

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**SEVENTEENTH CONGRESS**  
First Regular Session

**1557**  
**HOUSE BILL NO.** \_\_\_\_\_

HOUSE OF REPRESENTATIVES	
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Introduced by **HONORABLE LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.**  
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**EXPLANATORY NOTE**

More than a source of entertainment, our locally produced films are a mirror of the society. How we grow as a nation is essentially reflected by our local films. More importantly, the Filipino movie industry is a potent tool for educating the public and is likewise a catalyst for public opinion.

Films are part and parcel of our heritage. They are what the 1987 Constitution recognizes as the nation's artistic and historic wealth. This is one reason why the fundamental law provided in Article XIV, Section 14 that "The State shall foster the preservation, enrichment, and dynamic evolution of a Filipino national culture based on the principle of unity in diversity in a climate of free artistic and intellectual expression."

In the same vein, the succeeding section provides "Arts and letters shall enjoy the patronage of the State. The State shall conserve, promote, and popularize the nation's historical and cultural heritage and resources, as well as artistic creations."

These tenets are the inspiration of this proposed measure.

Recently, some of our Filipino filmmakers have made waves in the arena of filmmaking both locally and abroad. Several of their cinematic works were critically acclaimed while actors and directors have been recognized internationally. The Filipino film has made its mark in the prestigious Cannes International Film Festival, Venice International Film Festival, and the British Independent Film Awards.


Brillante Mendoza is one of the most celebrated Filipino film directors being awarded the Best Director, *Prix de la mise en scène*, for his 2009 film "Kinatay" in the Cannes Film Festival. This is just one of the many awards he received from international bodies for his film creations.

Last May 2016, Jaclyn Jose starred in Brillante Mendoza's Palme d'Or-nominated film "Ma'Rosa" where she won the Cannes Film Festival Award for Best Actress. This is a historic feat because Jose is the first Southeast Asian to be conferred with the award.

For its part, the Philippines, through the annual Cinemalaya Philippine Independent Film Festival and other *indie* film festivals that screen short films and full-length titles, have been instrumental in encouraging the creation of locally produced independent films. These efforts have put Philippine cinemas back to their glory days as some critics remark.

To further build on the gains of the Filipino film industry, this bill seeks to provide incentives to all our local filmmakers who have been awarded the best film prize or its equivalent including those that merited recognition for technical excellence in respected international film competitions or cinema festivals. This bill also proposes to fully exempt the acclaimed film from taxes which pertain to its screening and commercial exhibition including those levied by local government units.

Considering all the advantages that our local film industry can acquire from this bill, the immediate approval of this measure is earnestly sought.



LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.

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**AN ACT SUPPORTING THE PRODUCTION OF PHILIPPINE  
INDEPENDENT FILMS BY PROVIDING INCENTIVES TO  
FILMMAKERS WHO ARE GIVEN HONORS IN NOTABLE  
INTERNATIONAL FILM COMPETITIONS**

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

**SECTION 1. Short title.** – This act shall be known as the  
"Philippine Independent Film Incentives Act of 2016."

**SECTION 2. Declaration of Policy.** – It is the policy of the State  
to promote and support the development and growth of the local film  
industry, in general, and the production of independent films, in  
particular. The State shall endeavour to discover, encourage, and honor  
the cinematic works of Filipino filmmakers that boldly articulate and  
freely interpret the Filipino experience with fresh insights and artistic  
integrity.

**SECTION 3. Grants for Award-Winning Films.** – To achieve this  
law's purpose, Philippine independent films that have been awarded the  
best film prize or its equivalent including those that merited recognition  
for technical excellence in respected international film competitions or  
cinema festivals shall be given the following incentives:

3.1 A grant of Five Million Pesos (P5,000,000.00) to the film  
production or entity that produces the award winning full-length feature  
or documentary film;

3.2 A grant of Three Million Pesos (P3,000,000.00) to the film production or entity that produces the award winning short feature or documentary film;

3.3 Full tax exemption relevant to the screening of the film and its commercial exhibition, including those levied by local government units;

3.4 The award-winning film shall be obtain an automatic rating of an "A" film being granted by the Cinema Evaluation Board pursuant to Republic Act 9167 or the act creating the Film Development Council of the Philippines.

**SECTION 4. Eligibility for Grants.** – To be eligible for a grant under Section 3.1., films must be made by Filipino filmmakers who have not yet directed more than three (3) full-length commercial feature films. The total production budget for the full-length feature or documentary film should not exceed Three Million Pesos (P3,000,000.00). The film length should be between 90 to 120 minutes.

To be eligible for a grant under Section 3.2., the film must be made by a Filipino filmmaker. The total production budget for the short feature or documentary film should not exceed One Million Pesos (P1,000,000.00). The film length should not be more than 20 minutes.

All films should not have been produced by commercial producers to guarantee the filmmakers' creative control over the film.

**SECTION 5. Implementing Agency.** – The National Commission for Culture and the Arts (NCCA) is hereby authorized and directed to adopt a system to implement and carry out the provisions of this act. The NCCA shall, within sixty (60) days from effectivity of this Act, promulgate rules and regulations to carry out and enforce the provision of this Act.

**SECTION 6. Appropriations.** – A special fund amounting to Fifty Million Pesos (P50,000,000.00) which shall be sourced from the funds of the Philippine Amusement and Gaming Corporation (PAGCOR) is hereby created. Other amounts as may be necessary to carry out the provisions of this Act, are hereby authorized to be appropriated from the National Treasury.

**Section 7. Implementing Rules and Regulations.** - The Film Development Council, the Bureau of Internal Revenue, the National Commission for Culture and the Arts, the Department of the Interior and

Local Government, the Cultural Center of the Philippines, the various local government leagues, and representatives from the local film industry shall, within ninety (90) days after the approval of this Act, issue the necessary rules and regulations to implement the provisions hereto.

**SECTION 8. Separability Clause.** – If any provision or part hereof is held invalid or unconstitutional, the remainder of the act or the provision not otherwise affected shall remain valid and subsiding.

**SECTION 9. Repealing Clause.** – Any law, presidential decree or issuance, executive order, letter of instruction, administrative order, rule or regulation contrary to or inconsistent with the provision of this Act, is hereby repealed, modified or amended accordingly.

**SECTION 10. Effectivity Clause.** – This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved,