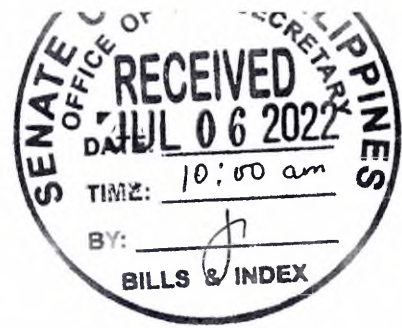


NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



SENATE

S. No. 36

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 is a steadily growing industry in the Philippines due to its undeniable significant impact in boosting the tourism industry. Not only does it connect audiences to destinations which were used as film locations and boost international awareness of these destinations but it also encourages the same to visit such scenic spots. This, in turn, helps in the generation of employment as well as the promotion of Filipino values, culture, traditions, and heritage, thus a driver of and vital part of growth of the nation.

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 carriers, it can be assumed that consumers of film and television will most likely pursue film-based locations in the future.¹

¹ Gatdula, Donabelle. ABS-CBN News. (5 March 2014). *DOT Urged to Promote Film Tourism*. Retrieved from: <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). *xx: Return of Xander Cage* (2017), *Avengers: Infinity War* (2018).

Here in the Philippines, we have had films that showcased tourist destinations. Some examples are *Hele sa Hiwagang Hapis* (2016, Sorsogon), *Flotsam* (2015, La Union), *You're My Boss* (2015, Batanes), *Batanes: Sa Dulo ng Walang Hanggan* (2007), *Siquijor: Mystic Island* (2007). Sagada was featured in the 2015 film, *That Thing Called Tadhana*. From 65,000 in 2014, Sagada recorded 138,257 tourists arrivals in 2015 after the movie was shown. Of these, 85% were from lowlands, mostly from Manila. ²

The effect of art in our communities manifests in so many ways. First is economic. The film provides jobs to locals and revenue to the businesses in the location. After the film is released, it promotes the place as a tourist destination, further improving the local economy. But most importantly, it places a sense of pride for the people whose culture is showcased in the movie. It provides a sense of being seen, understood, and appreciated. Thus, this leads to a better sense of community between the destination and the moviegoers.

Hindi po natin matatawaran ang laki ng epekto ng pelikula sa ating mga komunidad. Kaya po marapat lamang na lalo pa nating paigtingin ang ating mga programa upang ipakita sa ating mga pelikula ang iba't ibang lugar sa ating bansa.

This proposed measure seeks to treat film and television tourism as a special investment and tourism tool for national development. Further, this aims to boost our

² Dalisay, Vee Jay. (14 January 2017). *Emerging Forms of Tourism: Film Tourism*. Retrieved from: https://www.academia.edu/31212537/Written_Report_on_Emerging_Forms_of_Tourism_Film_Tourism

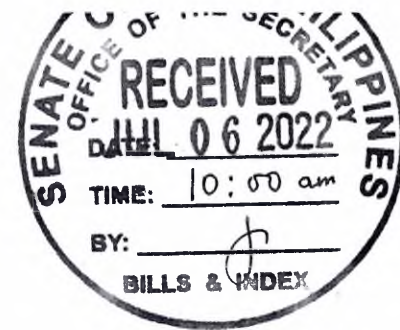
country's tourism industry through film tourism, to encourage investors and foreign filmmakers to shoot and film in our country, and to promote and showcase the nation's culture and traditions, which in turn would generate employment as a result.

In view of this, early passage of this bill is sought.



MANUEL "LITO" M. LAPID
Senator 

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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

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

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6

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

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

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

1 **Section 3.** *Creation of 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 It shall be composed of representatives from the following agencies:

- 11 1. Department of Tourism;
- 12 2. Department of Trade and Industry;
- 13 3. Department of Interior and Local Government;
- 14 4. Department of Finance;
- 15 5. Department of Foreign Affairs;
- 16 6. Bureau of Immigration and Deportation;
- 17 7. Department of Labor and Employment; and
- 18 8. 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 Council
25 of the Philippines for financial and administrative support. It shall be composed of

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

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

- 7 1. Facilitate the promotion and marketing of the Philippines as location site for the
8 production of international films and television programs, such as but not
9 limited to: creating and maintaining a website and/ or a manual of Philippine
10 Film and Television Tourism sites for overseas contract workers; participating
11 and exposure in World Expo, recognized international film festivals, activities
12 for cinema and television with global market penetration, tourism fairs of
13 international significance;
- 14 2. Formulate a ten-year Comprehensive Plan detailing an inventory of film tourism
15 sites in the country, areas for improvement, sectors to be tapped, partnerships
16 and marketing strategies both local and international in application;
- 17 3. Offer tax credits to productions deemed eligible under this Act, which it shall
18 issue no more than one month after the completion of principal photography;
- 19 4. Formulate and recommend a reward and incentive package for foreign
20 film/television entities interested in shooting films/television programs in the
21 country and monitor the implementation thereof;
- 22 5. Provide assistance to foreign film production entities in processing pertinent
23 documents and various requirements relative to the production of international
24 films/television programs in the country and in complying with environmental
25 regulations;
- 26 6. Coordinate with various government agencies and local government units in
27 assisting the entry and exit of a foreign film/television production team, such
28 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 8. Utilize the services of tourism attaches abroad, through the Department of
5 Tourism, in the promotion and marketing of Philippine locations sites/resources
6 and local film production manpower;
- 7 9. Maintain an inventory of areas in the country that may be utilized as a film and
8 television tourism site and a registry of sectors including artists, film
9 practitioners, technical personnel and others for ready referrals;
- 10 10. Identify key film and television tourism sites used by international or local
11 filmmakers and establish a PIAC-FFT mark;
- 12 11. Keep a progress report and actual impact of the initiative taking into
13 consideration the increase in the number of film tourists and its contribution to
14 the economy;
- 15 12. Conduct the feasibility of establishing a film and television museum;
- 16 13. Coordinate with various stakeholders and market players for research and
17 study on feasibility of a reward and incentive system, and other aspects
18 combining tourism and film, including, but not limited to the system of
19 categories for the application of rewards and incentives depending on the
20 cinema grade and length of exposure of the identified Philippine Film and
21 Television Tourism site;
- 22 14. Coordinate with all Embassies and Consulates of the country to promote film
23 and television tourism;
- 24 15. Coordinate and partner with various associations of Filipino overseas workers
25 abroad in marketing, disseminating and propagating information on Philippines
26 as a film tourism destination, and

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

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

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

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

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

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

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

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

14
15 1. Twenty percent (25%) of the cost of construction of any permanent and
16 useful infrastructure built in the Philippines for the purposes of filming,
17 including likely tourist attractions, subject to approval of the Department of
18 Tourism;

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

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

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

27 **SECTION 7. *Qualified Expenses.*** –

28 a. Qualified expenses for the purposes of determining the amount of a tax credit
29 shall include any expense incurred within the Philippines directly related to pre-

1 production, production, or post-production conducted within the Philippines,
2 unless otherwise exempted. However, expenses must be reasonable and prices
3 may not substantially exceed the market value of the procured product or
4 service.

5 Qualified expenses include, but are not limited to, expenses such as or related
6 to:

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

20 The PFTTO shall reserve the right to disqualify any expenses that clearly do not
21 fall within the spirit of the tax credit program, subject to administrative and judicial
22 appeal.

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

- 24 1. Those related to distribution of the film, including but not limited to
25 marketing and promotion;

- 1 2. Such as attorney or accounting fees, incurred in the process or as a result
2 of acquiring or challenging a government determination of eligibility for
3 incentives 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 **Section 8. *Tax Incentives Eligibility.*** – The following requirements must be
9 attained to be eligible for the incentives program:

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

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

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

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

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

14 **Section 11.** *Appropriations.* - The amount necessary to implement the
15 provision of this Act shall be included in the Annual General Appropriations Act.

16 **Section 12.** *Separability Clause.* - In the event that any provision or part of
17 this Act shall be declared unconstitutional, the remaining provisions shall remain valid
18 and in full force and effect.

19 **Section 13.** *Repealing Clause.* - Executive Order No. 674, Series of 2007, is
20 hereby amended. All laws, decrees, executive orders, issuances, rules and regulations,
21 or parts thereof not consistent with the provisions of this Act are hereby repealed or
22 modified accordingly.

23 **Section 14.** *Effectivity.* - This Act shall take effect fifteen (15) days after its
24 complete publication in the Official Gazette or in at least two (2) newspapers of general
25 circulation, whichever comes earlier.

26 *Approved,*