Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
Second Regular Session

HOUSE BILL No. 8101


AN ACT
PROVIDING FOR THE PROMOTION AND DEVELOPMENT OF THE PHILIPPINE CREATIVE INDUSTRIES AND PROVIDING FUNDS THEREFOR

EXPLANATORY NOTE

Filipinos have been renowned for their creativity for as long as the Philippines has been a nation. In this century, recognition of the Filipino's creative genius has only become more pronounced. A survey of recent years will show that Filipino creatives in diverse fields such as film, fashion design, literature, music, graphic design, animation, and music—just to name a few—have garnered acclaim and received accolades for their work. Many have won awards in competition with artists from most developed countries of the world.

Despite this, Filipino artists have had to achieve with little to no reinforcement from the government. A major reason why government agencies have been lackluster in providing much-needed support to creative Filipinos is due to the fact that no one agency has yet been put in charge of the planning, direction-setting, and implementation of any effort to promote the Philippines creative
industries. It may then be said that what is lacking is not interest or enthusiasm for these industries, but leadership.

This leadership vacuum in our governance framework becomes even more glaring when we compare ourselves with our ASEAN neighbors. Thailand’s Creative Economy Agency was organized in 2018 to promote the country’s creative economy and to support the development of creativity and innovation within their shores. Indonesia reorganized its Creative Economy Agency with its Ministry of Tourism in 2019 to achieve synergies in country branding and promotions and the upliftment of traditional arts and crafts. As early as 2012, Malaysia already allocated a total of 50 million US dollars to MYCREATIVE VENTURES Sdn. Bhd., the State’s investment arm established to spur the country’s creative industry. Vietnam also ratified a national strategy for the development of cultural industries in 2016, setting concrete economic targets such as 7% share of GDP and 3.2 billion US dollars in revenues by the year 2030.

The rationale for supporting and steering the Philippines’ creative industries is first and foremost economic. With the creative industries covering a wide range of sectors, their potential to contribute to the economy is great. Estimates from the Census of Philippine Business and Industry (CPBI) show that in 2012, the creative industries generated around 689 billion pesos, or 6.52% of the GDP for that year. They observed a 12.7% annual growth rate from 1999-2010, which is twice the growth rate of the National Economy.

The numbers also look promising when we examine the data concerning exports from the UNCTAD 2018 report. According to said report, the Philippines generated around 915 million US dollars in terms of creative goods. Meanwhile, we were able to generate 3.2 billion US dollars or around 155 billion pesos in terms of creative services. Interestingly, 3.1 billion US dollars of our creative services comes from Information Technology services.

However, when we start looking at our performance vis-a-vis the global creative marketplace, the perspective becomes underwhelming. From the UNCTAD 2018 Creative Economy Outlook, the value of Creative Goods & Services trade from Asia-Pacific alone amounts to 200 billion US dollars. However, the Philippines only accounted for four billion US dollars or a measly 2% of this regional pie.

Currently in the Philippines, the combined creative industries are worth PHP 600 billion and employ 14.4 percent of the labor force. Even with the effects of automation and the disruption of industries in the Fourth Industrial Revolution or 4IR, where human workers are being replaced with machines and artificial intelligence, the creative industries are so far immune. According to TESDA, “Filipino workers in creative industries generally will not be replaced in the near-future since robots are not yet smart enough to write their own novels, formulate the their own creative designs, and the like.”
The Department of Trade and Industry (DTI) and the Creative Economy Council of the Philippines in 2019 crafted a draft economic road map for the creative industries stating: "By 2030 the Philippines will be the number one creative economy in ASEAN in terms of size and value of our creative industries, as well as the competitiveness and attractiveness of our creative talent and content in international markets." However, without fundamental legislative reform that rationalizes government support to the creative industry, there is little to no chance that the road map as charted by the DTI and the Council could succeed.

Establishing a central agency is prerequisite to a country achieving and realizing the vast potential of its creative industries. For instance, data on the creative industries remain limited and unorganized because only a loose group of cultural agencies, private groups, and even individuals in their private capacity collect and analyze such data. Moreover, most of the institutional support given to our creative industries are often siloed among different government agencies. Institutional linkages are limited and there is no unified policy direction towards the development of this sector. A centralized body tasked to handle affairs concerning our creative industries will remedy this institutional gap.

Under this proposed measure, the Philippine Creative Industries Development Council will be established. The Council shall be charged with the creation and implementation of a Philippine Creative Industries Development Plan and shall coordinate the creative industry efforts of the national government agencies, local government units, and private sector stakeholders. This proposed measure likewise seeks to strengthen the intellectual property rights regime of protected creative industries. Finally, it seeks to provide technical, technological, financial, and institutional support and incentives towards achieving rapid growth in targeted creative industries.

In view of the foregoing, the passage of the bill is earnestly sought.

HON. CHRISTOPHER V.P. DE VENECIA

HON. LUCY TORRES GOMEZ

HON. ROSANNA "RIA" V. VERGARA

HON. FRANCISCO B. BENITEZ

HON. SHARON S. GARIN
HON. STELLA LUZ A. QUIMBO

HON. CRISTAL M. BAGATSING

HON. ALFRED C. DELOS SANTOS

HON. JOHN MARVIN C. NIETO

HON. EVELINA G. ESCUDERO

HON. KRISTINE SINGSON-MEEHAN

HON. ANNA MARIE VILLARAZA-SUAREZ

HON. LORENZ R. DEFENSOR

HON. JOEY SARTE SALCEDA

HON. LIANDA B. BOLILIA

HON. ALOY LIM

HON. MA. LOURDES T. ARROYO

HON. EDWARD VERA PEREZ MACEDA

HON. JOY MYRA S. TAMBUNTING

HON. XAVIER JESUS D. ROMUALDO

HON. JUAN MIGUEL MACAPAGAL ARROYO

HON. MARLYN B. ALONTE

HON. DEOGRACIAS VICTOR B. SAVELLANO
HON. RONNIE L. ONG

HON. LOREN LEGARDA

HON. ANGELICA NATASHA CO

HON. RUFUS B. RODRIGUEZ

HON. ANN K. HOFER

HON. ROSE MARIE J. ARENAS

HON. SOL ARAGONES

HON. CLAUDINE DIANA D. BAUTISTA
Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
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HOUSE BILL No. 8107


AN ACT
PROVIDING FOR THE PROMOTION AND DEVELOPMENT OF THE PHILIPPINE CREATIVE INDUSTRIES AND PROVIDING FUNDS THEREFOR

SECTION 1. Short Title. This Act shall be known as the 'Philippine Creative Industries Act.'

TITLE I
DECLARATION OF PRINCIPLES AND DEFINITIONS

SECTION 2. Declaration of Policy. It is hereby declared the policy of the State to promote and support the development of the Philippine creative industries, to protect and strengthen the rights of creative firms, artists, creators, and content providers, and to cultivate all economic activities having their origin in creative skill and talent through the use of intellectual property, in pursuance of the Constitution's emphasis on technology, arts, and culture.

SECTION 3. Definition of Creative Industries. As used in this Act, the term 'creative industries' shall refer to those industries involving persons, whether
natural or juridical, that produce cultural, artistic, and innovative goods, products, and services, where such goods, products, and services originate in individual creativity, skill, and talent and that have a potential for wealth and through the generation and exploitation of intellectual property.

It includes industries directly or indirectly involved in the creation, production and manufacturing, performance, broadcasting, communication and exhibition, or distribution and sale of works and other subject matter, as protected by intellectual property rights.

Creative industries shall include the following industries:

a) Traditional Cultural Expressions, such as arts and crafts and festivals and celebrations;

b) Performing Arts, such as live music, theater, dance, opera, circus, and puppetry;

c) Audiovisuals, such as film, television, edutainment, radio, and other broadcasting;

d) New Media, such as software, video games, and digitalized creative content;

e) Creative Services, such as architectural, advertising, creative research and development, cultural, and recreational services;

f) Design, such as interior, graphic, fashion, jewelry, and toys;

g) Publishing and Printed Media, such as books, comics, press, and other publications;

h) Visual Arts, such as paintings, illustrations, sculptures, photography, and antiques;

i) Cultural Sites, such as archeological sites, museums, libraries, and exhibitions;

j) and other such industries as the Council may determine based on the extent of the use of creativity and intellectual property as input in such.

**TITLE II**

**THE PHILIPPINE CREATIVE INDUSTRIES DEVELOPMENT PLAN**

**SECTION 4. The Philippine Creative Industries Development Plan.** - There is hereby established a Philippine Creative Industries Development Plan, hereinafter referred to as the Plan, which shall refer to a comprehensive set of objectives, targets, strategies and activities focusing on the growth and development of Philippine creative industries in the short-term, medium-term, and long-term.

The Plan shall include the following objectives, among other objectives as may later be determined by the Council:

a. Review, promulgate, and ensure implementation of policies, plans, and programs to nurture and develop Philippine creative industries;
b. Provide relevant and up-to-date data and conduct scientific, interdisciplinary and policy-oriented research on technological advancements, methodologies, distribution models, and product lines to creative industries;

c. Promote strategic investments in the creative industries;

d. Provide financial assistance, investments schemes, loan programs, and guarantees for micro, small, and medium enterprises (mSME) in the creative industries;

e. Provide scholarships to underprivileged but deserving college and post graduate students enrolled in courses related to the creative industries, as well as continuous education, talent and skills training, and capacity-building for stakeholders in the creative industries;

f. Provide technical, technological, and financial assistance for the development, processing, commercialization and marketing of goods and services generated by the creative industries;

g. Provide stronger linkages and collaborations between stakeholders in the creative industries and government;

h. Provide creative industries greater access to both national and international markets by harnessing their competitive advantages

i. Identify possible Special Economic Zones that would support the growth and development of various creative industries in accordance with R.A. No. 7916, as amended, as part of a digital-creative economy nexus;

j. Promote hiring and employment of workers in the creative industries;

k. Promote a strong intellectual property regime among creative industries;

l. Develop a comprehensive digital acceleration plan for Philippine creative industries, in coordination with the Department of Information and Communication Technology (DICT);

m. Create a Disaster Risk Reduction Management Plan for the creative industries, which shall include, among others, plans and programs that the National Government and the Local Government Units (LGU) shall undertake upon the occurrence of national calamities, economic recessions, and such other extraordinary circumstances that may adversely affect the creative industries; and

n. Endeavor to provide health and unemployment benefits, pension, and such other social benefits to creative industry workers, in coordination with the Social Security System (SSS) and Philippine Health Insurance Corporation (PhilHealth).
The Plan shall be updated and assessed on a regular basis.

**TITLE III**

**ORGANIZATION OF THE PHILIPPINE CREATIVE INDUSTRY DEVELOPMENT COUNCIL**

**SECTION 5. The Philippine Creative Industry Development Council** – There is hereby created a Philippine Creative Industry Development Council, herein referred to as the Council which shall be administratively attached to DTI and shall be in charge of implementing the Philippine Creative Industry Development Plan. The Council shall be composed of a Chairperson and twelve (12) members, five (5) of whom shall be regular members while the other seven (7) shall serve in an ex-officio capacity: Provided, that the Chairperson shall be Filipino, have good moral character, and be a person of proven administrative proficiency, independence, experience, knowledge, and commitment to the promotion and development of Philippine creative industries with at least ten (10) years of competence, expertise, and leadership in the creative industries; Provided, further, that the Chairperson shall be appointed by the President of the Philippines; Provided, finally, that the regular members shall have worked extensively in the creative industries for at least ten (10) years and shall be appointed by the President of the Philippines from a list of nominees to be submitted by the Council.

The seven (7) members who shall be ex-officio members of the Council are:

1) Secretary of the Department of Trade and Industry (DTI), or his or her duly authorized representative who is at least the rank of Undersecretary;

2) Secretary of the Department of Education (DepEd), or his or her duly authorized representative who is at least the rank of Undersecretary;

3) Secretary of the Department of Science and Technology (DOST), or his or her duly authorized representative who is at least the rank of Undersecretary;

4) Chairman of the National Commission for Culture and the Arts (NCCA), or his or her duly authorized representative who is at least the rank of Undersecretary;

5) Director General of the Intellectual Property Office of the Philippines (IPOPHL), or his or her duly authorized representative who is at least the rank of Undersecretary;

6) Secretary of the National Economic Development Authority (NEDA), or his or her duly authorized representative who is at least the rank of
Undersecretary;

7) Secretary of the Department of Tourism (DOT), or his or her duly authorized representative who is at least the rank of Undersecretary;

The five (5) regular members shall be as follows:

1) One (1) representative from the media;

2) One (1) representative from the academe;

3) One (1) representative who is a member of the Philippine Bar; and

4) Two (2) representatives from creative industries.

SECTION 6. Term of Office – The Chairperson and the five (5) regular members shall hold office for a term of three (3) years unless sooner removed by the President; Provided, that they shall be eligible for reappointment after the expiration of their respective terms: Provided, further, that no Chairperson shall serve for more than two (2) consecutive terms. If the Chairperson fails to complete his or her term, the person appointed to fill the vacancy shall serve only for the remainder of the term; Provided, finally, that the service to be rendered by his or her replacement shall not be counted as a term.

SECTION 7. Meetings – The Council shall meet regularly, at least once a month, or as often as necessary at the call of the Chairperson or majority of the members. A majority of the members of the Council shall constitute a quorum to do business. The members of the Council shall be entitled to honoraria based on existing government accounting and auditing rules and regulations.

SECTION 8. Mandate, Powers, and Functions of the Council. - The Council shall have the following powers and functions:

a) To review all existing policies, plans, programs and projects of the government and to formulate and recommend national policies, plans, and programs in support of creative industries, in coordination with non-government organizations and business support organizations;

b) To generate and mobilize resources from domestic and foreign sources for the implementation of the Plan, to receive and accept donations and other conveyances including funds, materials and services, by gratuitous title, as well as to rationalize the use and the equitable distribution of such resources to the various creative industries;

c) To establish a secretariat under an Executive Director for the administrative and day-to-day operations of the Commission;
d) To classify the creative industries into sub-sectors based on strategic considerations, and create technical panels, working groups, or task forces that will assist the Council in the performance of its functions;

e) To ensure the promotion, marketing, distribution, and export of creative industry output in both local and international markets;

f) To develop and sustain cooperative exchanges, partnerships, and collaborations among government agencies, creative entities, organizations, and associations, both domestically and overseas;

g) To formulate, oversee, and assess strategies, in partnership with the Philippine National Commission for UNESCO (UNACOM) and local government units, towards the establishment of United Nations Educational, Scientific, and Cultural Organisation (UNESCO) Creative Cities;

h) To formulate the criteria in identifying the persons and stakeholders in the creative industries who shall receive aid from the State in times of national emergencies;

i) To maintain a database of all relevant data and information regarding the creative industries in conjunction with other government agencies such as the Philippine Statistics Authority (PSA), NEDA, DTI, NCCA, and other such agencies that maintain any related database;

j) To encourage persons in the creative industries to join business support organizations in their respective fields;

k) To formulate a process of accreditation of business support organizations that shall be entitled to the programs of the Council under this Act;

l) To maintain a database of accredited business support organizations in the creative industries, in coordination with the Local Creative Industry Development Councils (LCIDC), pursuant to Section 17 of this Act;

m) To establish a consultative mechanism for continuing dialogue between government and business support organizations within the creative industries on proper planning and evaluation of policies, programs and projects affecting its stakeholders;

n) To conduct capacity-building programs and training for the LCIDC;
o) To build national awareness of the creative industries through advocacy and communication campaigns;

p) To prepare and submit to the President through the Department of Budget and Management (DBM) an estimate of the necessary expenditures during the next fiscal year, on the basis of the reports and estimates submitted by the Secretariat;

q) To promulgate such rules and regulations and exercise such other powers and functions as may be necessary to effectively carry out the attainment of the purposes and objectives of this Act.

SECTION 9. Organization of the National Secretariat on Creative Industries. – The Council shall organize a secretariat to be headed by an Executive Director, who shall be a Filipino citizen and a resident of the Philippines and be at least thirty (30) years of age. The Executive Director shall possess good moral character, be of proven integrity and be a holder of a college degree in a related field of discipline. The Council shall fix its staffing pattern, determine the duties, qualifications, responsibilities and functions as well as the compensation scheme for the positions to be created upon the recommendation of the Executive Director. The staffing pattern shall be approved and prescribed by the Council within one hundred twenty (120) days from the approval of this act.

The Executive Director shall be assisted by two (2) Deputy Executive Directors and an administrative staff. The Department of Trade and Industry and other related NGAs shall provide the technical staff complement for the Secretariat.

TITLE IV
STATE SUPPORT TO THE CREATIVE INDUSTRIES

SECTION 10. Infrastructure Support. - The Shared Service Facilities (SSF) project of the Department of Trade and Industry shall be provided to creative industries as part of infrastructure. The Council shall also create subsidized rental schemes for studios and venues, and provide co-working spaces and other similar facilities and hardware as may be utilized by multiple creative industry stakeholders towards the creation, cultivation, and promotion of their goods or services.

SECTION 11. Digitization of the Creative Industries - The council, in partnership with DICT, shall provide access to digital services and digital training platforms for mSMEs and freelancers in the creative industries. The council, in partnership with DICT, shall also provide technical and financial assistance to Filipino entities that shall endeavor to create digital content distribution platforms benefitting the creative industries. Dedicated high-speed
infrastructure and bandwidth shall also be provided by the Council, in partnership with the DICT, to service providers in the creative industries.

SECTION 12. *Creative Voucher System.* - There is hereby established a Creative Voucher System that shall systematize the granting of support, aid, and other incentives to creative industry entities. To this end, the Council shall issue Creative Vouchers to stakeholders from accredited business support organizations or associations in the creative industries, which shall entitle them to receive such support, aid, and incentives from the various government agencies. The implementation of the Creative Voucher System shall be subject to the guidelines, rules, and regulations that the Council shall provide.

SECTION 13. *Creative Industries Investment Priority Plan.* The Council shall create a Creative Industries Investment Priority Plan (CIIPP) which shall contain a listing of specific activities in the creative industries that can qualify for incentives. The CIIPP shall be duly supported by the studies of existing and prospective demands for such products and services in light of the level and structure of income, production, trade, prices and relevant economic and technical factors of the regions as well as existing facilities;

SECTION 14. *Provision of Incentives to Investors in Enterprises from the Creative Industries.* – The following incentives shall be extended to enterprises or firms which are part of creative industries:

a) The Board of Investments (BOI) shall classify creative industry enterprises as preferred areas of investment under its Investment Priorities Plan (IPP) pursuant to the CIIPP issued by the Council, subject to other pertinent rules and regulations;

b) The Bureau of Customs shall exempt creative industry enterprises from the payment of import duties for imported machines and equipment subject to pertinent rules and regulations;

c) Expenses incurred shall be allowed as deductible expenses for income tax purposes, subject to the provisions of the National Internal Revenue Code of 1997, as amended: *Provided,* that the deduction shall only apply to the taxable period, when the expenses were incurred;

d) Government owned, controlled and/or-supported financial institutions shall give priority to creative industries in accessing credit assistance and guarantee schemes;

e) The Technical Education and Skills Development Agency (TESDA) shall provide talent and skills training for entrepreneurs, workers, trainees, and stakeholders in the creative industries; and
f) Commission on Higher Education (CHED) shall provide scholarships to underprivileged but deserving college and post graduate students in courses related to the creative industries.

SECTION 15. Additional Creative Content Rights. - In addition to the rights and protection provided in R.A. No. 8293 otherwise known as the "Intellectual Property Code of the Philippines", this Act shall endow ownership to the creator of working drawings for industrial and fashion design; detailed sequence and shot guides for movies and games, original character, background, and tool designs, executable source codes for game and software; and such other forms of creative content in their beta testing and development, pre-distribution, or incomplete formats but capable of final production and reproduction.

SECTION 16. Engagement with the Private Sector. - The Council shall, at all times, consult and coordinate with accredited business support organizations and associations on the formulation and implementation of programs and policies concerning the creative industries, including but not limited to the creation of jobs and the granting of aid during national emergencies.

SECTION 17. Creation of Local Creative Industry Development Councils. - All local government units, in coordination with the Council and the Department of Interior and Local Government (DILG) shall establish a Local Creative Industry Development Council (LCIDC). Each LCIDC shall coordinate with the Council for the implementation of programs and projects at the local level. The other functions and powers of the Local Councils shall include the following:

a) Support the Council in all of its functions as provided in Section 6 of this Act;
b) Report to the Council any issues, developments, and the status of the implementation of programs at the local level;
c) Regularly maintain and transmit to the Council a database of business support organizations within the territorial jurisdiction of the LGU where the LCIDC is located;
d) Formulate, plan, coordinate, implement, and assess policies, programs, activities, and projects for the promotion and development of the locality's creative industries, in coordination with the Council; and
e) Such other duties and functions as the Council may direct.

TITLE V
MISCELLANEOUS PROVISIONS

SECTION 18. Annual Report. The Council shall submit to the President and to both Houses of Congress, not later than the 30th of April of every year following the effectivity of this Act, a report giving a detailed account of the effectivity and implementation of this act, and recommended legislation where applicable and necessary.
SECTION 19. Appropriations. - The amount of Five Billion Philippine Pesos (Php5,000,000,000.00) shall be appropriated for the initial implementation of the Act. Thereafter, such sums as may be necessary for the continued implementation of the Act shall be included in the Annual General Appropriations Act.

SECTION 20. Implementing Rules and Regulations. - Within sixty (60) days from the effectivity of this Act, the DTI Secretary, in consultation with other concerned government agencies, the industry representatives and non-government organizations, shall promulgate the necessary implementing rules and regulations for the effective implementation of this Act.

SECTION 21. Separability Clause. - If, for any reason, any portion or provision of this Act shall be held unconstitutional or invalid, the remaining provisions not affected thereby shall continue to be in full force and effect.

SECTION 22. Repealing Clause. - All laws, executive orders, proclamations, rules, regulations and other issuances or parts thereof which are inconsistent with the provisions of this Act are hereby repealed or amended accordingly.

SECTION 23. Effectivity. - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in any newspaper of general circulation.

Approved.