

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

House Bill No. 164



Introduced by: HON. VINCENZO RENATO LUIGI VILLAFUERTE

EXPLANATORY NOTE

The Philippines is endowed with rich cultural heritage, diverse natural landscapes, and a growing pool of creative talents, making it an ideal location for film and media production. Recognizing the global rise of the creative economy, the government has a strategic opportunity to position the country as the premier filmmaking hub in Asia.

This bill seeks to institutionalize a comprehensive film and media production incentive program, consistent with the country's existing legal framework and development goals. It complements the **Republic Act No. 9167, or the Film Development Council of the Philippines (FDCP) Act of 2002**, which established the FDCP to develop and promote the film industry, and supports the thrusts of the **Philippine Development Plan (PDP) 2023-2028** emphasizing innovation, creative industries, and investments.

Furthermore, this Act aligns with the **Ease of Doing Business and Efficient Government Service Delivery Act of 2018 (RA 11032)** by providing a fast-tracked, one-stop permitting process through the Film Philippines Office (FPO), reducing bureaucratic barriers that currently hamper investment.

The incentive scheme, modeled after successful international best practices, aims to encourage both foreign and local investments by offering competitive cash rebates, VAT refunds, and duty-free importation privileges. These financial incentives are crucial in attracting large-scale productions, generating employment, and nurturing the local film ecosystem.

The creation of **Creative Production Zones (CPZs)** under the joint oversight of the Philippine Economic Zone Authority (PEZA) and the Department of Trade and Industry (DTI) draws from the country's proven experience with economic zones, such as the IT Parks and Ecozones established under **RA 7916, the Special Economic Zone Act of 1995**, providing plug-and-play infrastructure and tax holidays that significantly reduce operational costs.

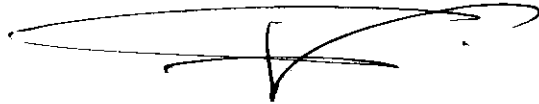
Moreover, this bill promotes sustainable "green filmmaking" practices in line with the **Philippine Green Building Code (RA 9003)** and international environmental standards, ensuring the industry's growth does not come at the expense of ecological integrity.

By investing in skills development and inclusive workforce participation, this Act supports the goals of the **Philippine Labor Code** and the **Technical Education and Skills**

Development Authority (TESDA) programs, ensuring Filipino workers are equipped for the evolving demands of the creative economy.

Ultimately, the enactment of this law will create a vibrant film production ecosystem that boosts tourism, preserves cultural identity, and strengthens the country's soft power globally. Its passage will also advance the government's agenda to diversify the economy, create high-value jobs, and integrate the Philippines into the international creative industries network.

In view of these considerations, the immediate approval of this bill is earnestly sought.

A handwritten signature in black ink, consisting of a large, sweeping horizontal stroke followed by a vertical line and a small flourish at the end.

HON. VINCENZO RENATO LUIGI VILLAFUERTE
District 2, Camarines Sur

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Introduced by: HON. VINCENZO RENATO LUIGI VILLAFUERTE

AN ACT ESTABLISHING A FILM AND MEDIA PRODUCTION INCENTIVE PROGRAM TO ATTRACT FOREIGN AND DOMESTIC INVESTMENTS, DECLARING SPECIAL FILM ECONOMIC ZONES, AND POSITIONING THE PHILIPPINES AS THE FILMMAKING HUB OF ASIA

Section 1. This Act shall be known as the "Philippine Film and Creative Production Incentives Act of 2025."

Section 2. It is the policy of the State to promote the Philippines as a global center for film, television, digital content, and post-production by attracting international investments, boosting tourism, generating employment, and showcasing Filipino talent and natural beauty. The State shall establish a globally competitive incentive system, integrated creative infrastructure, and streamlined permitting to transform the country into the filmmaking hub of Asia.

Section 3. This Act aims to:

- a. Attract foreign and domestic producers of film, television, animation, and digital content;
- b. Provide tax and cash incentives for qualified production expenditures in the Philippines;
- c. Establish Creative Production Zones (CPZs) with ready-to-use studios and production facilities;
- d. Support Filipino film professionals and small and medium enterprises through skills development and access to co-productions;
- e. Promote cultural diplomacy, tourism, and the preservation and promotion of Filipino culture, heritage, and identity.

Section 4. This Act applies to both foreign and local production companies engaged in producing a wide range of media content, including feature films, television series or streaming content, documentaries, commercials, music videos, animation and visual effects (VFX), as well as virtual production and video games that include cinematic segments.

Section 5. Qualified productions that meet the required spending and hiring criteria shall be entitled to several incentives. These include a cash rebate of up to 25%, composed of a 20% base rebate on Qualified Philippine Expenditures (QPE) and an additional 5% bonus for

productions that feature Filipino cast and crew exceeding 60% of the workforce, shoot in underserved provinces or heritage sites, or promote Filipino culture, locations, or historical narratives in their storylines. Eligible productions will also receive a value-added tax (VAT) refund on qualified local goods and services directly used in the production.

Furthermore, they are entitled to duty-free importation of production equipment for an initial period of 12 months, which can be extended upon request.

Lastly, productions can benefit from a fast-tracked, one-stop online film permitting program managed by the Film Philippines Office (FPO), guaranteeing permit approval within ten (10) working days for all national and local government permits.

Section 6. Qualified Philippine Expenditures (QPE) refer to expenses incurred within the Philippines that include salaries for Filipino cast, crew, and production teams; rental of equipment and soundstages; location fees; post-production services such as editing, visual effects, animation, and sound mixing; as well as hotel accommodations, catering, transportation, logistics, set construction, costumes, and props. These expenditures are consistent with the PEZA incentives framework under RA 7916, or the Special Economic Zone Act of 1995, which governs qualified expenditures and investment incentives in economic zones.

To qualify for incentives, productions must meet minimum spending thresholds, consistent with international best practices and adapted to local economic standards: US\$500,000 for foreign films, US\$300,000 for streaming or TV series, US\$200,000 for animation and visual effects, and US\$100,000 for commercials.

Section 7. Philippine Economic Zone Authority (PEZA) and the Department of Trade and Industry (DTI) to designate and develop Creative Production Zones (CPZs) in strategic locations such as Camarines Sur, Cebu, Bohol, Batangas, and Pampanga. This is in line with the PEZA's mandate under RA 7916 to establish special economic zones and promote investments by providing fiscal and non-fiscal incentives. These CPZs shall offer plug-and-play soundstages and post-production hubs, equipped with 5G connectivity and advanced digital infrastructure. To further encourage sustainable industry growth, the zones will provide a five-year tax holiday, consistent with incentives provided under the Tax Incentives Management and Transparency Act (TIMTA) or Republic Act No. 11534, which modernizes and streamlines tax incentive administration. The "green filmmaking" incentives support the government's commitment to environmental sustainability as embodied in the Philippine Development Plan and various environmental laws such as the Republic Act No. 9003 (Ecological Solid Waste Management Act).

Section 8. The Film Philippines Office (FPO) shall be established under the Department of Trade and Industry (DTI), in partnership with the Film Development Council of the Philippines (FDCP), which was created under Executive Order No. 770 (s. 2008). The FPO will serve as the lead implementing agency, consistent with the FDCP's mandate to develop and promote the Philippine film industry. The FPO will administer incentive applications and compliance, maintain a digital production portal for permits and rebates, accredit production service providers and training institutions, and promote the Philippines as a filming destination, thereby supporting the government's broader tourism promotion efforts under Republic Act No. 9593 or the Tourism Act of 2009.

Section 9. The incentive fund and the development of Creative Production Zones (CPZs) shall be supported through appropriations included in the General Appropriations Act (GAA). Additional funding sources may include a portion of annual tourism promotion funds as authorized under Republic Act No. 9593 (Tourism Act of 2009), as well as partnerships with private sector developers and international streaming platforms, consistent with the principles of public-private partnerships outlined in the Build-Operate-Transfer (BOT) Law (Republic Act No. 6957, as amended).

Section 10. The Film Development Council of the Philippines (FDCP) shall establish a National Film Skills Registry, conduct comprehensive training programs, and facilitate international placements for Filipino film professionals, supporting labor provisions under the Labor Code of the Philippines (Presidential Decree No. 442) and Republic Act No. 10911, or the Anti-Age Discrimination in Employment Act. Furthermore, local government units with significant filming activity shall be mandated to establish Film and Creative Workforce Offices, in line with their functions and responsibilities under the Local Government Code of 1991 (Republic Act No. 7160), to ensure localized support for workforce development in the film and creative industries.

Section 11. The DTI, FDCP, PEZA, and Department of Finance (DOF) shall jointly issue the necessary Implementing Rules and Regulations within ninety (90) days from the effectivity of this Act.

Section 12. If any provision or part of this Act is declared unconstitutional, the remaining parts or provisions not affected shall remain in full force and effect.

Section 13. All laws, executive orders, issuances, and rules and regulations inconsistent with this Act are hereby repealed or amended accordingly.

Section 14. This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,