

Republic of the Philippines
Congress of the Philippines
Metro Manila
Twelfth Congress
Second Regular Session

Begun and held in Metro Manila, on Monday, the twenty-second day of July, two thousand two.

[REPUBLIC ACT NO. 9212]

AN ACT AMENDING REPUBLIC ACT NO. 7582, ENTITLED "AN ACT RENEWING THE FRANCHISE GRANTED TO THE CONSOLIDATED BROADCASTING SYSTEM, INC., PREVIOUSLY KNOWN AS THE AUDIENCE, INCORPORATED TO CONSTRUCT, MAINTAIN AND OPERATE RADIO BROADCASTING AND TELEVISION STATIONS IN THE PHILIPPINES, UNDER REPUBLIC ACT NUMBERED THIRTY-NINE HUNDRED AND TWO, TO ANOTHER TWENTY-FIVE (25) YEARS FROM THE DATE OF APPROVAL OF THIS ACT"

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

SECTION 1. Section 3 of Republic Act No. 7582 is hereby amended to read as follows:

"SEC. 3. *Dispersal of Ownership.* – In compliance with the constitutional mandate to democratize ownership of public utilities, the herein grantee shall make public offering through the stock exchange of at least thirty percent (30%) of its outstanding capital stock or a higher percentage that may hereafter be provided by law, in any securities exchange in the Philippines within five (5) years from the time it has achieved the status of a national broadcasting network. A "national broadcasting network" is hereby defined as one that operates three (3) or more radio and/or television stations: *Provided, That* the offer to the public through any securities exchange in the Philippines of at least thirty percent (30%) of the number of shares of a holding company that owns at least a majority of the capital stock of the grantee sufficient to constitute an offer of at least thirty percent (30%) interest in the outstanding capital stock of the grantee shall be deemed compliance with the requirement herein provided. Noncompliance therewith shall be a cause for revocation of the franchise: *Provided, That* no single person or entity shall be allowed to own more than five percent (5%) of the stock offerings."

SEC. 2. Section 5 of Republic Act No. 7582 is hereby amended to read as follows:

"SEC. 5. *Sale, Lease, Transfer, Usufruct, Etc.* – The grantee shall not lease, transfer, grant the usufruct of, sell nor assign this franchise or the rights and privileges acquired thereunder to any person, firm, company, corporation or entity, nor merge with any other corporation or entity without the prior approval of the Congress of the Philippines. Neither shall the controlling interest in the grantee be transferred, whether as a whole or in parts and whether simultaneously or contemporaneously, to any such person, firm, company, corporation or entity without the prior approval of the Congress of the Philippines: *Provided, That* the foregoing limitation shall not apply to: (1) any transfer or issuance of shares to any investor pursuant to or in connection with any

increase in the grantee's authorized capital stock which shall result in the dilution of the stockholdings of the grantee's then existing stockholders; (2) any transfer or sale of shares of stock to an investor or investors; (3) any sale, transfer or assignment of shares by the stockholders of the grantee in favor of a holding company whose stockholders are identical to the stockholders of the grantee; (4) any combination thereof where such transfer, sale or issuance is effected in order to enable the grantee to raise the necessary capital or financing for the provision of any services authorized by this Act and/or carry out any of the purposes for which the grantee has been incorporated or organized: *Provided, further,* That any such transfer, sale or issuance is in accordance with any applicable constitutional limitation. Any person or entity to which this franchise is validly sold, transferred or assigned shall be subject to all the same conditions, terms, restrictions and limitations of this Act."

SEC. 3. A new Section 7 is hereby inserted after Section 6 of Republic Act No. 7582, to read as follows:

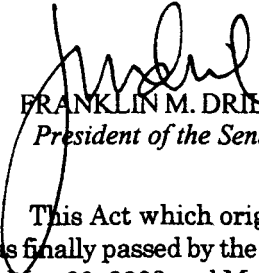
"SEC. 7. *Self-regulation by and Undertaking of the Grantee.* – The grantee shall not require any previous censorship of any speech, play, act or scene, or other matter to be broadcast from its stations: *Provided,* That, the grantee, during any broadcast, shall cut off from the air the speech, play, act or scene, or the matter being broadcast if the tendency thereof is to propose and/or incite treason, rebellion or sedition; or the language used therein or the theme thereof is indecent or immoral; and willful failure to do so shall constitute a valid cause for the cancellation of this franchise."

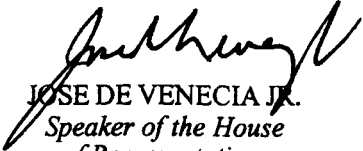
SEC. 4. The succeeding sections of Republic Act No. 7582 are renumbered accordingly.

SEC. 5. *Effectivity.* – This Act shall take effect fifteen (15) days from the date of its publication, upon the initiative of the

grantee, in at least two (2) newspapers of general circulation in the Philippines.


Approved,


FRANKLIN M. DRILON
President of the Senate


JOSE DE VENECIA JR.
Speaker of the House of Representatives

This Act which originated in the House of Representatives was finally passed by the House of Representatives and the Senate on May 20, 2003 and May 12, 2003, respectively.


OSCAR G. YABES
Secretary of the Senate


ROBERTO P. NAZARENO
Secretary General House of Representatives


Approved: **JUL 23 2003**


GLORIA MACAPAGAL-ARROYO
President of the Philippines



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