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TITLE : AN ACT CREATING THE NATIONAL COMMISSION FOR CULTURE AND THE
ARTS,
ESTABLISHNG A NATIONAL ENDOWMENT FUND FOR CULTURE AND THE ARTS, AND
FOR
OTHER PURPOSES

TEXT :

S. No. 1492
H. No. 35379

Republic of the Philippines
Congress of the Philippines
Metro Manila

Fifth Regular Session

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day of July, nineteen hundred and ninety-one.

[REPUBLIC ACT NO. 7356]

AN ACT CREATING THE NATIONAL COMMISSION FOR
CULTURE AND THE ARTS, ESTABLISHNG A
NATIONAL ENDOWMENT FUND FOR CULTURE AND THE
ARTS, AND FOR OTHER PURPOSES

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

SECTION 1. Title. - This Act shall be known as the "Law
Creating, the National Commission for Culture and the Arts".

TITLE I
DECLARATION OF PRINCIPLES

SEC. 2. Culture as a Human Right. - 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.

SEC. 3. National Identity. - Culture reflects and shapes values, beliefs, aspirations, thereby defining a people's national identity. A Filipino national culture that mirrors and shapes Philippine economic, social and political life shall be evolved, promoted and conserved.

SEC.4. Culture of the People. - The Filipino national culture shall be: a) independent, free of political and economic structures which inhibit cultural 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 both in national and international 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.

SEC. 5. Culture by the People. - 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 shall be: a) pluralistic, fostering deep respect for the cultural identity of each locality, region or ethno-linguistic as well as elements assimilated from other cultures through the natural process acculturation; b) democratic, encouraging and supporting the participation of the vast masses of our people in its programs and projects; c) non-partisan, open to all people and institution, 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.

SEC. 6. Culture for the People. - The creation of artistic and cultural products shall be promoted and disseminated to the greatest number of our people. The level of consciousness of our people about our own cultural values in order to strength our culture and to instill 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.

SEC. 7. Preservation of the Filipino Heritage. - It is the duty of every citizen to preserve and conserve the Filipino

historical and cultural heritage and resources. The retrieval and conservation of artifacts of Filipino culture and history shall be vigorously pursued.

TITLE II

ORGANIZATION OF THE NATIONAL COMMISSION FOR CULTURE AND ARTS AND THE ESTABLISHMENT OF THE NATIONAL ENDOWMENT FUND

SEC. 8. The Commission. - A National Commission for Culture and Arts is hereby created to formulate policies for the development of culture and arts; implement these policies in coordination with affiliated cultural agencies; coordinate the implementation of programs of these affiliated agencies; administer the National Endowment Fund for Culture and Arts (NEFCA); encourage artistic creation within a climate of artistic freedom; develop and promote the Filipino national culture and arts; and preserve Filipino cultural heritage. The Commission shall be an independent agency. It shall render an annual report of its activities and achievements to the President and to Congress.

SEC. 9. Composition. - The Commission shall be composed of the following members:

- a) the Undersecretary of the Department of Education, Culture and Sports;
- b) the Undersecretary of the Department of Tourism;
- c) the Chairman of the House Committee on Culture;
- d) the Chairman of the Senate Committee on Culture;
- e) the President of the Cultural Center of the Philippines;
- f) the Executive Director of the National Historical Institute;
- g) the Director of the National Museum;
- h) the Director of the National Library;
- i) the Director of the Institute of Philippine Languages;
- j) the Director of the Records Management and Archives Office;
- k) the Executive Director of the Commission;
- l) the Head of the Subcommission on Cultural Communities and Traditional Arts;

m) three (3) representatives from the private sector who shall be the elected heads of the three (3) Subcommission identified hereunder, namely: the Subcommission on Cultural Heritage, the Subcommission on the Arts, Subcommission on Cultural Dissemination. They shall be elected by the chairpersons of the national committees under their respective Subcommissions.

The Chairman of the Commission shall be elected by the members from among themselves.

SEC. 10. Term of Office and Compensation. - The non-ex officio members of the Commission shall serve for a term of three (3) years, and shall not serve for more than two (2) successive terms. Non-ex officio members shall each receive a per diem of One thousand pesos (P1,000.00) for actual attendance in the meetings of the Commission, but not to exceed Five thousand pesos (P5,000.00) a month, and shall be reimbursed travel expenses incurred for actual attendance of meetings.

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.

SEC. 11. Membership Restrictions. - During his/her term as member of the Commission, a Commissioner shall not be eligible for any grant, or such other financial aid from the Commission as an individual: Provided, however, That he/she may compete for grants and awards on the same level as other artists one (1) year after his/her term shall have expired.

SEC. 12. Mandate. - The Commission is hereby mandated to formulate and implement policies and plans in accordance with the principles stated in Title I of this Act.

a) To encourage the continuing and balanced development of a pluralistic culture by the people themselves, it shall:

1) encourage and ensure the exercise of the freedom of expression by eliminating all forms of censorship inimical to cultural and artistic growth and development without prejudice to the rights of other people to develop their own culture, or to the enhancement of a genuinely Filipino culture;

2) extend financial and economic assistance such as subsidies, artist funds and social security to promote cultural development and protect artists and cultural workers;

3) ensure the decentralization of opportunities for

creative expression through the establishment of local culture and art centers in various regions, with resources needed for artistic cultural activities;

4) extend recognition of artistic achievement through awards, grants and services to artists and cultural groups which contribute significantly to the Filipino's cultural legacy;

5) promote the interests and welfare of artists and cultural workers by protecting their rights to intellectual and artistic properties as well as by associations which shall promote and protect the economic and moral rights of artists all over the country;

6) encourage and support research into Philippine artistic traditions which may be adopted for the creation of contemporary forms;

7) adopt measures and recommend legislations to protect the intellectual and artistic rights and properties of Filipino artists, cultural workers and other matters concerning culture and arts;

8) explore and adopt the best possible structure of relationship between the public and the private sector at the local level, taking into account varying socio-cultural situations.

b) To conserve and promote the nation's historical and cultural heritage, it shall:

1) support, monitor and systematize the retrieval and conservation of artifacts of Filipino culture and history and all Filipino cultural treasures from all over the archipelago and other countries;

2) encourage and support the study, recognition and preservation of endangered human cultural resources such as weavers, chanters, dancers, and other craftsmen as well as the conservation and development of such artistic, linguistic and occupational skills as are threatened with extinction;

3) support and promote the establishment and preservation of cultural and historical monuments, markers, names and sites;

4) encourage and support the establishment and/or maintenance all over the country of museums, libraries, archives, private or public, as repositories, respectively of all cultural/historical artifacts and artistic creation, printed works, archival records and all other materials indispensable to the study and evaluation of Filipino culture and history;

5) encourage the private sector to establish and maintain private museums and libraries;

6) encourage and support scholarly research into and documentation of Philippine cultural traditions, arts and crafts, as well as significant cultural movements, achievements and personalities especially in the literary, visual and performing arts; and in mass media, as well as the various aspects of Filipino culture;

7) encourage and support the writing of Philippine history from the Filipino perspective;

8) encourage, support and systematize the audio-visual documentation of Filipino cultural expressions in the contemporary period.

c) To ensure the widest dissemination of artistic and cultural products among the greatest number across the country and overseas for their appreciation and enjoyment, it shall, with the cooperation of the Departments of Education, Culture and Sports, Tourism, Interior and Local Government, Foreign Affairs and all other concerned agencies, public and private:

1) cause to be established and developed an intensified arts education program at all levels of the educational system, public and private, to ensure meaningful arts integration across the school curriculum;

2) encourage and support programs through publication, exhibition, production, performance, staging, and reproduction of original Filipino creations;

3) coordinate and provide technical and/or financial assistance for cultural events and related activities such as cultural festivals, competitions, lectures, seminars, fora and symposia;

4) encourage and monitor a comprehensive translation program which shall make works by Filipinos and selected foreign classics equally accessible to Filipino as well as international readers;

5) promote the popularization of information about artistic and cultural achievements and programs, in coordination with government agencies and non-government organizations and institutions;

6) reorient tourism programs to become an instrument for popular education of our people and others about the best of our heritage and creativity;

7) undertake a systematic collection of statistical and other data which reflects the state of cultural conditions in the country, to serve as essential quantitative and qualitative basis for formulating cultural policies;

8) create and support a sustained program of international cultural exchange, scholarships, travel grants and other forms of assistance;

9) promulgate standards and guidelines for the protection and promotion of Filipino artists, cultural workers and creative works in other countries;

10) encourage and support the continuous training of cultural workers and administrators by qualified trainers.

d) To preserve and integrate traditional culture and its various creative expressions as a dynamic part of the national cultural mainstream, it shall;

1) help set up or encourage, monitor and subsidize companion systems at the regional, provincial and local levels, intended to develop traditional cultures such as arts/crafts centers, preferably in community settings apart from the usual museum settings, where exponents of living arts and crafts can practice and teach their art and enrich contemporary designs;

2) encourage and subsidize cultural research and the of cultural research information (e.g., folklore, dance, music, crafts) through the training of students, teachers, and cultural researchers, and their revitalization by practice and performance;

3) ensure that the ultimate beneficiaries of all research efforts, tourism programs and other activities affecting cultural communities and the people and cultural communities that are subject of research, and that their cultures are nurtured rather than violated, damaged, or exploited;

4) ensure that relevant information is made available to legislators who introduce laws with cultural implication;

5) encourage and support the continuous training of cultural workers and administrators by qualified trainers.

e) To ensure that standards of excellence are pursued in programs and activities implementing policies herein stated, it shall encourage and support continuing discussion and debate, through symposia, workshops, publications, etc., on the highest norms available in the matrix of Philippine culture.

SEC. 13. Powers and Functions. - To carry out its mandate,

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;

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 for 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 Arts;

g) receive and accept donations and other conveyances including funds, materials and services, by gratuitous title;

h) administer the National Endowment Fund for Culture and Arts and give grants for the development, protection, preservation and dissemination of Philippine culture and arts, and designate a comptroller;

i) prepare an annual budget of the Commission 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 arts, including the creation of a special decoration or award, for persons who have significantly contributed to the development and promotion of Philippine culture and arts;

k) promulgate rules, regulations and undertake any and all measures as may be necessary to implement this Act;

l) regulate activities inimical to preservation/conservation of national cultural heritage/properties.

SEC. 14. The Secretariat. - The Commission shall organ a secretariat headed by an Executive Director. The Commission shall its staffing pattern, determine the duties, qualifications, responsibilities and functions as well as the compensation scheme for the positions to be created upon the recommendation of the Executive Director. The staffing pattern shall be approved and prescribed by the Commission within one hundred twenty (120) days from the approval of this Act.

SEC. 15. The Subcommissions. - The Commission shall oversee the operation and maintenance of National Committee under the following Subcommissions:

a) Subcommission on Cultural Heritage, which shall cover but will not be limited to the following areas: libraries and information services, archives, museums, galleries, monuments and sites, and historical research;

b) Subcommission on the Arts, which shall cover but will not be limited to the following areas: literary arts, visual arts, architecture, dramatic arts, broadcast arts, musical arts, dance, and film;

c) Subcommission on Cultural Dissemination, which shall cover but will not be limited to the following areas:

d) Subcommission on Cultural Dissemination, which shall cover but will not be limited to the following areas: Agta culture and arts, cultures and arts of Northern cultural communities, Southern cultural communities, Muslim cultural communities, and lowland cultural communities.

SEC. 16. Local, Provincial or Regional Councils. - The Commission may establish or coordinate with local, provincial or regional government or non-government councils/groups to promote, develop and implement programs and plans of the Commission.

SEC. 17. The National Advisory Board. - The chairpersons of the National Committees shall form the National Advisory Board.

SEC. 18. The National Cultural Agencies. - The Commission shall coordinate with the national cultural agencies including but not limited to the Cultural Center of the Philippines, the Institute of Philippine Languages, the National Historical Institute, the National Library, the National Museum, the Records Management and Archives Office. However, they shall continue operating under their respective charters or as provided by law where provisions therein are not inconsistent with the provisions of this Act. They shall serve as the national repository and/or showcase, as the case may be, of the best of Philippine culture and arts. For this

purpose, these agencies shall submit periodic reports, including, recommendations to the Commission.

SEC. 19. Program Plans. - The Commission shall within three (3) months after having been officially constituted and finally staffed, adopt and immediately cause to be implemented in coordination with cultural agencies, a short-range program in support of relevant existing projects and activities; and within six (6) months, a long range three-year development program. This development program shall be developed and subjected to annual review and revision by the Commission in coordination with the councils as well as public and private cultural agencies and organizations.

SEC. 20. The National Endowment Fund for Culture and Arts. A National Endowment Fund for Culture and Arts (the Fund) is hereby established exclusively for Philippine art and cultural programs, projects and activities all over the country.

a) The contribution to the Fund shall be the following:

1) the amount of One hundred million pesos (P100,000,000.00) as seed capital shall be taken from the Philippine Amusement and Gaming Corporation (PAGCOR) fund at Five million pesos (P5,000,000.00) per month for twenty (20) months: Provided, That no grant shall be awarded by the Commission except from the interest drawn from the funds: Provided, further, That no grant shall be awarded until after one (1) year from the organization of the Fund.

2) ten percent (10%) of the travel tax collection, the share to be taken from the annual allotment of the travel tax given to the Philippine Tourism Authority.

b) Government corporations are hereby authorized to give grants to the Fund at their discretion, but not to exceed fifteen percent (1.5 %) of their unimpaired surplus;

c) The private portion of the Fund shall be raised from donations and other conveyances including funds, materials, property and services, by gratuitous title;

d) Contributions to the Fund shall be deductible for income tax purposes in accordance with the provisions of Section 29 (h)(2)(A) of the National Internal Revenue Code;

e) For the sound and judicious management of the Fund, the Commission shall appoint a reputable overnment-accredited investment institution as Fund Manager, subject to guidelines promulgated by the Commission;

f) The Commission shall be the administrator of the Fund,

and as such, shall prepare implementing guidelines and decision-making mechanisms, subject to the following:

1) unless otherwise stipulated by the private donor, only earnings of private contributions shall be used;

2) no part of the seed capital of the Fund, including earnings, thereof, shall be used to underwrite overhead expenses for administration;

3) not more than twenty percent (20%) of the Government's annual contribution to the Fund shall be devoted to administrative functions of the Commission; at least ten percent (10%) shall be earmarked as part of the Fund's capital, and the balance shall be used for its programs and projects;

4) The Commission shall organize a separate staff, administratively independent of the secretariat, to be headed by a comptroller appointed by and directly responsible and accountable to the Commission;

5) There shall be an external auditor to perform an annual audit of its performance;

6) The Fund shall be exempt from pre-audit by the Commission on Audit.

SEC. 21. Tax Exemption. - The Commission shall be exempt on all its income and duty obligations.

All materials that are reasonably necessary and are not manufactured or produced locally for the use of the Filipino artist shall be tax or duty free.

SEC. 22. Revolving Fund. - 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.

TITLE III MISCELLANEOUS PROVISIONS

SEC. 23. Transitory Provisions. - a) All the personnel, properties, assets and liabilities of the Presidential Commission on Culture and Arts (PCCA) created by Executive Order No. 118, are hereby transferred to the Commission as its successor-in-interest.

b) Within a period of one (1) year after the first meeting, of the Commission, it shall harmonize the policies of the cultural agencies referred to, but not limited to those enumerated in Section 18 of this Act, with those of the Commission as over-all policy-making and coordinating body, as herein indicated.

SEC. 24. Notice or Consent Requirement. - If any organizational change herein authorized is of such substance or materiality as to prejudice third persons with rights recognized by law or contract such that notice to or consent of said persons or creditors is required to be made or obtained pursuant to any agreement entered into with any of such creditors, such notice or consent requirement shall be complied with prior to the implementation of such organizational change.

SEC. 25. Separability Clause. - Any portion or provision of this Act that may be declared unconstitutional shall not have the effect of nullifying other portions or provisions hereof as long as such remaining portions or provisions can still subsist and be given effect in their entirety.

SEC. 26. Saving Clause. - All laws, rules, regulations, other issuances or parts thereof which are inconsistent with this Act are hereby repealed or modified accordingly. All provisions of Executive Order No. 118 not inconsistent with this Act shall however remain in full force and effect.

SEC. 27. Effectivity. - This Act shall take effect immediately upon its approval.

Approved,

RAMON V. MITRA
GONZALES
Speaker of the House
of Representatives

NEPTALI A.
President of the Senate

This bill which is a consolidation of Senate Bill No. 1492 and House Bill No. 35379, was finally passed by the Senate and the House of Representatives on February 5, 1992.

CAMILO L. SABIO
BADOY, JR.
Secretary General

ANACLETO D.
Secretary of the

Senate
House of Representatives

Approved: APR 03 1992

CORAZON C. AQUINO
President of the Philippines