

Republic of the Philippines
Department of Education

NATIONAL BOOK DEVELOPMENT BOARD (NBDB)

**Rules and Regulations Implementing R.A. No. 8047,
Otherwise Known as
The Book Publishing Industry Development Act**

The following rules and regulations implementing R.A. 8047, otherwise known as the *Book Publishing Industry Development Act* are hereby promulgated as follows:

RULE I
Statement of Policies

SECTION 1. Title. These rules shall be known and cited as the Rules and Regulations Implementing RA. 8047, otherwise known as the Book Publishing Industry Development Act, referred hereto as the Book Act.

SECTION 2. Declaration of Policy. It is a declared policy of the state that the book publishing industry has a significant role in national development since books are instrumental in the citizenry's intellectual, technical and cultural development which constitutes the basic social foundation for the economic and social growth of the country. Books are the most effective and economical tools for achieving educational growth, for imparting information and for recording, preserving, and disseminating the nation's cultural heritage.

- a. *Private Sector Participation.* The State shall promote the continuing development of the book publishing industry, with the active participation of the private sector, to ensure an adequate supply of varied, high quality books that are affordable and suited for the domestic as well as the export market;
- b. *Policy and Development Plan Formulation.* The Government shall formulate, adopt, and implement a National Book Policy and a corresponding National Book Development Plan that will serve as

the enduring basis for fostering the progressive growth and viability of the book industry.

RULE II
Definition of Terms

SECTION 1. Definition of Terms. As used in the Rules and Regulations, the terms below shall mean except when the context indicates otherwise, as follows:

- a. *Board.* The National Book Development Board.
- b. *Book.* As defined by the United Nations Educational Scientific and Cultural Organization (UNESCO), it is a printed non-periodical publication of at least forty-eight (48) pages, exclusive of cover pages, published in the country and made available to the public;
However, in order to satisfy the intent of the Book Act in the light of modern information technology and for purposes of enjoying the tax and duty-free status of imported books, this definition shall include:
 - 1. children's books which may be less than forty eight (48) pages;
 - 2. children's educational comics;
 - 3. boomics, which are a combination of a book and a comics;
 - 4. scientific, cultural, medical, architectural and professional magazines; and
 - 5. book catalogues.
- c. *Book Designer/Illustrator/Lay-out Artist.* Person who conceptualizes a design for the book, and visualizes the finished product from cover to cover, working closely with the editors as well as the writer.
- d. *Book Development.* A condition of having not only more output but also different kinds of outputs than were previously produced, as well as bringing about changes in the technical and institutional arrangements by which such output is produced and distributed.
- e. *Book Title.* Refers to a particular book of which a number of copies are printed.
- f. *Book Translator.* Person who renders or expresses the contents of a book in a language different from the original.

- g. *Book Publishing*. A process of choosing, producing and making available books dealing with every subject known to man, philosophy, religious beliefs, intellectual ideas, the physical world, all the arts and sciences and the like.
- h. *Editor*. Person who checks the manuscript for completeness, accuracy, organization, coherence and clarity of thought, grammar and syntax, spelling, punctuation, and consistency of style.
- i. *Information*. Any material, medium, or process which has actual or potential knowledge value (KEV).
- j. *Literary Agent*. Person who serves as a middle man between the publisher and author, and is responsible for promoting the author's works after publication.
- k. *National Book Development Plan*. Refers to the integrated approach for fostering book development, consisting of the totality of the procedures and systems for attaining the balanced growth of the various components of book development and production, including preparation and distribution of books.
- l. *National Book Policy*. A statement of the intention and philosophy of the State as a basis for the formulation and implementation of measures for the development, production and distribution of books.
- m. *National Development*. In most general sense, refers to the country's progress as well as to the processes or measures that contribute to such progress.
- n. *Related Activities*. The domestic industries which have direct bearing on the long term viability of the book publishing industry, such as but not limited to the following: printing, distribution, book trading, importation of paper, procurement, manufacture or production of raw materials for book publishing, and the development of new technologies.
- o. *Textbook*. A book which is an exposition of generally accepted principles in one (1) subject, intended primarily as a basis for instruction in a classroom.

RULE III
National Book Policy and Development Plan

SECTION 1. Formulation of the National Book Policy. Pursuant to R.A. 8047, the Board shall formulate and adopt a National Book Policy to ensure the development and viability of the book publishing industry.

The purpose and objectives of the National Book Policy are as follows:

1. to create conditions conducive to development, production, and distribution of books, especially the acquisition and adoption of state-of-the-art technology, equipment and machinery for book publishing;
2. to obtain priority status for the book publishing industry;
3. to ensure an adequate, affordable, and accessible supply of books for all segments of the population;
4. to promote book readership especially among the young and neo-literates, through programs promoting literary and good reading habits, book fairs and exhibits, and an efficient nationwide system of libraries and reading centers especially in the rural areas;
5. to promote the development of indigenous authorship and of translations among various language groups in the country;
6. to promote the translation of publication of scientific and technical books and classic works in literature and the arts;
7. to promote the effective distribution of books in the domestic as well as in the international markets through an efficient and reliable postal and transport delivery system;
8. to foster the development of skills of the personnel engaged in book publishing through in-service training programs and formal degree and non-degree book publishing courses in the schools;
9. to respect and inculcate the concept of intellectual property ownership and to protect the rights of authors and publishers by strictly enforcing copyright laws and providing legal assistance to authors and publishers in suits related thereto;
10. to reaffirm and ensure the country's commitment to the UNESCO principle of free flow of information and other related provisions as embodied in the Florence Agreement and in other similar international agreements; and

11. to promote, whenever appropriate, the use of recycled/waste paper and other inexpensive local materials in the manufacture of books to reduce the cost of such locally produced books.

SECTION 2. Formulation of a National Book Development Plan.

For the formulation and modification of the National Book Development Plan, the Board (NBDB) shall undertake a planning process and adopt strategic measures for the realization of the components of the plan.

- a. *Planning Process.* The Board shall gather and/or generate data through surveys/studies on the book industry covering but not limited to the following:
 1. book production in specific fields of knowledge such as supply and demand of paper, publishing equipment and machinery, and existing distribution networks;
 2. availability of manpower and skills needed by the publishing industry such as authors, editors, designers and illustrators, marketing personnel, printers and professional training capability therefore;
 3. legislative measures affecting the book industry both at the national and international levels;
 4. kind and quantity of book importation; preferences, attitudes and reading habits of Filipinos; and
 5. consultation with all segments of the book industry.
- b. *Components of the Plan.* The National Book Development Plan shall have the following components and/or requisites:
 1. provisions for strong and effective mechanisms for book development in the country;
 2. provisions for producing books or other periodicals, such as appropriate or selected comics as instructional or teaching materials for such various categories of readers in the country as pre-school children and school children, school drop-outs, neo-literatures, the handicapped, professionals, general readers, and ethnic groups;
 3. measures for addressing the needs and problems of the book industry as indicated in the surveys conducted;

4. measures designed to redress the imbalance between demand of good books and other reading materials and the supply thereof in different parts of the country;
5. measures to secure to authors adequate compensation for copyrights and other intellectual property rights;
6. guidelines for ethical practices in the book trade; and
7. a human resource development program for book personnel.

RULE IV Governing Board

SECTION 1. Creation of NBDB. To implement the Book Act, a National Book Development Board (NBDB) is created, herein referred to as the Board. It shall operate under the administrative supervision of the Office of the President. It may convert itself into a corporate entity when it meets the criteria for the creation of government corporations, subject to the approval of appropriate authorities.

The Board shall be composed of a Governing Board and a Secretariat.

SECTION 2. Composition of the Governing Board. The Governing Board shall be composed of eleven (11) members who shall be appointed by the President of the Philippines, as follows:

- a. Five (5) representatives of the government to be chosen from the Department of Education, Culture and Sports (DECS), Department of Trade and Industry (DTI), Department of Science and Technology (DOST), National Commission for Culture and Arts (NCCA), and nominees by the Commission on Higher Education (CHED) and Technical Education and Skills Development Authority (TESDA) from the academe and training institutions, respectively; and
- b. Six (6) nominees of organizations of private book publishers, printers, writers, book industry related activities, students and the private education sector, preferably representatives of the three (3) main islands of the country in view of the substantial progress made by other regions in the book publishing industry. Related activities shall include, but not be limited to booksellers, importers, paper/raw materials suppliers, and those involved in new technology.

The appointees to the Governing Board shall be one of three (3) nominees of the concerned nationwide organizations duly incorporated with the Securities and Exchange Commission (SEC) and with membership, whenever feasible, in all cities and provinces throughout the country.

The members of the Governing Board shall elect a chairman from among themselves. The DECS representatives in the Governing Board shall be the ex-officio vice-chairman of the Governing Board.

SECTION 3. Qualifications. The members of the Governing Board must be citizens of the Philippines, at least thirty (30) years of age, and of established competence and integrity.

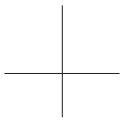
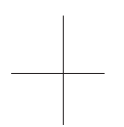
SECTION 4. Terms of Office. The members of the Governing Board shall serve for a term of three (3) years: provided, that no member shall serve for more than two (2) consecutive terms. Provided, further, that the terms of the first appointees from the private sector shall be staggered thus: the first two (2) representatives of the private sector shall serve for three (3) years; the second two (2) for two (2) years; and third two (2) for one (1) year. That the appointee from the academe shall serve for the period of three (3) years and the appointee from training institutions shall serve for a term of two (2) years.

The members of the Governing Board shall serve and continue to hold office until their successors shall have been appointed and qualified. Should a member of the Governing board fail to complete his/her term, his or her successor shall be appointed by the President of the Philippines, but only for the unexpired portion of the term.

SECTION 5. Meetings and Compensations. The Governing Board shall meet at least once a month or as frequently as it may deem necessary. In the absence of the Chairman, the Vice-Chairman shall preside. The members of the Governing Board shall receive per diems and such allowances as may be authorized for every Board and/or committee meeting actually attended and subject to pertinent laws, rules, and regulations. Absences and records of said meetings shall be kept by the Board Secretary.

SECTION 6. Powers and Functions. The Governing Board shall have the following powers and functions:

- a. assume responsibility for carrying out and implementing the policies, purposes, and objectives provided for in the Book Act;
- b. formulate plans and programs as well as operational policies and guidelines for undertaking activities relative to promoting book development, production, and distribution, as well as incentive schemes for individual authors and writers;
- c. formulate policies, guidelines and mechanisms to ensure that editors, compilers, and especially authors are paid justly and promptly royalties due them for reproduction of their works in any form and number and for whatever purpose;
- d. conduct researches on the various components of the National Book Development Plan and contract out the same;
- e. provide a forum for interaction among private publishers, and for the purpose, establish and maintain liaison with the Philippine Book Publishing Development Federation, BDAP, APB, PEPA, and all the other duly established associations outside the aforesaid federation;
- f. enjoin the appropriate government authority to ensure effective implementation of the National Book Development Plan;
- g. promulgate rules and regulations for the implementation of the Book Act in consultation with other agencies concerned, except for Section 12 hereof on incentives for book development, which shall be the concern of appropriate agencies involved;
- h. approve, with the concurrence of the Department of Budget and Management (DBM), the annual and supplemental budgets submitted to it by the Executive Director;
- i. own, lease, mortgage, encumber or otherwise real and personal property for the attainment of its purposes and objectives;
- j. enter into any obligation or contract essential to the proper administration of its affairs, the conduct of its operations or the accomplishment of its purposes and objectives;
- k. receive donations, grants, legacies, devices, and similar acquisitions which shall form a trust fund of the Board to accomplish its development plans on book publishing. Any intended disbursement from the trust fund must be covered by a duly approved Board resolution;

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- l. import books or raw materials used in book publishing which are exempt from all taxes, custom duties, and other charges whether for its own or for and in behalf of persons and enterprises engaged in book publishing and its related activities duly registered with the Board;
 - m. promulgate rules and regulations governing the manner in which the general affairs of the Board are to be exercised and amend, repeal or modify such rules and regulations whenever necessary; such shall be considered integral to the IRR;
 - n. recommend to the President of the Philippines nominees for the positions of the Executive Officer and Deputy Executive Officer of the Board;
 - o. adopt rules and procedures and fix the time and place for holding meetings; provided, that at least one (1) regular meeting shall be held monthly;
 - p. conduct studies, seminars, workshops, lectures, conferences, exhibits, and other related activities in support of book development on such matters such as: indigenous authorship, intellectual property rights, the use of alternative materials for printing, distribution, and others;
 - q. undertake the establishment of a national center and/or local industrial complex for the book industry sector and other special projects such as but not limited to local and international book fairs, exhibits of publishing equipment and technology and book informational technology exchange networks;
 - r. adopt rules and regulations to ensure that prices of books shall be affordable and within reasonable levels commensurate to the quality;
 - s. represent and/or gain leverage for the book industry sector by being a member of the negotiating panel relating to negotiation between other government entities like DECS and the domestic or international financial entities on matters affecting books; and
 - t. exercise such other powers and perform such other duties as may be required by law.

RULE V
NBDB Secretariat

SECTION 1. NBDB Secretariat. The Board Secretariat provided under Section 9 of the Book Act shall be composed of functional offices that the Board may create.

SECTION 2. Functions and Responsibilities of the Secretariat. The Secretariat shall have the following major functions and responsibilities:

- a. prepare an annual report for submission through its Executive Director to the Governing Board at the close of every calendar year; and other reports the Governing Board may require within given periods;
- b. prepare an annual budget and such supplemental budgets as may be necessary for submission through its Executive Director to the Board for its consideration and approval;
- c. facilitate the formulation, adoption, and implementation of a National Book Policy and the corresponding National Book Development Plan;
- d. coordinate with DECS, CHED, TESDA, and other concerned units regarding curricular concerns like the guidelines, rules and regulations in preparing learning competencies, prototypes, and other specifications for books and related instructional materials;
- e. provide information, education-training, communication, and advocacy of the progressive growth of the book industry;
- f. gather and organize data on book publishing, book people, and establishments; plan and conduct studies and researches designed to improve the book publishing industry;
- g. register and classify persons and enterprises engaged in book publishing; and encourage their meeting the set publishing standards;
- h. coordinate with registered establishments and publishing people, keeping track of and ensuring an adequate, affordable, and accessible supply of raw materials and books for all segments of the population;
- i. implement and evaluate programs on incentives for book development and other aspects of the publishing industry; process and regulate applications for tax exemption in importation of raw materials;

- j. provide vital support services to the organization on matters relating to financial, budgetary, administrative, personnel, and other general services; maintain an information system about policies, procedures, and processes for the guidance of Board personnel and the public;
- k. assist the Governing Board in assessing as well as in addressing the needs and problems of the publishing industry; and
- l. perform such other functions as may be authorized by the Board.

SECTION 3. Executive Officers of the Secretariat. The authority and responsibility for the day-to-day management and direction of the operations and affairs of the board shall be vested in the Executive Officer. The Executive Officer shall be assisted by a Deputy Executive Officer. Both the Executive Officer and Deputy Executive Officer shall be appointed by the President of the Philippines. They shall hold office unless sooner terminated in accordance with applicable laws.

- a. *Qualifications.* The Executive Officer and Deputy Executive Officer must be citizens of the Philippines, at least thirty (30) years of age, and of established competence and integrity.
- b. *Position Titles, Ranks, and Emoluments.* The Executive Officer and the Deputy Executive Officer shall have the title of Executive Director and Deputy Executive Director respectively. They shall enjoy the benefits, privileges, and emoluments equivalent to the rank of Executive Director and Deputy Executive Director, respectively.
- c. *Powers and Functions.* The Executive Officer shall have the following powers and functions:
 - 1. execute, administer, and implement the policies and measures approved by the Governing Board;
 - 2. direct and manage the affairs and operations of the Secretariat;
 - 3. submit within thirty (30) days after the close of every calendar year an annual report to the Governing Board and such other reports as it may require;
 - 4. submit an annual budget and such supplemental budgets as may be necessary to the Governing Board for its consideration and approval;
 - 5. represent the Book Board in all transactions with other offices, agencies, and instrumentalities of government and with all

persons and other entities, public or private, domestic or foreign;

6. appoint, subject to the confirmation of the governing board, and discipline for cause in accordance with Civil Service laws, rules and regulations, the Book Board's officers and personnel below the level of the Deputy Executive Officer;
7. delegate authority, as may be necessary, to subordinate officers and personnel of the Book Board in writing; and
8. perform such other duties as may be assigned to him/her by the Governing Board, which, according to its sound discretion, are necessary for the efficient and effective implementation of this Book Act.

The Deputy Executive Officer shall have the following powers and functions: assist the Executive Officer in the discharge of his/her powers and functions, act as an Executive Officer during the Executive Officer's absence, sickness or other temporary disability, and discharge such other powers and perform such other functions as may be required by the Executive officer or the Governing Board.

SECTION 4. Organizational Structure and Functions. The structural and functional organization, compensation plan, and staffing pattern of the Secretariat shall be approved by the Governing Board upon the recommendation of the Executive Officer. The Governing Board may create, abolish, merge, or otherwise reorganize offices and positions therein as may be necessary for the economical, effective and efficient discharge of its functions and responsibilities subject to existing laws.

RULE VI

Registration and Accreditation

SECTION 1. Coverage. All persons and enterprises engaged in book publishing and its related activities shall register with and be accredited by the Board to avail of incentives, assistance, and support.

SECTION 2. Participation in the DECS Textbooks and Other Instructional Materials Procurement Program. Persons and enterprises engaged in book publishing and its related activities duly registered with the

National Book Development board shall qualify to participate in the DECS textbook and other instructional materials procurement program, subject to the rules and guidelines the DECS may set for such a program.

RULE VII
Public Schools and Textbook Publishing

SECTION 1. Role and Responsibilities of the NBDB. In textbook publishing for the public schools, the following are the responsibilities of the NBDB.

- a. The Board shall coordinate with DECS in the latter's formulation of the guidelines, rules and regulations in preparing the learning competencies, prototypes and other specifications of textbooks required by public elementary and secondary schools;
- b. It shall participate and assist DECS in promulgating rules and regulations for the private book publishers in the call, testing, evaluation, selection, approval, as well as production verification and acquisition of public school textbooks;
- c. The Board shall monitor and conduct an annual evaluation of the progress of the shift of functions related to the privatization of the DECS textbook provision program;
- d. The Board shall assist DECS in securing approval for a budget that adequately covers all instructional materials requirements in all public schools; and
- e. The Board shall monitor and ensure the equitable distribution and efficient delivery of books to the public schools by the private publishers/booksellers.

SECTION 2. Role and Responsibilities of DECS. The DECS shall ensure the quality of instructional materials to be adopted in the public schools. In consultation with the Board it shall prescribe the guidelines, rules, and regulations in preparing the minimum learning competencies, prototypes, and other specifications for books, including the materials to be used, required by public elementary and secondary schools.

The DECS shall confine itself to:

- a. preparing the learning competencies and/or prototypes, and other specifications for the books and/or manuscripts called for;

- b. testing, evaluating, selecting, and approving the manuscripts or books to be submitted by publishers for multiple adoption;
- c. providing assistance in the distribution of textbooks to the public school systems; and
- d. promulgating with the participation and assistance of the Board rules and regulations for the private book publishers in the call, testing, evaluation, selection, approval, as well as production specifications and acquisition of public schools textbooks.

SECTION 3. Decentralization of Textbook Printing and Evaluation of Books. The printing of public elementary and secondary textbooks shall be done on a regional or provincial level, whenever economically feasible.

Consistent with regional/provincial publishing and indigenous authorship, the DECS shall decentralize its textbook evaluation, selection and approval system to the public school level in a carefully planned and orderly manner. Acceptance of manuscripts from the private sector for evaluation shall be done on a regular and continuing basis even after a DECS call. Moreover, NBDB shall ensure that the policy of multiple adoption of textbooks and other instructional materials be implemented to encourage the free flow of information and the deregulation of book publishing.

SECTION 4. Phasing Out of DECS Publication and Distribution Functions. The DECS shall within a period of not more than three (3) years from the effectivity of the Book Act phase out its elementary and secondary textbook publication and distribution functions and shall support the phasing in of private sector publishers to assume these functions.

SECTION 5. Participation of Private Publishers. Subject to DECS guidelines as indicated in Section 2 of this Rule, publishers duly registered with and accredited by the Board shall develop and submit to the DECS syllabi and/or prototypes and manuscripts or books intended for use in the public schools for testing, evaluation, selection and approval.

Upon approval of the prototypes or books, publishers shall produce and supply the textbooks as ordered by DECS.

RULE VIII
Incentives for Book Development

SECTION 1. Entitlement to Fiscal and Non-Fiscal Incentives.

Persons and enterprises engaged in book publishing and its related activities duly registered with the National Book Development Board shall be entitled to the applicable fiscal and non-fiscal incentives as provided for under Executive Order No. 226, otherwise known as the Omnibus Investment Code, as amended, subject to the qualifications and requirements set by the Board of Investments (BOI): Provided, that the book development activities shall always be included in the Investment Priorities Plan (IPP).

SECTION 2. Duty-Free Importation of Books and Raw Materials Used in Book Publishing. In the case of tax- and duty-free importation of books or raw materials to be used in book publishing, the Board and its duly authorized representatives shall strictly monitor the quality and volume of imported materials as well as the distribution and utilization of the said imported materials.

The Board shall also recommend to the proper prosecuting agencies any violations of the conditions of the duty-free importation.

The Guidelines on the Importation of Books are found in Annex B hereof and shall form an integral part of the IRR of the Book Act.

SECTION 3. VAT Exemption. Books, magazines, periodicals, newspapers, including book publishing and printing, as well as their distribution and circulation, shall be exempt from the coverage of the expanded value added tax law.

SECTION 4. Establishing Awards. The Board shall encourage, support and cooperate in the giving of appropriate awards to book writers, designers, and publishers and shall further establish other awards considered necessary to or valuable for book development in the country.

SECTION 5. Other Incentives. The Governing Board may approve and promulgate other incentives whenever appropriate and such will be disseminated through circulars to all concerned entities in the book publishing industry.

**RULE IX
Sanctions**

SECTION 1. Penalties. Any person who violates any provision of the Book Act or the terms and conditions of the rules and regulations issued pursuant thereto, or aids or abets in any manner any violation shall be subject to a fine not exceeding **One Hundred Thousand Pesos (P100,000.00)** or imprisonment of not more than five (5) years or both, at the discretion of the court.

If the violation is committed by a juridical entity, it shall be subject to a fine not exceeding **Five Hundred Thousand Pesos (P500,000.00)**. The president and/or officials responsible therefore shall also be subject to a fine not exceeding **Seven Hundred Thousand Pesos (P700,000.00)**.

In addition to the foregoing, any person, firm or juridical entity involved shall be subject to forfeiture of all benefits granted in the Book Act.

SECTION 2. Power to Verify Claims for Incentives. The Board has the power to check on the validity of the applicant's claim for incentives.

SECTION 3. Power to Investigate and Take Appropriate Action. The Board has the authority to gather the facts and assess the claims of applicants for incentives; in addition, the Board can take appropriate action, i.e. bring the pertinent problems to the attention of the Securities and Exchange Commission (SEC).

SECTION 4. Power to Impose Administrative Sanction. The SEC shall have the power to impose administrative sanctions as provided herein for any violation of the Book Act or its implementing rules and regulations.

**RULE X
Assets, Properties, Funds and Liabilities**

SECTION 1. Transfer of IMC and IMDC Assets, Properties, Funds and Liabilities. Assets, properties, funds, and liabilities of the Instructional Materials Corporation (IMC) and the Instructional Materials Development Center (IMDC) under the DECS shall be transferred to the National Book Development Board.

SECTION 2. Book Industry Development Trust Fund. The Board shall generate a Book Industry Development Trust Fund from donations, grants, legacies, devices and similar acquisitions to accomplish its development plans on book publishing. In addition, the Board may generate further income from other sources, such as the following:

- a. registration and Classification/Accreditation Fees from book people;
- b. special events like regional/provincial bookfairs and related exhibits, except those arranged by DECS consistent with the government's textbook program;
- c. certification allowing importation of raw materials and machineries used for book production;
- d. training fees for special publishing industry capacity-building courses/programs/workshops/seminars facilitated by the Board;
- e. fines and penalties due to violations related to the Book Act;
- f. sale of developed technologies and publications; and
- g. special studies and other technical services.

SECTION 3. Special Provision on Use of Income. The Board has requested the approval of DBM for fifty percent (50%) of the income derived from the above-mentioned sources to be used to augment maintenance and other operating expenses, capital outlays and/or monitoring activities, and conduct of the affairs of the Secretariat and the standing committees.

RULE XI Transitory and Final Provisions

SECTION 1. Initial Funding and Continuing Appropriations. For the initial operating expenses of the Board, the amount of **Five Million Pesos (P5,000,000.00)** has been appropriated and charged to the Office of the President. Thereafter, it shall submit to the Department of Budget and Management its proposed budget for inclusion in the General Appropriations Act.

SECTION 2. Transfer of Similar Functions and Programs of Other Government Offices. Within a period of one hundred eighty (180) days after the approval of this Act, the Board shall be constituted to start its operation. All other

government offices having functions similar to those of the Board shall then cease to perform such functions. These functions shall henceforth be deemed transferred to the Board.

SECTION 3. DECS Office. The DECS shall maintain an office and staff to perform its roles and functions specified herein relative to its participation in the government textbook program.

SECTION 4. Phasing Out of IMDC. Pursuant to Sections 15 and 17, the IMDC under DECS is deemed abolished and its assets, properties, funds and liabilities transferred to NBDB. The available and unexpended balance of funds appropriated and/or acquired through legal and proper means, for the current year are likewise reverted to and placed under the administrative control of the NBDB.

SECTION 5. Interim Secretariat. Pending the approval of and implementation of the Organization structure and staffing pattern of the Board Secretariat, the Chairman, in consultation with the Governing Board members and in coordination with the appropriate DECS authority, shall identify and designate IMDC person to assist the Secretariat. Their designation shall not, in any way, prejudice provisions of Section 17 and/or other pertinent Civil Service rules and regulations on reorganization and retirement.

SECTION 6. Hiring of Board Personnel. The Executive Director and Deputy Executive Director of the Board Secretariat shall be nominated by the Board and appointed by the President. The rest of the Secretariat staff shall be hired upon DBM approval of the organizational structure and staffing pattern. The hiring procedures shall conform with those prescribed by the Civil Service Commission.

SECTION 7. Separation and Retirement Benefits. Employees of the IMDC and the IMC who are not hired by the Board and/or who do not opt to remain with DECS or are laid off as a result of the implementation of the Book Act, within the transition period provided herein, shall be entitled to gratuity at the rate of one and one-fourth (1 ¼) month's salary for every year of service in the government or a fraction thereof on the basis of the highest salary received, in addition to the retirement and/or gratuity, benefits or pensions under R.A. No. 6656 and other existing Retirement Laws. Funds needed to pay the benefits of

those separated or retired from the service shall be charged against available funds of IMDC.

SECTION 8. Issuances of Additional Guidelines after the Effectivity of the IRR. The Governing board, after due consultations and studies, shall promulgate from time to time issuances on policies and guidelines for the effective implementation of the Book Act and its IRR. The specific guidelines pertinent to Sections 6, 10, and 12 of R.A. 8047 shall form an integral part of this IRR.

**RULE XII
Effectivity**

SECTION 1. The Implementing Rules and Regulations shall take effect fifteen (15) days after publication in a newspaper of general circulation.

Approved by the Governing Board of the National Book Development Board on April 23, 1997 under Board Resolution No. ____, series of 1997.

Atty. DOMINADOR D. BUHAIN
Chairman

Mr. JUAN P. DAYANG
Member

Dr. JOSE L. GUERRERO
Member

Dean ROSA M. VALLEJO
Member

Mr. JOSE D. ESCARTIN
Member

Ms. CAROLINA R. JAVIER
Member