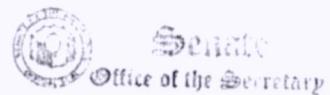


EIGHTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



19 SEP 23 A9:44

SENATE

RECEIVED

S. No. 1063

[Signature]

Introduced by Senator Manuel "Lito" M. Lapid

**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**

EXPLANATORY NOTE

Film tourism becomes a growing interest in the Philippines due to its significant impact in boosting the tourism industry. Not only does the film tourism connect audiences to destinations which were used as film locations but also encourage the same to visit such scenic spots, which in turn helps in the generation of employment, thus a driver of growth.

According to industry experts, Asian travelers are among the world's greatest film tourists. As it becomes more accessible, convenient and affordable to travel, given the emergence of online travel booking and low-cost, it can be assumed that consumers of film and television will pursue film-based locations in the future.¹

¹ <https://news.abs-cbn.com/business/03/04/14/dot-urged-promote-film-tourism-ph>

Like in many countries around the world, the Philippines has also been, on numerous times, been chosen as a location for international films, such as: *Apocalypse Now* (1979), *The Year of Living Dangerously* (1982), *Platoon* (1986), *Born on the Fourth of July* (1989) and *The Bourne Legacy* (2012).

This proposed measure seeks to boost our country's tourism industry through the film tourism, to encourage investors and foreign filmmakers to shoot and film in our country, and to promote and showcase the nation's culture and traditions, which in turn would generate employment as a result.

In view of the foregoing, early passage of this bill is earnestly requested.



MANUEL "LITO" M. LAPID
Senator

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

1 **Section 1.** *Title.* - This Act shall be known as the "Philippine Film and Television
2 Tourism Act."

3
4 **Section 2.** *Declaration of Policy.* - It is hereby declared to be the policy of the
5 State to treat the film and television tourism as a special investment and tourism tool
6 for national development.

7
8 Consistent with the national goal of creating new areas of business to generate
9 employment opportunities as well as to recognize Filipino talent, film and television
10 tourism in the country is hereby made a new investment priority, including but not
11 limited to: making the Philippines a location for shooting or filming area; preserving
12 or promoting the nation's historical and cultural heritage and resources as well as
13 artistic creations or sceneries depicted in films, and converting it into tourist
14 attractions; and championing Filipino film practitioners and artists and their
15 participations in foreign productions.

16

1 **Section 3. Creation the Philippine Inter-Agency Committee on Film and**
2 *Television Tourism (PIAC-FTT).* – The Philippine Inter-Agency Committee on Film and
3 Television Tourism (PIAC-FTT) is hereby created, replacing the Philippine Film Export
4 Service 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

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

12

- 13 1. Department of Tourism;
- 14 2. Department of Trade and Industry;
- 15 3. Department of Interior and Local Government;
- 16 4. Department of Finance;
- 17 5. Department of Foreign Affairs;
- 18 6. Bureau of Immigration and Deportation;
- 19 7. Department of Labor and Employment; and
- 20 8. Tourism Infrastructure and Enterprise Zone Authority.

21

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

27

28 The Secretariat of the PIAC-FTT shall be based in the Film Development Council of
29 the Philippines for financial and administrative support. It shall be composed of
30 existing *plantilla* positions and new positions that the Department of Budget and
31 Management may create that shall be necessary for the effective implementation of
32 this Act.

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

1. Facilitate the promotion and marketing of the Philippines as location site for the production of international films and television programs, such as but not limited to: creating and maintaining a website and/ or a manual of Philippine Film and Television Tourism sites for overseas contract workers; participating and exposure in World Expo, recognized international film festivals, activities for cinema and television with global market penetration, tourism fairs of international significance;
 2. Formulate a 10-year Comprehensive Plan detailing an inventory of film tourism sites in the country, areas for improvement, sectors to be tapped, partnerships and marketing strategies both local and international in application;
 3. Offer tax credits to productions deemed eligible under this Act, which it shall issue no more than one month after the completion of principal photography;
 4. Formulate and recommend a reward and incentive package for foreign film/television entities interested in shooting films/television programs in the country and monitor the implementation thereof;
 5. Provide assistance to foreign film production entities in processing pertinent documents and various requirements relative to the production of international films/television programs in the country and in complying with environmental regulations;
 6. Coordinate with various government agencies and local government units in assisting the entry and exit of a foreign film/television production team, such as but not limited to producers, artists and production crew;

- 1 7. Provide direct link between foreign production entities, producers, filmmakers
2 and artists with local production manpower services, local artists, bit players
3 and technical crew, facilities and the like;
- 4
- 5 8. Utilize the services of tourism attaches abroad, through the Department of
6 Tourism, in the promotion and marketing of Philippine locations sites/resources
7 and local film production manpower;
- 8
- 9 9. Maintain an inventory of areas in the country that may be utilized as a film and
10 television tourism site and a registry of sectors including artists, film
11 practitioners, technical personnel and others for ready referrals;
- 12
- 13 10. Identify key film and television tourism sites used by international or local
14 filmmakers and establish a PIAC-FFT mark;
- 15
- 16 11. Keep a progress report and actual impact of the initiative taking into
17 consideration the increase in the number of film tourists and its contribution to
18 the economy;
- 19
- 20 12. Conduct the feasibility of establishing a film and television museum;
- 21
- 22 13. Coordinate with various stakeholders and market players for research and study
23 on feasibility of a reward and incentive system, and other aspects combining
24 tourism and film, including, but not limited to the system of categories for the
25 application of rewards and incentives depending on the cinema grade and
26 length of exposure of the identified Philippine Film and Television Tourism site;
- 27
- 28 14. Coordinate with all Embassies and Consulates of the country to promote film
29 and television tourism;
- 30

1 15. Coordinate and partner with various associations of Filipino overseas workers
2 abroad in marketing, disseminating and propagating information on Philippines
3 as a film tourism destination, and

4

5 16. Coordinate and partner with known Filipinos of international stature in
6 promoting the country and fulfilling the implementation of this Act.

7

8 **SECTION 5.** *Partnership with Local Government Units (LGUs)* — The PIAC-FFT
9 shall partner and collaborate with Local Government Units in the performance of the
10 following:

- 11
- 12 1. Identifying and promoting film and television tourism sites;
13 2. Facilitating and providing assistance in the easy issuance of permits, certificates
14 and other documents related thereto;
15 3. Assisting in screening, providing, and identifying the necessary complementary
16 manpower requirements before, during and after film and television
17 production; and
18 4. Providing monetary and non-monetary incentives to the over-all film production
19 team as far as practicable.

20

21 **SECTION 6.** *Amount of Tax Credit.* -

22

23 (a) The minimum tax credit awarded to eligible productions shall be equal to
24 twenty percent (20%) of qualified expenses, as defined in Section 7 of this Act.

25

26 (b) In addition to the minimum tax credit, qualifying films, television shows, movies
27 of the week, mini-series, and web-series may gain further credits under a point-
28 based incentive system, to be administered by the PIAC-FFT. Each point shall
29 correspond with an additional one percent rebate on all qualifying expenses.
30 Any production shall only be able to claim one rebate from the following
31 subsections in their entirety:

- 1 (1) Eligible productions may receive twenty (20) points if the final product is
2 set completely or largely within the Philippines, fifteen (15) points if the final
3 product contains ten (10) or more substantive scenes set within the
4 Philippines, and ten (10) points if the final product contains at least five
5 substantive scenes set within the Philippines;
6 (2) Eligible productions may receive twenty (20) points if at least one-half of
7 filming within the Philippines occurs within a community recovering from a
8 significant natural disaster that occurred within the preceding three years
9 or ten (10) points if at least one-fourth of filming within the Philippines
10 occurs within the same areas; and
11 (3) Eligible productions may receive two (2) points if they dedicate at least ten
12 (10) seconds worth of screen time during the credit roll to a message
13 acknowledging the film's participation in the film tax credit program of the
14 Philippines and providing the URL to a website where viewers can learn
15 about tourism opportunities in the country.

16
17 (c) All qualifying international productions shall also receive the following tax credits.
18 However, in no situation may the total tax credit amount received for any particular
19 expense exceed forty percent (40%):

- 20
21 (1) Twenty percent (25%) of the cost of construction of any permanent and useful
22 infrastructure built in the Philippines for the purposes of filming, including likely
23 tourist attractions, subject to approval of the Department of Tourism;
24 (2) Fifteen percent (15%) of all lodging within the Philippines booked for
25 production team members, for production-related purposes,
26 (3) Ten percent (10%) of the cost of all transportation to or from the Philippines
27 for production team members conducting either production-related travel or
28 the transportation of filming equipment into the Philippines;
29 (4) Five percent (5%) of the cost associated with the provision of utilities or
30 technology purchased within the Philippines and the employment, as far as
31 practicable, of local talents.

32

1 **SECTION 7.** *Qualified Expenses. —*

2

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

9

10 Qualified expenses include, but are not limited to, expenses such as or related
11 to:

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

25

26 (b) The PFTTO shall reserve the right to disqualify any expenses that clearly do not
27 fall within the spirit of the tax credit program, subject to administrative and
28 judicial appeal.

29

30 As an assumption, the following shall not be recognized as qualified:

- 31
- 32 (1) Those related to distribution of the film, including but not limited to marketing
33 and promotion;

- 1 (2) Such as attorney or accounting fees, incurred in the process or as a result of
2 acquiring or challenging a government determination of eligibility for incentives
3 later reimbursed to the production;
4 (3) Items that are later resold by the production, minus any loss incurred;
5 (4) Any amounts paid to members of the production as a result of profit
6 participation, residual, or similar agreements; and
7 (5) Expenses associated with the financing of production.

8

9 **Section 8. Tax Incentives Eligibility. —**

10

11 The following requirements must be attained to be eligible for the incentives
12 program:

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

20

21 **Section 9. Offer Preferential Incentives. —** International or foreign film and
22 television production entities may, upon certification from the PIAC-FFT, be granted
23 the following:

- 24
- 25 (1) *Multiple Entry Visa.* — Foreign nationals who are members of the international
26 film production entities, as duly endorsed by the PFTTO, shall be issued a
27 multiple entry special visa within seventy-two (72) hours upon submission of
28 all required documents, and which shall be valid for a period of one (1) year to
29 enter the Philippines: *Provided*, That a responsible officer of the applicant entity
30 submits a duly authenticated certificate to the effect that the person who seeks
31 entry into the Philippines is a member of the applicant entity and will work
32 exclusively for film and television production.

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

6

7 (2) Tax and Duty Free Importation. - The international or foreign film or television
8 production entity shall enjoy tax and duty free importation of filming equipment
9 as determined and endorsed by the PIAC-FFT.

10

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

15

16 **Section 14.** *Appropriations.* — The amount necessary to implement the provision
17 of this Act shall be included in the Annual General Appropriations Act.

18

19 **Section 15.** *Separability Clause.* — In the event that any provision or part of this
20 Act shall be declared unconstitutional, the remaining provisions shall remain valid and
21 in full force and effect.

22

23 **Section 16.** *Repealing Clause.* — Executive Order No. 674, Series of 2007, is
24 hereby amended. All laws, decrees, executive orders, issuances, rules and regulations,
25 or parts thereof not consistent with the provisions of this Act are hereby repealed or
26 modified accordingly.

27

28 **Section 17.** *Effectivity.* — This Act shall take effect fifteen (15) days after its
29 complete publication in the Official Gazette or in at least two (2) newspapers of general
30 circulation, whichever comes earlier.

31

32 *Approved,*