

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL No. 1281



Introduced by Hon. Christopher V.P. de Venecia

AN ACT
GRANTING CASH AND OTHER NON-MONETARY BENEFITS AND INCENTIVES
TO FILIPINO CREATIVES AND THEIR COACHES, APPROPRIATING FUNDS
THEREFOR AND FOR OTHER PURPOSES

EXPLANATORY NOTE

Filipino creatives succeed on the global stage frequently. While Filipinos always pride themselves in being one of the most creative people across the globe, this assertion does not come unfounded as international jurors consistently give out coveted awards to Filipino talents in various creative forms and media.

In 2021, countless accolades were collected by Filipino creatives, the global pandemic notwithstanding. They shone in the international scene at the biggest and most prestigious award giving bodies.

The year opened with a win by Ms. Gabriella Sarmiento Wilson, who is more popularly known as H.E.R., taking the 2021 Grammy Awards by storm by winning Song of the Year for her single "I Can't Breathe." Wilson is Filipina-America who is proud of her Filipino roots.

Several other prestigious awards bodies also recognized various Filipino creatives across different practices, including gastronomy, classical music, advertisement, and film.

Chef Johanne Siy won Female of the Year at the Singapore World Gourmet Awards held last May 2021. The Manila Symphony Junior Orchestra bagged the Gold prize at the Vienna Music Festival conducted in June 2021. The advertising agency GIGIL took home Bronze at the 2021 Cannes Lions Festival of Creativity. Our very own John Arcilla also won the Best Actor Award at the 78th Venice Film Festival in September 2021, which was not only one of the biggest wins of the past year but historically as well.

We ended the year with WTA Architecture and Design Studio, an architectural firm based in Manila, taking home the title of Overall Winner - WAFX Award at the World Architecture Festival 2021.

The House of Representatives has been recognizing the feats of our country's creative industry stalwarts, consistently expressing its support and congratulations for our Filipino creatives through the filing of resolutions that honor our creative *kababayans*. Now is the time, however, to step a notch higher and show our support for our Filipino creatives in a much more meaningful and impactful way.

It is time to put our money where our mouth is.

Considering not only the national pride that they bring to the country, but also the international attention that Filipino creatives bring to our jurisdiction, it is hereby proposed that financial rewards and incentives be given to Filipino creatives who win international awards.

Granting financial rewards to our excellent Filipino creatives would incentivize more Filipinos to enter the creative field and produce world-class works. It would also lift the spirits of winning creatives and encourage them to give even greater honor to the country through their craft.

In view of the foregoing, the passage of this measure is urgently sought.



HON. CHRISTOPHER V.P. DE VENECIA
Fourth District, Pangasinan

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Be it enacted by the Senate and House of Representatives of the Philippine Congress Assembled:

SECTION 1. *Short Title.* – This Act shall be known as the “Creative Incentives Act.”

SECTION 2. *Statement of Policy.* – The State promotes excellence in creativity by recognizing Filipino creatives who produce world-class works and are recognized in international creative awards with financial and non-financial rewards and incentives.

SECTION 3. *Definition of Terms.* – For purposes of this Act, the following terms shall be defined as follows:

a. “*International Creative Awards*” shall refer to recognitions and titles granted by prestigious and significant competitions, festivals, ceremonies, and other similar events that, on a periodical basis, recognize excellent work in the various creative industries through a system of nomination, deliberation, and votation by a body of jurors, selecting from entries submitted from different countries around the world.

For the purposes of this Act, the following shall initially be considered as international creative awards by virtue of their long-standing status as reputable award-giving bodies in their respective creative industry domains and sectors:

- (i) Academy Awards (also known as the Oscar Awards) for Film
- (ii) Venice International Film Festival (Film)
- (iii) Cannes International Film Festival (Film)
- (iv) Berlin International Film Festival (Film)
- (v) Emmy Awards (Television)
- (vi) Grammy Awards (Music)
- (vii) Game Awards (Game Development)

- (viii) World Architecture Festival (Architecture)
- (ix) INSIDE World Festival of Interiors (Interior Design)
- (x) Nobel Prize for Literature (Literature)
- (xi) Tony Awards (Theater)

The Department of Trade and Industry - Competitiveness and Innovation Group (DTI-CIG), or the successor government body charged with the development of the creative industries, shall continuously update this initial list, in consultation with the private sector.

Any change to the list of international award-giving bodies shall have the approval of the President of the Philippines.

b. *“Filipino creatives”* shall refer to persons, whether natural or juridical, who are engaged in the creative industries. Filipino creatives shall be Filipino citizens and residents of the Philippines in the case of natural persons and in the case of juridical persons, shall at least be 60% Filipino-owned and shall be domiciled in the Philippines.

c. *“Creative industries”* refers to the economic activities that involve the production of cultural, artistic, and innovative goods, products, and services, where such goods and services originate in individual creativity, skill, and talent and have a potential to create wealth and livelihood through the generation and utilization of intellectual property.

Creative industries include those 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, in accordance with existing laws, rules and regulations on intellectual property rights protection.

For purposes of this Act, Filipino creatives who win international creative awards shall hereinafter be called “eligible Filipino creatives.”

SECTION 4. *Benefits and Privileges for Filipino Creatives.* – Any Filipino creative who has won an international creative award, as defined herein, shall be entitled to the following:

- a. The grant of twenty percent (20%) discount from all establishments relative to the utilization of transportation services, hotels and other lodging establishments, restaurants and recreation centers and purchase of medicine anywhere in the country for the actual and exclusive use or enjoyment of the Filipino creative eligible to receive the benefit;
- b. Minimum of twenty percent (20%) discount on admission fees charged by theaters, cinema houses and concert halls, museums, circuses, carnivals, and other similar places of culture, leisure and amusement anywhere in the country for the actual and exclusive use or enjoyment of the Filipino creative eligible to receive the benefit;
- c. Free medical and dental consultations in government hospitals and similar establishments anywhere in the country for the actual and exclusive use or enjoyment of the Filipino creative eligible to receive the benefit;

- d. Coverage in the National Health Insurance Program (NHIP) of the Philippine Health Insurance Corporation (PHILHEALTH);
- e. A comprehensive social security program to be formulated by the Social Security System within one hundred eighty (180) days from the approval of this Act;
- f. Priority in existing livelihood programs being undertaken by various government agencies subject to the guidelines and qualifications by the implementing body; and
- g. Priority in national housing programs, affordable “pabahay” loans and other housing opportunities subject to the guidelines and qualifications set by the National Housing Authority (NHA) or the Home Development Mutual Fund (HDMF).

Such privately-owned establishments shall enjoy tax deductions equivalent to the discounts extended to the eligible Filipino creatives under paragraphs (a) and (b) hereof, subject to the rules and regulations to be issued by the Secretary of Finance, as recommended by the Commissioner of Internal Revenue, within ninety (90) days upon the effectivity of this Act: Provided, That the failure of the Bureau of Internal Revenue (BIR) to promulgate the rules and regulations shall not prevent the implementation of aforementioned benefits.

SECTION 5. *Scholarship Benefits for Filipino Creatives.* – An eligible Filipino creative shall be entitled to scholarship benefits in the form of full tuition fees from state colleges or universities for a college or university degree. He or she shall likewise be given priority in the availment of state college or university scholarship grants.

Likewise, the Commission on Higher Education (CHED) and the Technical Education and Skills Development Authority (TESDA) shall give priority to eligible Filipino creatives who seek scholarship grants and study under their programs subject to the CHED and TESDA regulations and policies and qualifications for all applicants.

Private colleges and universities shall likewise be encouraged to adopt a similar program in their institutions for winning Filipino creatives.

SECTION 6. *Retirement Benefits for Filipino Creatives.* – Any eligible Filipino creative shall receive a lump sum amount equivalent to twenty-five percent (25%) of his/her total cash incentives at the time of his/her retirement. Such lump sum amount shall be released sixty (60) days from the filing of the retirement papers: *Provided*, That the Filipino creative cannot file until he/she reaches the age of 60 years old; *Provided further*, That this retirement benefit can only be availed of once in the lifetime of the Filipino creative; *Provided finally*, That any Filipino creative who has received an international creative award and has elected to retire to receive the benefits provided herein may still participate in international creative awards and may still avail of the benefits under Section 8 of this Act if he/she wins in the said award.

SECTION 7. *Death Benefits.* – Upon the death of eligible Filipino creative, the primary beneficiaries shall be entitled to a lump sum benefit of one hundred thousand pesos (P100,000.00)

to cover for the funeral services: Provided, that if the Filipino creative has no primary beneficiaries, the secondary beneficiaries shall be entitled to said benefits.

For purposes of this Act, primary beneficiaries shall refer to the legitimate spouse, legitimate or illegitimate children. Secondary beneficiaries shall refer to the parents and, in their absence, to the brothers or sisters of such Filipino creative.

The benefits provided under this section shall be without prejudice to other similar benefits that may be received by the Filipino creative from other sources.

SECTION 8. *Cash Rewards for Filipino Creatives.* – Filipino creatives, whether natural or juridical, who participate in international creative awards ceremonies, festivals, or competitions and win first prize or its equivalent, or when applicable, second or third prizes or their equivalents, shall be entitled to cash rewards from the Philippine government in the following amounts:

- i. Ten million pesos (P10,000,000.00) for first prize winners or their equivalent
- ii. Five million pesos (P5,000,000.00) for second prize winners or their equivalent
- iii. Two million pesos (P2,000,000.00) for third prize winners or their equivalent

Filipino creatives who win international creative awards as a group shall also receive their respective cash rewards, computed as follows:

- a. For groups with less than five (5) members, the group shall receive the same cash incentives for individual winners as herein provided, to be divided equally among the group members who were actually present during the competition.
- b. For competitions with five (5) or more participants per team, each team member shall receive twenty-five percent (25%) of the cash incentives for individual winners as herein provided.

SECTION 9. *Cash Incentives for Coaches.* – Coaches or mentors of Filipino Creatives shall also be entitled to cash incentives if they have personally trained and rendered service to the Filipino creatives or groups of creatives who win in creative international awards at least six (6) months prior to the international creative competition. Certification to this effect by the Filipino creative or group leader for group events shall be in writing and duly attested by the Department of Trade and Industry and the National Commission for Culture and the Arts.

The incentives for the coaches shall be equivalent to fifty percent (50%) of the cash incentives for eligible Filipino creatives in the amounts mentioned in Section 8. In case of more than one (1) coach, the cash incentives shall be divided among themselves.

SECTION 10. *Availment of Benefits and Privileges.* – The above mentioned benefits and privileges shall be availed by Filipino creatives and their coaches upon presentation of a valid identification card.

SECTION 11. *Penalties.* – (a) Any person violating the provisions of Section 4(a) and (b) of this Act shall suffer the following penalties:

1. For the first violation, a fine of not less than fifty thousand pesos (P50,000.00) but not exceeding one hundred thousand pesos (P100,000.00) or imprisonment of not less than six (6) months but not more than two (2) years, or both, at the discretion of the court; and

2. For any subsequent violation, a fine of not less than one hundred thousand pesos (P100,000.00) but not exceeding two hundred thousand pesos (P200,000.00) or imprisonment of not less than two (2) years but not more than six (6) years, or both, at the discretion of the court.

(b) Any eligible Filipino creative who abuses the privileges granted herein shall be punished with imprisonment of not less than six (6) months or a fine of not less than five thousand pesos (P5,000.00) but not more than fifty thousand pesos (P50,000.00), or both, at the discretion of the court.

(c) If the violator is a corporation, partnership or any juridical person, the penalty shall be imposed upon the president, owner, or any responsible officer of the juridical person.

(d) If the violator is an alien or a foreigner, the person shall be deported immediately after service of sentence without further deportation proceedings.

Upon filing of an appropriate complaint, and after due notice and hearing, the proper authorities may also cause the cancellation or revocation of the business permit, permit to operate, franchise and other similar privileges granted to any business entity that fails to abide by the provisions of this Act.

SECTION 12. *Funding.* – The amount necessary for the implementation of the cash incentives and retirement benefits under this Act shall be taken from the net cash income of the PAGCOR, to be remitted directly as a special account to the DTI-CIG or the successor government body charged with the development of the Philippine creative industries.

Provided, that any additional funding requirement necessary to implement the increase of cash incentives and retirement benefits of this Act shall be sourced from the fifty percent (50%) national government share in the gaming revenue of PAGCOR under Presidential Decree No. 1869, as amended.

A separate fund equivalent to not less than sixty percent (60%) of the existing NSDF shall be automatically set aside for the training and preparation of national athletes covered by this Act.

SECTION 13. *Transitory Provision.* — Filipino creatives who have won in international creative awards prior to the effectivity of this Act may claim all the privileges and benefits applicable herein within three (3) years from the effectivity of this Act, and thereafter would be construed as not eligible for the claim and have waived their rights.

SECTION 14. *Implementing Rules and Regulations (IRR).* — The DTI-CIG, or the successor government body charged with the development of the Philippine creative industries, in consultation with the National Commission for Culture and the Arts, the Department of Finance

(DOF), the BIR, the PAGCOR, the PHILHEALTH, among others, and other concerned agencies shall promulgate and issue the IRR within sixty (60) days upon approval of this Act: Provided, That the failure to promulgate the rules and regulations shall not prevent the implementation of this Act upon its effectivity.

SECTION 15. *Monitoring and Reportorial Requirements.* – The DTI-CIG, or the successor government body charged with the development of the Philippine creative industries, shall submit a report on the benefits, privileges and incentives granted under this Act to Filipino creatives, to the DOF, the Department of Budget and Management (DBM), the PAGCOR, and the House of Representatives Committee on Creative Industry and Performing Arts for the purpose of monitoring the implementation of this Act. The submission shall not be later than three (3) years from the effectivity of this Act and every three (3) years thereafter.

SECTION 16. *Repealing Clause.* – All laws, presidential decrees, executive orders, rules and regulations or parts thereof inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

SECTION 17. *Separability Clause.* – If any provision or part hereof is declared unconstitutional, the remainder of this Act or any provision not affected shall remain in full force and effect.

SECTION 18. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved,