether they be for theatrical or non-theatrical distribution in the Philippines.

The number of the members of the Committee shall be determined by the Board as provided in Section 8 (2) of this Act and shall be appointed by the chairperson, upon approval by the Board, from among the nominees of legitimate associations and organizations. In the appointment of the members of the Committee, due consideration shall be given to ensure a balanced representation of the different concerned sectors of society.

The members of the Committee shall have the same qualifications as the members of the Board.

The members of the Committee shall have a term of two (2) years unless sooner removed by the Board for cause: *Provided*, That they shall be eligible for appointment for a second term: *Provided, further*, That, a member who holds office for two (2) consecutive terms may only be eligible for reappointment to another term one (1) year after the expiration of his/her second term: *Provided, finally*, That no member shall serve for two (2) consecutive terms at a time.

If any member fails to complete his or her term, the person appointed to fill the vacancy shall serve only for the unexpired portion of the term of the member whom he or she succeeds unless reappointed for another term.

In the initial appointment of the members of the Committee, fifty percent (50%) shall be appointed for a term of two (2) years and the remaining fifty percent (50%) for one (1) year.

SEC. 10. Compensation of the Committee Members. – A member of the Committee shall receive an honorarium for each film actually reviewed, the amount of which shall be set by the Board subject to existing government rules and regulations.

SEC. 11. Functions of the Committee. – The Committee shall have the following functions:

- (1) To screen, review and examine and classify all motion pictures, television programs and related publicity materials and advertisements intended for public exhibition in movie theaters, cinemas or similar establishments, television, whether imported or produced in the Philippines, before they are copied, distributed, sold, leased, exhibited or broadcast in the Philippines into any of the following categories as provided in Section 15 of this Act; and

- (2) To examine and inspect all public exhibitions of any motion picture or television program and publicity material pertaining thereto in moviehouses, theaters and similar establishments and television.

Upon discovery of any violation of the provision of this Act, to:

- (a) cause the immediate seizure of such motion picture, television program and/or publicity material;
 - (b) cause the revocation of the permit to exhibit of the motion picture or publicity material; and/or
 - (c) cause the suspension of the permit to operate the theater, cinema or movie house or other similar establishment involved.
- (3) To exercise such other functions and to perform other related duties and responsibilities as may be directed by Board.

SEC. 12. *Chief Executive Officer; Powers and Functions; Compensation.* – The Chairperson shall be the chief executive officer of the Board. The chief executive officer shall exercise the following powers and functions.

- (1) Execute and administer the policies, decisions, orders, resolutions and the implement rules and regulations issued by the Board;
- (2) Direct and supervise the operations and the internal affairs of the MTRCB;
- (3) Establish the internal organization and administrative procedures for the approval of the Board;
- (4) Recommend to the Board the appointment or removal of members of the Committee and the appointment transfer or detail of subordinate officials and employees of the MTRCB;
- (5) Recommend to the Board the suspension or dismissal for cause of its subordinate officials or employees;
- (6) Submit an annual budget to the Board for its approval;
- (7) Delegate his or her authority, in whole or in part, to another members of the board, in accordance with the rules and regulations of the MTRCB; and
- (8) Perform such other powers and functions as may be authorized by the Board.

SEC. 13. *Executive Director, Powers and Functions; Compensation* – The chief executive officer shall be assisted by an executive director who shall be the head of the MTRCB secretariat, herein created and shall be in charge of the day-to-day operations of the Board.

The executive director shall appointed by the chairpersons subject to the approval of the Board and shall have the rank and salary equivalent to Director IV under the Compensation and Classification Structure of the government.

The executive director shall be coterminous with the chief executive officer.

SEC. 14. *MTRCB Secretariat* – The MTRCB secretariat is hereby established. The Board shall determine its organizational structure and staffing pattern according to Civil Service laws, rules and regulations.

SEC. 15. *Classification Categories* – The MTRCB shall classify all motion pictures, television programs and publicity materials related thereto for public viewing into the following categories.

- (1) For Filmw/Movies/Animated Cartoons:
 - a) “G” or “General Audience” (All Ages Admitted) – for motion pictures that, in the judgment of the MTRCB, are wholesome and contain nothing that would be deemed offensive by parents whose young children were to view the material.

- b) "PG-13" or "Parental Guidance-13" (Parents Strongly Cautioned) – for motion pictures that, in the judgment of the MTRCB contain such material which go beyond a "G" classification in theme, violence, nudity, sensuality, language or other contents but does not fit in the "NC" or "No Children Below" and "R" or "Strictly for Adults" categories. Parents are strongly cautioned to give special attention to such material before allowing their minor children to view them. Children below 13 years old, may view a "PG-13" motion picture only if accompanied by a parent or an adult.
- c) "NC" or "No Children Below" – (Certain Ages Restricted) – for motion pictures that, in the judgment of the MTRCB, contain such material which go beyond the "Pg-13" classification in theme, violence, nudity, sensuality, language or other contents which should be restricted to children or minors of certain ages. The Board shall determine the age level restriction for this category.
- d) "R" or "Strictly for Adults" (Restricted to or Patently for Adults Only) – for motion pictures that, in the judgment of the MTRCB, contain adult material, vulgar or profane language, considerable sex and violence, sexually oriented nudity, tolerant depiction of aberrational behavior, drug use, or a combination of all of the above. No person below eighteen (18) years old shall be allowed to watch material with an "R" classification.
- e) "X" or "Not for Public Viewing" – for motion pictures and materials that, in the judgement of the MTRCB, are contrary to law, public order, public safety, or any legitimate public interest.

The "X" classification is tantamount to a ban on a film's theatrical distribution. Before the Board issues an "X" classification. It must first clearly determine that:

- (i) the average person, applying contemporary community standard, would find that the dominant theme or the work, taken as a whole, appeals to prurient interests and only satisfies the market for gratuitous sex and/or violence; or
- (ii) the work depicts in a patently lewd, offensive, or demeaning manner, excretory functions and sexual conduct such as ultimate sexual acts (normal or perverted, actual or simulated), masturbation, and exhibition of genitals;
- (iii) the work clearly undermines the faith and confidence of the people in their government and/or the duly constituted authorities; and
- (iv) the work glorifies criminals, condones crimes, gratuitous violence and the traffic in use of prohibited substances;

For the purpose of this Act, gratuitous violence shall refer to scenes showing or depicting unnecessary excessive, unmitigated or exploitative acts inflicting injury or causing harm or death to a person or animal. It shall also refer to gory and bloody scenes and explicit details of carnage that may be disturb the sensibilities of the viewer.

(2) For Television/Cable Television:

- a) "G" or "General audience" – for television programs that, in the judgment of the MTRCB, are wholesome and contain nothing that would be deemed offensive by parents whose young children were to view the material.
- b) "PG" or "Parental Guidance" – for television program pictures that, in the judgment of the MTRCB, contain such material which go beyond a "G" classification in theme, violence, nudity, sensuality, language or other contents. Parents are strongly cautioned to give special attention to such material before allowing their minor children to view them without the presence of a parent or an adult.
- c) "D" or "Disapproved for Television" – for motion pictures and programs for television broadcast that, in the judgment of the MTRCB, do not conform to the "G" or "PG" classification.

Television news and public affairs programs shall be exempted from review and classification subject to recognized standards set by the industry.

Cable television shall undertake self-regulation subject to the provisions of this act and other existing laws and supervision by the MTRCB.

(3) For Publicity Materials:

- a) "G" All motion picture trailers and publicity materials for theatrical exhibition and television broadcast shall be made suitable for a "G" or "General Audience" classification only. Motion picture trailers or publicity materials for movie and television that do not fall within said "G" classification shall not be approved for public viewing or television broadcast in the Philippines.

SEC. 16. Procedures and Decisions for Review and Classification. – The Chairperson of the Board shall designate the members of the review subcommittees from among the members of the Committee. No committee members shall be assigned to sit on a subcommittee to review and classify when said Committee member has in any way participated in the making of said motion picture or television program.

- (1) First Review. – The material submitted shall be reviewed by a subcommittee composed of five (5) Committee members, who shall elect the subcommittee head from among themselves. The decision of the subcommittee on first review shall be rendered through a standard and numeric rating system, and other appropriate systems as established by the Board, by subcommittee members so designated and present within the day of the material's review.
- (2) Appeal for Second review – an applicant may file a motion for reclassification and/or reconsideration within five (5) working days from notice of the subcommittee on first review of its decisions, during which time the applicant may, on his own, and without suggestions from the subcommittee, delete or reshoot scenes or lines of dialogue in order for his material to be approved. Such voluntary deletions shall be noted down in the exhibition permit as a safeguard against illegal insertions.
- (3) Second review – Upon approval of the motion for reclassification or reconsideration, the chairperson shall, within five (5) working days upon receipt of the motion for reclassification or reconsideration, designate a subcommittee to be composed of five (5) Committee members, who shall elect the subcommittee head among themselves, to conduct a second review of the material: *Provided, That*, no member from the subcommittee on the First Review shall be designated as member on the Second Review: *Provided, further, That*, the head of the subcommittee on First Review shall be required to sit with the subcommittee on Second Review as a non-voting consultant.

The decision of the subcommittee on Second Review shall be rendered by subcommittee members so designated and present within the day of the material's review. The decision on the second review shall prevail over the decision on first review and shall be final, unless the decision is for an "X" classification.

- (4) Review of an "X" Classification – A motion picture or television program given an "X" classification on the First and/or Second Reviews shall automatically be submitted for review of the Committee *en banc* with the Board *en banc*. The Committee and the Board shall review the material within a period of five (5) working days from receipt of the decision by the subcommittee which rendered the "X" Classification.

The decision of the Committee and the Board shall be rendered by all the members of the Committee and the Board present and actually participated in the review. The decision of the Committee and the Board shall be final and executory.

In no case shall the subcommittees or the Board render a decision without giving the director, or the producer, or their representatives, a chance to present their case and/or defend the material.

- (5) Review Decisions – All decisions of the subcommittees and the Board shall be in writing and all state the reasons and justification for the classification. Copies of the decision shall be made available to the applicant upon the applicant's request and shall in no case be denied.

A decision shall not, in any manner, imply or suggest specific deletions or cuts of scenes, shorts or dialogue for classification or reconsideration to be arrived at. The

applicant, given the right to inquire why and how a decision has been made, is allowed to re-edit the material without pressure from the Board, in order for him or her to obtain the preferred classification. The voluntary deletions shall be noted down in the Permit to Exhibit to safeguard against illegal insertions.

- (6) Appeals on an "X" Classification – In accordance with Section 9 (3) of Batas Pambansa Bilang 129, as amended, the courts shall exercise exclusive appellate jurisdiction over the final judgment of the MTRCB.

In case an applicant appeals an "X" classification, the applicant may file the necessary proceedings with the proper court to enjoin the MTRCB from prohibiting the distribution, copying, sale, lease, exhibition, and/or television broadcast of the "X" classified motion picture or television program. The prayer for a temporary restraining order in such proceeding shall be resolved by the court within five (5) working days from the filing thereof, after viewing the material in controversy.

Should no judicial proceedings be filed by the applicant or should no temporary restraining order be issued within the periods above indicated or should the prayer for temporary restraining order be denied or should the same lapse without preliminary injunction being issued by the court, the material in controversy shall be regarded as "X" classified and prohibited from public viewing/exhibition.

- (7) Appeals on Classification of Publicity Materials – The decision of the MTRCB to disapprove publicity materials including movie trailers and television plugs shall not be appealable to the MTRCB. Upon disapproval on first review, a new version of the publicity materials must be submitted for another round of review.

SEC. 17. *Abolition.* – The MTRCB Appeals Committee under the Office of the President is hereby abolished.

SEC. 18. *Unauthorized Showing or Exhibition.* –

- (1) It shall be unlawful for any movie theater, cinema or similar establishments and television network and station to exhibit or air motion pictures and programs, including trailers and other publicity materials, without the entity first being registered with the MTRCB.
- (2) It shall be unlawful for any person or entity to exhibit or cause to be exhibited in any movie theater, cinema or similar establishments, or by television, any motion picture, television program, advertisements including trailers and other publicity materials that have not been reviewed and approved by the MTRCB, or which, although previously approved, are covered by permits that have already expired or have been tampered with.
- (3) It shall be unlawful to print or cause to be printed on any motion picture, television program or publicity material a label or notice to the effect that the same has been officially approved by the MTRCB when in fact it has not been so approved.
- (4) It shall be unlawful for any person or entity to deceive the public by exhibiting a film other than one advertised as showing even if the film shown has a valid permit.
- (5) It shall be unlawful for any person or entity to exhibit or cause the exhibition in movie theaters, cinemas or similar establishments of any motion picture which had already been shown, without the word "RE-ISSUE" clearly and boldly stamped in the publicity materials of the said movie. Re-issued films shall refer to old motion pictures that are re-shown with the same or new title and motion picture that are culled from footage of two (2) or more films previously shown to the public.

SEC. 19. *Posting or Display of Permit or Label.* – A copy of the "Permit to Exhibit" shall be prominently posted at the ticket booth of all movie theaters, cinemas or similar establishments where the motion picture is exhibited.

The MTRCB's classification of the motion picture shall be displayed on a three (3) feet-high "standee" in the theater lobby. The film owner shall also include in all the motion picture's advertisements and other publicity materials the approval stamp of the MTRCB and the classification given the motion picture by the MTRCB.

Television and cable television networks and stations shall broadcast the MTRCB's classification of the television program before the program is aired and shall also display the MTRCB classification of the program on screen while the program is being aired.

SEC. 20. Admission to Movie Theaters or Cinemas. – (1) It shall be unlawful for any person below eighteen (18) years old to enter, to misrepresent or make use any false evidence about his/her age in order to gain admission into, a movie theater, cinema or similar establishment showing a motion picture classified by the Board as "R" or "Strictly for Adults."

(2) It shall be unlawful for any person to misrepresent or make use of any false evidence about his/her age in order to gain admission into, a movie theater, cinema or similar establishment showing a motion picture classified by the Board as "PG-13" or "Parental Guidance-13", or "NC-" or "No Children Below."

(3) It shall be unlawful for any movie theater, cinema or similar establishment to allow the admission of any person below the age qualification required by the film's classification as indicated in the "Permit to Exhibit." In the case of doubt as to the age of the person seeking admission, the latter shall be required to present his or her residence certificate or other proof of age.

SEC. 21. Penalties - Any person who violates the provision of this act and/or implementing rules and regulations issued by the Board, shall, upon conviction, be punished by a minimum penalty of thirty (30) days, to a maximum of five (5) years imprisonment, or a fine of not less than Fifty Thousand pesos (P50,000.00) but not exceeding Five hundred thousand pesos (P500,000.00) or both, such fine and imprisonment to the discretion of the court.

If the offender is an alien, the person shall be deported after having served the sentence and shall hereafter be refused entry into the country.

The license to operate the movie theater or television station shall be revoked. The motion picture or television program distributor or producer shall also be held equally liable and imposed herein the specific penalties for unauthorized exhibition if found to carry their consent.

Should the offense be committed by a juridical person, the chairperson or the president, or the secretary, or the treasurer or the partner responsible for such violation shall be the person penalized.

SEC. 22. Imported Motion Pictures and Television Programs. – In the event that an imported or foreign picture or television program, after examination and review by the MTRCB, is declared unfit for exhibition in the Philippines, the said motion picture or television program shall be returned by the importer to the distributor thereof to the country of origin or to any other place outside of the Philippines within a period of thirty (30) days, which shall be counted from the date of receipt by the importer or distributor of the decision of the MTRCB.

Fifty percent (50%) of all customs duties and internal revenue taxes paid by the importer or distributor on account of the importation to an entry into the Philippines of the said motion picture or television program shall be automatically refunded by the government officer concerned to the said importer or distributor. The other fifty percent (50%) of all customs duties and internal revenue taxes shall be forfeited in favor of the government.

A copy of the decision of the MTRCB prohibiting the exhibition of an imported motion picture or television program shall be furnished to the Commissioner of Internal Revenue and the Collector of Customs concerned to refund the internal revenue taxes and the customs duties paid on account of the importation of the motion picture or television program.

SEC. 23. *Annual Report.* – The Board shall, within three (3) months after the end of every fiscal year, submit its annual report to the President and to Congress. The annual report shall include, among others, a statement of the Board's accomplishments together with its plans and recommendations to improve and develop its operations and the supervision and regulation of the movie and television industries.

SEC. 24. *Special Fund.* – Notwithstanding any provision of law, rule or regulation, executive or administrative order to the contrary, there is hereby established a Special Fund, sourced from miscellaneous income from copying machine fees, moviola machine fee, projection fees, stamping fees and penalty fees collected by the MTRCB. The Special Fund shall be administered by the Board and shall be at the immediate disposal of the Board to be used exclusively to augment deficiencies in the annual appropriations of the MTRCB, for operational and administrative expenses, and for the repair and acquisition of necessary facilities and equipment.

SEC. 25. *Congressional Oversight.* – Six (6) years after the effectivity of this Act, a congressional oversight committee is hereby created to review and determine the necessity of amending or repealing this Act depending on the ability of the motion picture, television and cable television industries to practice responsible self-regulation.

SEC. 26. *Transitory Provisions.* – All the members of the present MTRCB and its secretariat shall be deemed separated from the service, unless they are re-appointed in accordance with this Act.

The incumbent chairperson, vice-chairpersons, board members and secretariat employees shall continue to perform their duties and functions in a hold-over capacity and shall receive their corresponding salaries and benefits until such time that the new chairperson, vice-chairperson and at least majority of the Board and the Review and Classification Committee shall have been appointed and qualified.

The officials and employees who shall be laid off shall be given first priority, on the basis of experience, merit and fitness, in appointments to new positions to which they may qualify under the new staffing pattern: *Provided*, That those who shall be given new appointments shall be entitled to all compensation and benefits due them under existing laws: *Provided, further*, That, those who shall be separated from service shall receive all separation pay and benefits due them under existing laws.

The transition period shall exceed one (1) year after the effectivity of this Act.

SEC. 27. *Implementing Rules and Regulations.* – Within ninety (90) days upon approval of this Act, the MTRCB shall, in coordination with the concerned agencies and entities, promulgate the implementing rules and regulations (IRR) for this Act.

The IRR shall be submitted to the Office of the President for approval and shall be implemented fifteen (15) days after its complete publication in the *Official Gazette* and in at least one (1) newspaper of general circulation.

SEC. 28. *Commission of Audit.* – The chairman of the Commission on Audit shall be the *ex officio* auditor of the MTRCB. For this purpose, he or she may appoint a representative who shall be the auditor of the Board.

SEC. 29. *Separability Clause* – If for any reason any provision of this Act is declared invalid or unconstitutional, the other sections or provisions thereof shall not be affected thereby.

SEC. 30. *Repealing Clause* – Presidential Decree No. 1986 is hereby repealed. All laws, ordinances, rules, regulations, decrees, executive or administrative orders and other issuance or parts thereof which are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 31. *Effectivity* – This Act shall take effect fifteen (15) days after its complete publication in the *Official Gazette* or at least two (2) newspapers of general circulation.

Approved,