

Republic of the Philippines
Office of the President
FILM DEVELOPMENT COUNCIL OF THE PHILIPPINES

**POLICIES AND GUIDELINES ON THE THEATRICAL RELEASE OF
FILMS
IN PHILIPPINE CINEMAS**

Memorandum Circular No. 2019-01

1.0 Background

1.1. Pursuant to Republic Act 9167, the creation of the Film Development Council of the Philippines (FDCP) is in line with the State Policy to formulate and implement policies and programs to upgrade the art and craft of film making and encourage the production of films for commercial purposes, intended for public entertainment, that seek to enhance the quality of life, examine the human and social conditions and contribute to the dignity and nobility of the human spirit.

1.2. Sections 3.4 and 3.6 of RA 9167 include among the powers and functions of FDCP to “encourage and undertake activities that will promote the growth and development of the local film industry” and “prescribe the procedures for the exercise of its powers and functions as well as the performance of its duties and responsibilities” respectively.

1.3. The steady increase of the number of film screens in commercial theaters in the country (currently at more than 900 screens) has led to more access of Filipino audience to watching films in the big screen, thereby creating more platforms for producers and distributors to release their titles commercially.

1.4. After consultation with stakeholders, the FDCP has identified gaps and concerns from each concerned sector (producer, distributor, theaters) in the current industry practice of releasing of films theatrically in the country.

1.5. In the interest of transparency and after several dialogues conducted with stakeholders, FDCP has formulated policies and guidelines on the theatrical release of films in Philippine cinemas.

2.0 Purpose

2.1. In support of the above-mentioned premises, this Circular is issued to provide guidance to the commercial theaters in the country on the exhibition of films for guidance and compliance.

3.0 Scope/Coverage

3.1. This Circular shall cover all commercial theater operators and exhibitors in the country and all concerned and shall apply to the exhibition of both foreign and Filipino films.

4.0 Definition of Terms

For purposes of this Memorandum Circular, the following terms shall be defined as:

4.1. Film – motion picture; also referred to as movie.

4.2. Cinema – a movie theatre.

4.3. Exhibitor – The owners or operators of movie theatres.

4.4. Distributor – Any person engaged in the business of renting, selling or licensing films to exhibitors.

4.5. Booking – the activity of scheduling a film for theatrical exhibition on a given date.

4.6. Theatrical Release – The general public exhibition of a film in commercial theaters.

4.7. Release Date – The date on which a film first opens in a market or nationally.

4.8. Run-length – specified period of time a film plays in a cinema or a movie theatre.

4.9. Prints and Ads (P&A) – the film prints actually distributed to cinemas for exhibition and the advertising that promotes the film.

4.10. Prints and Ads Budget – The funds allocated to be spent on the costs associated with printing copies of the film for exhibition and the advertising for such film.

4.11. Prints and Ads Commitment – The promise by a film distributor or others to expend a certain amount on prints and advertising for a film.

4.12. Playdate – The actual calendar date on which a film opens in a market or nationwide. The actual full-length public showing of a film in its domestic theatrical release.

4.13. Gross Box-office receipts – total amount of money that has been paid by the public to an exhibitor for admission tickets to see a specific film before any expenses or exhibitor percentages are deducted.

4.14. Run- exhibition of film.

4.15. Exhibition- a public showing of a released film for a charge.

4.16. Screen – term used for each cinema in a multiplex theatre. (a single theatre)

4.17. Quota – a fixed minimum or maximum amount.

4.18. Screen splitting – exhibitor practice of double booking for a single theatre screen and exhibiting both such booked films. A separate ticket price is charged to the public for each film's exhibition.

4.19. Trailer – A short promotional film exhibited in theatres.

4.20. Holdback period – a timeframe within which a film cannot be released in any media or market.

4.21. Film Rental – The money owed or paid by the exhibitor to a distributor under a film's lease agreement or booking contract.

5.0. Policy Content and Guidelines

5.1. All films must book their playdates with exhibitors three (3) months at the latest prior to the release date.

5.2. All films booked for theatrical release must open on a Friday of every week unless otherwise agreed by both exhibitor and distributor or for good cause.

5.3. For booked films scheduled to be released but pulled out forty-five (45) days before playdate, the film title will not be allowed to be booked until ninety days (90) days after its originally scheduled release date or at the next nearest playdate as determined between distributor and exhibitor.

5.4. Reservation of playdates for Filipino films can only be allowed if the film to be booked is on its pre-production stage. A published article on major broadsheets is encouraged to announce that such film is set to be in production soon.

5.5. To further encourage single branch cinema exhibitor to participate in national programs and improve its services to the viewing public, all local and foreign studios and distributors may entertain and accept direct booking placements of single branch cinema exhibitors without prejudice.

Single branch cinema exhibitors refer to those maintaining one (1) to four (4) screens.

5.6. Every film booked for theatrical release must have a minimum run-length of at least seven (7) days. Furthermore, the theater assignments will be guaranteed for the first three (3) days except for extreme cases subject to the agreement of the exhibitor and distributor. Depending on the cinema involved, extreme cases constitute those with zero to less than the expected turnout of audience during screening.

On the 4th until the 7th day of the week, a daily gross box office receipt quota as agreed upon by the exhibitor and distributor shall apply.

5.7. To assure that promotions will be employed prior to the playdate of film, a Prints and Ads (P&A) commitment of at least 15% of the film's total budget must be presented by film distributor to exhibitor.

5.8. A maximum of eight (8) new films shall be booked every playdate with the top three (3) highest grossing films from the preceding week continuing on to the next week.

5.9. Extension of runs for the week after will be upon the agreement of exhibitor and distributor depending on the gross box-office receipts of the released film.

5.10. Full screens must be assigned to the film booked for the first three (3) days of its run. No "screen splitting".

5.11. There must be no restriction on the maximum number of Filipino films exhibited to screen in cinemas at any given week.

5.12. An equitable ratio between Filipino films and foreign films must be observed in applicable scenarios every playdate except in cases where a National Film Festival is held in support of the local film industry e.g. Pista Ng Pelikulang Pilipino, Metro Manila Film Festival, etc.

5.13. The list of minimum assigned screens must be given to the distributor at least two (2) weeks to five (5) days before the release date.

5.14. MTRCB permits must be secured in accordance with the timeline requirements of MTRCB.

5.15. Ingestion of films must be finalized at least four (4) days prior to the release of the film and as long as the list of minimum assigned screens is already given by the exhibitor.

5.16. Film trailers must be allowed to screen in all cinemas at least a month prior to their scheduled playdates as long as it is already made available by the distributor. Each trailer could run 2:30 or less in a 15-minute preview of coming attractions before the film starts.

5.17. The published movie start time should include the preview of coming attractions and advertising pre-show run (cinema ads) of around 20-30 minutes prior to the start time main film.

5.18. Promotional materials (Posters, Standees, etc.) of films to be released within two (2) weeks of scheduled playdate must be prominently displayed in cinema lobbies of the screens assigned to the film as long as it is already made available by the distributor.

5.19. In line with the agency's national campaign to encourage the youth to watch local films at the cinemas, the recommended national average movie ticket price for students 18 years and below is Two Hundred Pesos (P 200.00) in Metro Manila and maximum of One Hundred Fifty Pesos (P 150.00) in provinces, applicable only every Wednesday of the week. Each exhibitor must set its own verification rules.

5.20. A holdback period of at least 150 days after its first day of exhibition in theaters must be observed. This means that any film that has been theatrically released cannot be screened in any platform in the country until one hundred fifty (150) days after its first day of exhibition in theaters to ensure the film's maximum revenue opportunity in local cinemas, unless otherwise agreed by both exhibitor and distributor or for good cause.

Promotions of films should be employed one (1) month prior its release in said platforms.

5.21. Remittance of film rentals by exhibitor to distributor must be done within twenty one (21) days after the submission of the Statement of Account by the distributors to the exhibitors. Remittance must be completed within 90 days provided that all documentation have been submitted and processed by the distributor to exhibitor.

5.22. The Cinema Exhibitors Association of the Philippines (CEAP) will be tasked to assist in following up on its member theaters should there be delays of remittances.

6.0. Monitoring and Reporting

6.1. A monthly booking and exhibition report must be submitted by the CEAP to the Film Development Council of the Philippines for monitoring and compliance. CEAP will draft the template of such report.

7.0. Separability Clause

7.1. Should any provision of this Memorandum Circular or any part thereof be declared invalid, the other provisions, so far as they are separate from the invalid ones, shall remain in force and effect.

8.0. Repealing Clause

8.1. This repeals all Guidelines, Circulars, and Orders, or parts thereof which are inconsistent with the provision of this Memorandum Circulars.

9.0. Effectivity

9.1. This Memorandum Circular shall take effect fifteen (15) days after its publication in a national newspaper of general circulation, a copy of which shall be submitted to the UP Office of National Administrative Register and will take effect until July 31, 2020.

10.0. Approving Authority

For the Board:

MARY LIZA B. DIÑO
Chairperson and CEO