

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

20th CONGRESS
First Regular Session

HOUSE BILL NO. 384



Introduced by. REP. JUAN CARLOS "ARJO" C. ATAYDE

**AN ACT ESTABLISHING A FRAMEWORK FOR FILM AND TELEVISION
TOURISM IN THE PHILIPPINES, CREATING AN INTER-AGENCY
COMMITTEE ON FILM AND TELEVISION TOURISM AND FOR OTHER
PURPOSES**

Filipinos pride themselves when foreign films feature the Philippines. Among the notable films partly shot in the country are: Avengers: Infinity Wars featuring Banaue Rice Terraces, Bourne Legacy featuring El Nido, XXX: Return of Xander Cage featuring Caramoan Island, South Korean films Romantic Island featuring Boracay, and No Breathing featuring Pearl Farm. These films validate and make known to the world the beauty and tourism potential of the country.

Tourists are enticed to visit the places featured in their favorite movies. As such, the government should recognize film tourism as an opportunity to boost our tourism industry. Its benefits are as follows:

- a. Cost-efficient marketing - given the allure of movies and television, being featured in it can be considered as an effective marketing campaign that widens the awareness reach of our tourist destinations without incurring too much cost;
- b. Enhances destination image - mass consumption of movies and television shows have an impact on viewer's perception on featured destinations. Given

the location's association with fame, being able to visit the place is aspirational and even treated as a status symbol for the interested audience; and

- c. Non-seasonality - Modern technology, particularly the advancement of internet technology, allows films to be accessed and viewed at any time of the year thereby doing away with the seasonality of tourism.¹

In terms of economic benefits, international and local film production will create jobs that will yield economic growth and raise our country's international profile.

For these reasons, passage of this bill that aims to promote Philippine film tourism is earnestly sought.

REP. JUAN CARLOS "ARJO" ATAYDE

¹ Dalisay, Vee Jay, *Written Report on Emerging Forms of Tourism: Film Tourism*.

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1 **AN ACT ESTABLISHING A FRAMEWORK FOR FILM AND TELEVISION**
2 **TOURISM IN THE PHILIPPINES, CREATING AN INTER-AGENCY**
3 **COMMITTEE ON FILM AND TELEVISION TOURISM AND FOR OTHER**
4 **PURPOSES**

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

5 **SECTION. 1. Title.** - *This Act shall be known as the "Philippine Film and*
6 *Television Tourism Act."*

7 **SEC. 2. Declaration of Policy.** - *It is hereby declared to be the policy of the State*
8 *to treat film and television tourism as a special investment and tourism tool for*
9 *national development.*

10 Consistent with the national goal of creating new areas of business to generate
11 employment opportunities as well as to recognize Filipino talent and culture, film and
12 television tourism in the country is hereby made a new investment priority, including
13 but not limited to: making the Philippines a location for shooting or filming area,
14 preserving or promoting the nation's historical and cultural heritage and resources as
15 well as artistic creations or sceneries depicted in films, and converting it into tourist
16 attractions; and championing Filipino film practitioners and artists and their
17 participation in foreign productions.

1 **SEC. 3. *Creation of the Philippine Inter-Agency Committee on Film and Television***
2 ***Tourism (PIAC-FTT).*** - The Philippine Inter-Agency Committee on Film and Television
3 ***Tourism (PIAC-FTT)*** is hereby created, replacing the Philippine Film Export Service
4 **Office (PFESO) under the Film Development Council of the Philippines (FDCP),**
5 **organized under Executive Order No. 674, Series of 2007.**

6 The PIAC-FTT shall be headed by an Executive Director, a position which shall
7 be equivalent to an Executive Director III position of the FDCP and which shall be a
8 career executive service officer position to be recommended by the Chairperson of the
9 FDCP and appointed by the President.

10 It shall be composed of representatives from the following agencies:

- 11 a. Department of Tourism;
- 12 b. Department of Trade and Industry;
- 13 c. Department of Interior and Local Government;
- 14 d. Department of Finance;
- 15 e. Department of Foreign Affairs;
- 16 f. Bureau of Immigration and Deportation;
- 17 g. Department of Labor and Employment; and
- 18 h. Tourism Infrastructure and Enterprise Zone Authority.

19 The heads of the above stated departments of government shall designate their
20 regular representatives, based on their position in the organization, but not lower than
21 a Director-level position. The said representatives of the various government agencies
22 shall, in addition to their duties provided in this Act, also serve as the direct link to
23 streamline and develop a one-stop-shop system.

24 The Secretariat of the PIAC-FTT shall be based in the Film Development
25 Council of the Philippines for financial and administrative support. It shall be

1 composed of existing *plantilla* positions and new positions that the Department of
2 Budget and Management may create that shall be necessary for the effective
3 implementation of this Act.

4 SEC. 4. *Functions of PIAC-FTT.* - The PIAC-FTT shall facilitate a one-stop-shop
5 system for foreign film or television production entities. It shall perform the following:

- 6 a. **Facilitate** the promotion and marketing of the Philippines as location site
7 for the production of international films and television programs, such
8 as but not limited to: creating and maintaining a website and/ or a
9 manual of Philippine Film and Television Tourism sites for overseas
10 contract workers; participating and exposure in World Expo, recognized
11 international film festivals, activities for cinema and television with
12 global market penetration, tourism fairs of international significance;
- 13 b. **Formulate** a ten-year Comprehensive Plan detailing an inventory of film
14 tourism sites in the country, areas for improvement, sectors to be tapped,
15 partnerships and marketing strategies both local and international in
16 application;
- 17 c. **Offer tax credits** to productions deemed eligible under this Act, which it
18 shall issue no more than one month after the completion of principal
19 photography;
- 20 d. **Formulate** and recommend a reward and incentive package for foreign
21 film/television entities interested in shooting films/ television programs
22 in the country and monitor the implementation thereof;
- 23 e. **Provide** assistance to foreign film production entities in processing
24 pertinent documents and various requirements relative to the
25 production of international films/television programs in the country
26 and in complying with environmental regulations;
- 27 f. **Coordinate** with various government agencies and local government
28 units in assisting the entry and exit of a foreign film/television

1 production team, such as but not limited to producers, artists and
2 production crew;

3 g. Provide direct link between foreign production entities, producers,
4 filmmakers and artists with local production manpower services, local
5 artists, bit players and technical crew, facilities and the like;

6 h. Utilize the services of tourism attaches abroad, through the Department
7 of Tourism, in the promotion and marketing of Philippine locations
8 sites/resources and local film production manpower;

9 i. Maintain an inventory of areas in the country that may be utilized as a
10 film and television tourism site and a registry of sectors including artists,
11 film practitioners, technical personnel and others for ready referrals;

12 j. Identify key film and television tourism sites used by international or
13 local filmmakers and establish a PIAC-FFT mark;

14 k. Keep a progress report and actual impact of the initiative taking into
15 consideration the increase in the number of film tourists and its
16 contribution to the economy;

17 l. Coordinate with various stakeholders and market players for research
18 and study on feasibility of a reward and incentive system, and other
19 aspects of combining tourism and film, including, but not limited to
20 the system of categories for the application of rewards and incentives
21 depending on the cinema grade and length of exposure of the identified
22 Philippine Film and Television Tourism site;

23 m. Coordinate with all Embassies and Consulates of the country to promote
24 film and television tourism;

25 n. Coordinate and partner with various associations of Filipino overseas
26 workers abroad in marketing, disseminating and propagating
27 information on Philippines as a film tourism destination, and

- 1 o. Coordinate and partner with known Filipinos of international stature in
2 promoting the country and fulfilling the implementation of this Act.

3 **SEC. 5. *Partnership with Local Government Units (LGUs)*- The PIAC-FFT shall**
4 **partner and collaborate with Local Government Units in the performance of the**
5 **following:**

- 6 a. Identifying and promoting film and television tourism sites;
- 7 b. Facilitating and providing assistance in the easy issuance of permits,
8 certificates and other documents related thereto;
- 9 c. Assisting in screening, providing, and identifying the necessary
10 complementary manpower requirements before, during and after
11 film and television production; and
- 12 d. Providing monetary and non-monetary incentives to the over-all film
13 production team as far as practicable.

14 **SEC. 6. *Amount of Tax Credit.* -**

- 15 a. The minimum tax credit awarded to eligible productions shall be equal
16 to twenty percent (20%) of qualified expenses, as defined in SEC. 7 of
17 this Act.
- 18 b. In addition to the minimum tax credit, qualifying films, television
19 shows, movies of the week, mini-series, and web-series may gain further
20 credits under a point- based incentive system, to be administered by the
21 PIAC-FFT. Each point shall correspond with an additional one percent
22 rebate on all qualifying expenses. Any production shall only be able to
23 claim one rebate from the following subsections in their entirety:
- 24 1. Eligible productions may receive twenty (20) points if the final
25 product is set completely or largely within the Philippines, fifteen
26 (15) points if the final product contains ten (10) or more substantive
27 scenes set within the Philippines, and ten (10) points if the final

1 **product contains at least five substantive scenes set within the**
2 **Philippines;**

3 2. **Eligible productions may receive twenty (20) points if at least one-**
4 **half of filming within the Philippines occurs within a community**
5 **recovering from a significant natural disaster that occurred within**
6 **the preceding three years or ten (10) points if at least one-fourth of**
7 **filming within the Philippines occurs within the same areas; and**

8 3. **Eligible productions may receive two (2) points if they dedicate at**
9 **least ten (10) seconds worth of screen time during the credit roll to a**
10 **message acknowledging the films participation in the film tax credit**
11 **program of the Philippines and providing the URL to a website**
12 **where viewers can learn about tourism opportunities in the country.**

13 c. **All qualifying international productions shall also receive the following**
14 **tax credits. However, in no situation may the total tax credit amount**
15 **received for any particular expense exceed forty percent (40%):**

16 1. **Twenty percent (25%) of the cost of construction of any permanent**
17 **and useful infrastructure built in the Philippines for the purposes of**
18 **filming, including likely tourist attractions, subject to approval of the**
19 **Department of Tourism;**

20 2. **Fifteen percent (15%) of all lodging within the Philippines booked for**
21 **production team members, for production-related purposes;**

22 3. **Ten percent (10%) of the cost of all transportation to or from the**
23 **Philippines for production team members conducting either**
24 **production-related travel or the transportation of filming equipment**
25 **into the Philippines;**

26 4. **Five percent (5%) of the cost associated with the provision of utilities**
27 **or technology purchased within the Philippines and the**
28 **employment, as far as practicable, of local talents.**

1 SEC. 7. *Qualified Expenses.* -

- 2 a. Qualified expenses for the purposes of determining the amount of a tax credit
3 shall include any expense incurred within the Philippines directly related to
4 pre-production, production, or post-production conducted within the
5 Philippines, unless otherwise exempted. However, expenses must be
6 reasonable, and prices may not substantially exceed the market value of the
7 procured product or service.

8 Qualified expenses include, but are not limited to, expenses such as or related
9 to:

- 10 1. Salary, wages, or other compensation such as per diem provided to
11 members of the production team or subcontractors for any services
12 rendered within the Philippines;
- 13 2. Creation, decoration, or operation of sets or shooting locations and
14 production offices;
- 15 3. Filming equipment or supplies;
- 16 4. Locally-sourced photography equipment services;
- 17 5. Locally-sourced music;
- 18 6. Catering equipment or services;
- 19 7. Costumes, make-up, and similar products and services;
- 20 8. Lodging and cosmetic, or international travel; or
- 21 9. Insurance.

22 The PIAC-FTT shall reserve the right to disqualify any expenses that clearly do
23 not fall within the spirit of the tax credit program, subject to administrative and
24 judicial appeal.

- 25 b. As an assumption, the following shall not be recognized as qualified:

- 1 1. Those related to distribution of the film, including but not limited to
2 marketing and promotion;
- 3 2. Such as attorney or accounting fees, incurred in the process or as a result
4 of acquiring or challenging a government determination of eligibility for
5 incentives later reimbursed to the production;
- 6 3. Items that are later resold by the production, minus any loss incurred;
- 7 4. Any amounts paid to members of the production as a result of profit
8 participation, residual, or similar agreements; and
- 9 5. Expenses associated with the financing of production.

10 SEC. 8. *Tax Incentives Eligibility.* - The following requirements must be attained
11 to be eligible for the incentives program:

- 12 a. Upon certification by PIAC-FFT that the production is a professional endeavor
13 and has met the PIAC-FFT's requirements in terms of the amount of investment
14 and the amount of jobs the production will generate;
- 15 b. Participating productions must agree to cooperate with any audits conducted
16 to ensure compliance with program eligibility requirements, both during and
17 after production;

18 SEC. 9. *Offer Preferential Incentives.* - International or foreign film and television
19 production entities may, upon certification from the PIAC-FFT, be granted the
20 following:

- 21 a. *Multiple Entry Visa.* - Foreign nationals who are members of the international
22 film production entities, as duly endorsed by the PIAC-FFT, shall be issued a
23 multiple entry special visa within seventy-two (72) hours upon submission of
24 all required documents, and which shall be valid for a period of one (1) year to
25 enter the Philippines: *Provided*, That a responsible officer of the applicant entity
26 submits a duly authenticated certificate to the effect that the person who seeks

1 entry into the Philippines is a member of the applicant entity and will work
2 exclusively for film and television production.

3 The admission and stay shall be co-terminus with the validity of the
4 multiple entry special visa. The stay, however, is extendible for one hundred
5 eighty days (180) upon submission to the Bureau of Immigration of a sworn
6 certification by a responsible officer of the applicant entity, that its permit
7 remains valid and subsisting, and that no other source of income has been
8 made.

9 b. *Tax- and Duty-Free Importation* - The international or foreign film or television
10 production entity shall enjoy tax- and duty-free importation of filming
11 equipment as determined and endorsed by the PIAC-FFT.

12 SEC. 10. *Implementing Rules and Regulations* - The Film Development Council,
13 Department of Tourism, Department of Finance and the Bureau of Immigration and
14 Deportation, shall promulgate and issue the implementing rules and regulations
15 within ninety (90) days upon approval of this Act.

16 SEC. 11. *Appropriations*. - The amount necessary to implement the provision of
17 this Act shall be included in the Annual General Appropriations Act.

18 SEC. 12. *Separability Clause*. - Any portion or provision of this Act that is
19 declared unconstitutional shall not have the effect of nullifying other portions or
20 provisions hereof as long as such remaining portions can still subsist and be given
21 effect in their entirety.

22 SEC. 13. *Repealing Clause*. - All laws, ordinances, rules, regulations, other
23 issuances or parts thereof, which are inconsistent with this Act, are hereby repealed
24 or modified accordingly.

25 SEC. 14. *Effectivity*. - This Act shall take effect after fifteen (15) days following
26 its publication in the official Gazette or in a newspaper of general circulation.

27 *Approved,*