

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 3976



Introduced by **HON. LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.**

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.

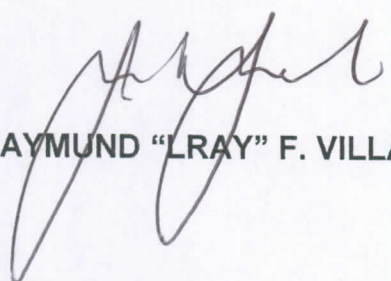
Brillante Mendoza is one of the most celebrated Filipino film directors being awarded the Best Director, *Prix de la mise en scène*, for his 2009 film "Kinatay" in the Cannes Film Festival. This is just one of the many awards he received from international bodies for his film creations.

Last 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 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 and its prior approval on third reading during the 17th Congress, the immediate approval of this bill is earnestly sought.



LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.

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AN ACT
GRANTING INCENTIVES TO FILIPINO FILMMAKERS WHO ARE GIVEN
HONORS IN NOTABLE INTERNATIONAL FILM FESTIVALS AND
APPROPRIATING FUNDS THEREFOR

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

SECTION 1. *Short Title.* – This Act shall be known as the "Film Industry Incentives Act".

SECTION 2. *Declaration of Policy.* – It is hereby declared the policy of the State to promote and support the development and growth of the local film industry, which includes both mainstream and independent films, produced by Filipino filmmakers or production entities that boldly articulate and freely interpret the Filipino experience with fresh insights and artistic integrity.

Towards this end, the State grants incentives to filmmakers or production entities based on merit to encourage the production of more high quality film projects for the local and global markets.

SECTION 3. *Incentives for Filipino Filmmakers.* – The following incentives shall be granted to Filipino filmmakers or production entities, whose films merited the highest recognition for technical or artistic excellence in notable international film festivals, to wit:

- a) Five million pesos (Php 5,000,000.00) to the filmmaker or production entity that produces the international award-winning full-length feature or documentary film;
- b) Three million pesos (Php 3,000,000.00) to the filmmaker or production entity that produces the international award-winning short feature or documentary film;
- c) Two million pesos (Php 2,000,000.00) to film directors, main artists, screenplay, or technical support filmmaker personnel including the scriptwriter cinematographer, editor, production designer, music scoring, sound director, audio or video technicians who have receive the highest international awards in their respective categories;
- d) One million pesos (Php 1,000,000.00) to supporting artists or technicians who have garnered the highest award in their respective categories; and
- e) The international award-winning films as stated in paragraphs (a) and (b) or this section shall be automatically qualified to receive an "A" rating from the Cinema Evaluation Board.

For purposes of this Act, "notable international film festivals" refer to international film festivals which have given recognition and awards to high quality films for the last five (5) years and are well-known for their international profile, audience size, and the quality and breadth of their festival and industry programs.

SECTION 4. *Eligibilities for Incentives.* – To be eligible to receive the incentives under Section 3 (a) of this Act, the international award-winning film must be made or performed by a Filipino filmmaker or production entity as the case may be. The total production budget for each of the full-length feature or documentary film must not exceed Ten million pesos (Php 10,000,000.00). The film length must be between ninety (90) to one hundred twenty (120) minutes.

To be eligible under Section 3 (b) of this Act, the film must be made by a Filipino filmmaker or production entity. The total production budget for the short feature or documentary film must not exceed Five million pesos (Php 5,000,000.00). The film length must be less than ninety (90) minutes.

SECTION 5. *Appropriations.* – For the effective initial implementation of this Act, there is hereby established the Special Film Industry Incentives Fund, hereinafter referred to as the Special Fund, which shall be administered by the Film Development Council of the Philippines. The amount of Fifty million pesos (Php 50,000,000.00) from the Philippine Gaming Corporation and another Fifty million pesos (Php 50,000,000.00) from the Philippine Charity Sweepstakes Office shall constitute as the Special Fund.

Thereafter, such sums as may be necessary for the continued implementation of this Act shall be included in the annual budget of the Film Development Council of the Philippines.

SECTION 6. *Implementing Rules and Regulations.* – Within ninety (90) days from the approval of this Act, the Chairperson of the Film Development Council of the Philippines shall, in coordination with the Director-General of the Film Academy of the Philippines and the Chairperson of the National Commission for Culture and the Arts, promulgate the necessary rules and regulations for the effective implementation of this Act.

SECTION 7. *Effectivity Clause.* – This Act shall take effect in fifteen (15) days after publication in the Official Gazette or in one (1) newspaper of general circulation in the Philippines.

Approved,