



Republic of the Philippines  
OFFICE OF THE PRESIDENT  
**OPTICAL MEDIA BOARD**

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OFFICE OF THE CHAIRMAN & CHIEF EXECUTIVE OFFICER

MEMORANDUM CIRCULAR NO. 2005-011

**DEFINING THE OBLIGATIONS OF REPLICATORS & DUPLICATORS**

The following are the obligations of Replicators/Duplicators of optical and magnetic media. THIS LIST IS NOT EXHAUSTIVE and may be amended, revised, or superseded at any time. Replicators/Duplicators are strongly advised to seek legal counseling to know all your obligations under the law and avoid the inconvenience of litigation:

1. Importation and Exportation
  - a. To obtain import clearances from the Board prior to the importation of all machines and materials to be used or capable of being used in the production of discs;
  - b. To obtain export clearances from the Board prior to the exportation of all finished products, machines, and materials to be exported to other countries;
  - c. To allow portside inspection of any shipments imported or exported;
2. Day-to-Day Management of the Plant
  - a. To comply with all record-keeping obligations stated below;
  - b. To designate a Compliance Officer whose job shall be to see to the compliance of the plant with the law and directives of the OMB;
  - c. To disclose all details of and have registered all machines and molds;
  - d. To keep and maintain all licensed machines, stampers, and records at the licensed address;
  - e. To obtain and apply for a SID code for each replicating machine or mold, including spare molds (mould code), and mastering machine (laser beam recorder code), unless one has already been assigned by the IFPI or Philips, and, in case of the latter, to disclose all SID codes assigned to the Replicator;
  - f. To use the SID codes (mould code and laser beam recorder codes) on all finished products and stampers manufactured or to be found at the premises;
  - g. To keep all stampers and screens/films/plates within the licensed facility;
  - h. To allow inspection teams to test machinery and obtain a minimum of three (3) samples from each manufacturing line for each visit;
  - i. To give access, without any delay whatsoever, to OMB officers conducting an inspection or search warrant operation to all areas of the facility, and to all other areas or premises controlled by the Replicator where any molds, stampers, screens, production records, and authorizations are stored, including access to computers being used in the office and production areas;

- j. To immediately surrender any and all machines and other equipment, raw materials, records and computers to the custody of the Board in the event of a prima facie finding of a violation of the law or rules;
  - k. To obtain the necessary permits regarding the transfer, storage, or other disposition of machines and molds;
  - l. To sell, export or destroy machines for which the license is disapproved or expires, is not renewed or is terminated for cause, provided the machines are not otherwise forfeited or confiscated in favor of the government, and to fully disclose to the Board all details of any such disposition, subject to other obligations stated herein.
3. Record-Keeping
- a. To keep, maintain and make available on demand detailed production records of all discs manufactured, destroyed and disposed of, including titles, quantity of discs produced , and complete and accurate records of all transactions with clients, and record of purchase and consumption of raw materials;
  - b. Beginning October 1, 2005, to submit a monthly production report in a form to be prescribed by the Board;
  - c. To keep detailed records of all transactions of clients, including copies of Commercial Replication Licenses, Commercial Permits, job orders, authorizations, receipts, and other documents relating to the transactions of clients;
  - d. To keep, maintain and make available on demand detailed records of all purchases, importation, of raw materials and the suppliers thereof;
  - e. To keep a running inventory of the raw materials as against the production of discs;
  - f. To keep records for a minimum period of five (5) years;
  - g. To keep all records at the licensed address;
  - h. To make all records available, without delay, upon demand by the OMB;
4. Authorization to Replicate
- a. To replicate on those titles with valid and subsisting Commercial Replication Permits or Commercial Permits issued by the Board;
  - b. In the case of foreign clients, to obtain a replication/commercial permit for each job order/request prior to production, submitting such documents as may be required to satisfy the requirement of authority;
  - c. To refrain from replicating any copyrighted material without the necessary permits or licenses from the OMB;
  - d. In the case of plants licensed to produce pre-recorded materials, to refrain from producing recordable discs, and in the case of plants licensed to produce recordable discs, to refrain from producing pre-recording materials.
5. Compliance with Labor, Immigration and other Laws
- a. To comply with all laws regarding employee rights and benefits;
  - b. To comply with immigration laws with respect to the employment of aliens;
  - c. To refrain from producing pornographic materials;

- d. To comply with local and national tax laws and to present tax clearances and/or certification under oath;
  - e. To observe and comply with all other laws of the Republic of the Philippines.
6. Effectivity – This Circular shall take effect immediately.

Quezon City, October 24, 2005.

**HON. EDUARDO B. MANZANO** (Sgd.)  
Chairman and Chief Executive Officer