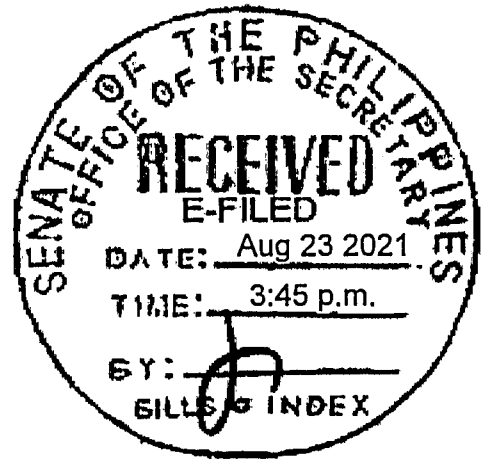


EIGHTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Third Regular Session)



SENATE

S. No. 2361

Introduced by SENATOR RAMON BONG REVILLA, JR.

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

EXPLANATORY NOTE

Creative industry is a diverse and dynamic economic sector which includes audio and audiovisual media, digital interactive media, books and publishing, creative and design services, performing arts, marketing and advertising, software and animation development, among others. Its range and variety further expanded to be later cited as "creative economy," which is characterized by the use of creative talent for commercial purposes.

A 2013 UNESCO report noted that world trade of creative goods and services reached US\$ 624 billion in 2011 and that it more than doubled from 2002 to 2011, the average annual growth rate during the period was 8.8%. It confirmed creative economy as one of the most rapidly growing sectors of the world economy and a highly transformative one in terms of income generation, job creation and export earnings¹.

On the local front, creative industries contributed P661 billion to the domestic economy and provided nearly five million jobs which is equivalent to 11% of total employment. The sector's exports were valued at almost \$7 billion or roughly 6% of total exports. In 2018, the Philippines ranked first in the Southeast Asian region for

¹ "Creative Economy Report 2013 Special Edition: Widening Local Development Pathways."
<http://www.unesco.org/culture/pdf/creative-economy-report-2013-en.pdf>

creative services exports². Despite huge losses (insiders estimate 90% of revenues were lost in 2020³) experienced during the pandemic, the Department of Trade and Industry (DTI) declares that the creative industries will likely be a post-Covid growth driver⁴.

This bill aims to support and encourage the continued rise and growth of our creative industries as potent accelerators of economic recovery and development, through the institution of a government-led national policy and framework. It seeks to nurture a creative culture by providing a conducive environment and enabling mechanisms for its further advancement. Consistent with the track of the updated Philippine Development Plan 2017-2022, this measure seeks to optimize the potential of the sector which is based on the inherent and renowned Filipino creativity, talent and ingenuity.

This legislation organizes the Philippine Creative Industry Council, an inter-agency mechanism chaired by the DTI, with seven government agency heads and private sector representatives as members, which shall, among others define the goals and performance indicators of the sector. It also directs the establishment of a Philippine Creative Industries Development Plan in three-, six-, and ten-year timelines.

In addition, this bill provides state support to the creative industries. To wit:

- 1) Shared Service Facilities (SSF), subsidized rental schemes for studios and venues, co-working spaces, and other infrastructure support programs under the Philippine Innovation Act;
- 2) Research and development support from the Department of Science and Technology (DOST);
- 3) Access to digital services and digital training platforms;
- 4) Dedicated high-speed infrastructure and bandwidth provided by the Department of Information and Communications Technology (DICT) and the National Telecommunications Commission (NTC);

² Creative Industries Policy Brief No. 10. November 2018. <https://creative-economy.ph/app/uploads/2020/10/TAPP-Creative-Industries-Policy-Brief.pdf>

³ "PH creative industry lost 90% of revenues in 2020." June 29, 2021. <https://mb.com.ph/2021/06/29/ph-creative-industry-lost-90-of-revenues-in-2020/>

⁴ "Creative industries touted as post-pandemic growth driver." June 28, 2021. <https://www.bworldonline.com/creative-industries-touted-as-post-pandemic-growth-driver/>

- 5) Creative Voucher System to systematize the granting of support, aid, and incentives;
- 6) Access to credit assistance and guarantee schemes from government financial institutions;
- 7) Creative Educational Plan which will strategize the development of human resources in creative industries;
- 8) Creation of Local Culture and Arts Councils in local government units (LGUs);
- 9) Establishment of one-stop registration centers to assist creative industry micro, small and medium enterprises (MSMEs).

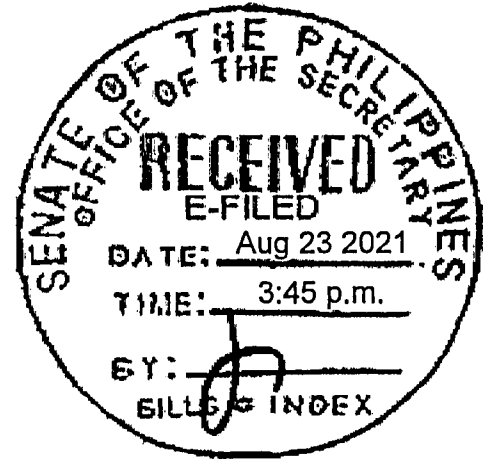
In view of the foregoing, the passage of this bill is earnestly sought.


RAMON BONG REVILLA, JR.

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

SENATE

S. No. 2361



Introduced by SENATOR RAMON BONG REVILLA, JR.

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

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

PRELIMINARY PROVISIONS

1
2 Section 1. *Short Title.* – This Act shall be known as the "*Philippine Creative*
3 *Industries Development Act.*"

4 Section 2. *Declaration of Policy.* – It is the policy of the State to recognize,
5 promote and support the development of the Philippine creative industries by
6 protecting and strengthening the rights of creative firms, artists, artisans, creators,
7 and content providers, cultivating all economic activities of the creators and owners
8 of intellectual property related to technology, arts, and culture, by nurturing creative
9 industry human resources, creating employment, and providing incentives to
10 encourage and sustain entrepreneurship in the creative industries for economic, social,
11 and cultural development towards nation-building.

12 Towards this end, the State shall implement a long-term program for the
13 development and promotion of creative industry, establish financial enabling
14 mechanisms for the creative industries, nurture the creative industry human
15 resources, create employment, and provide incentives to encourage and sustain
16 entrepreneurship and the arts.

1 Section 3. *Definition of Creative Industries.* – Creative industries involve
2 persons, whether natural or juridical, that produce cultural, artistic, and innovative
3 goods, products, and services, where such goods, products, and services originate in
4 individual creativity, skill, and talent and that have potential for wealth and through
5 the generation and exploitation of intellectual property.

6 Creative industries include those directly or indirectly involved in the creation,
7 production and manufacturing, performance, broadcasting, communication and
8 exhibition, or distribution and sale of works and other subject matter, subject to
9 intellectual property rights protection.

10 Creative industries include the following domains, with a non-exhaustive list of
11 industries belonging under each:

- 12 1) *Audio and Audiovisual Media* – refers to recorded and live audio and
13 audiovisual content that are distributed via broadcast media (television
14 frequencies, radio frequencies, cable and satellite broadcasts, etc.), digital
15 content streaming platforms, and in cinema theaters, including film,
16 television, animation (motion graphics, 2D, 3D, and animatronics),
17 recorded music and music scores and compositions ready for recording,
18 edutainment, podcasts, and radio and other forms of broadcasting;
- 19 2) *Digital Interactive Media* – refers to digital software programs, mobile
20 applications and games created for and operated on interactive digital
21 devices where user input is essential to the experience, including software
22 and mobile apps, video games, computer games, mobile games, virtual
23 augmented and/or mixed reality games, and digitalized creative content;
- 24 3) *Creative Services* – refers to demand-driven commercial creative service
25 work done on behalf of commissioning clients for complete creative output
26 or partial outsourcing work, including advertising and marketing, creative
27 research and development, cultural and recreational services, and live
28 creative experiences, which refer to predesigned, real-time artistic
29 performances and experiences aimed at specific audiences occurring in
30 real-time, with management and technical services provided to amplify the
31 occasion;

- 1 4) *Design* – refers to the process of envisioning and planning the creation of
2 symbols (such as graphics, images), products (including but not limited to
3 industrial, aesthetic), spaces and places, interactive user experiences, and
4 systems/eco-systems, at the heart of which is creating solutions that
5 address a need or a problem, including architecture, urban, landscape,
6 interior, graphic, fashion, textile, furniture, accessories, jewelry, toys, and
7 industrial design;
- 8 5) *Books, Publishing and Printed Media* – refers to the creation, publication,
9 and distribution of artistic, journalistic and commercial literature in
10 traditional physical print and equivalent digital form, including books,
11 comics, press, graphic novels, strips, editorial, and other printed media;
- 12 6) *Performing Arts* – refers to the training, creation, promotion, distribution,
13 venues and preservation of artistic shows and performances including live
14 music, theatre, musical theatre, dance, opera, circus, spoken word, and
15 puppetry;
- 16 7) *Visual Arts* – refers to the creation, promotion, distribution, and
17 preservation of works that are primarily visual in nature, including paintings,
18 drawings, sculpture, photography, antiques, performance art, and art toys.
- 19 8) *Traditional Cultural Expressions* – refers to tangible products and intangible
20 customs, practices and expressions of Traditional Filipino Culture including
21 heritage, arts and crafts, gastronomy, cultural festivals and celebrations;
- 22 9) *Cultural Sites* – refers to physical locations of significance to preserving and
23 promoting Philippine Culture, including archeological sites, museums,
24 libraries, creative cities, and cultural exhibitions; and
- 25 10) Other such domains and industries as the Council may determine, subject
26 to guidelines and criteria issued by the Council.

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

1 Section 4. *The Philippine Creative Industry Development Council.* – The
2 Philippine Creative Industry Development Council, herein referred to as the Council, is
3 hereby created as an office administratively attached to the Department of Trade and
4 Industry.

5 The Council shall be composed of seventeen (17) members, nine (9) regular
6 members from the private sector and eight (8) *ex officio* members.

7 The eight (8) members who shall be *ex officio* members of the Council are:

- 8 1) Secretary of the Department of Trade and Industry (DTI), as Chairperson;
- 9 2) Secretary of the Department of Education (DepEd);
- 10 3) Secretary of the Department of Science and Technology (DOST);
- 11 4) Chairman of the National Commission for Culture and the Arts (NCCA);
- 12 5) Director General of the Intellectual Property Office of the Philippines
13 (IPOPHL);
- 14 6) Chairperson of the Commission on Higher Education (CHED);
- 15 7) Secretary of the Department of Tourism (DOT); and
- 16 8) Secretary of the Department of Information and Communications
17 Technology (DICT).

18 The *ex officio* members of the Council may designate their respective next-in-
19 rank officials as permanent alternates whose acts are considered as the acts of their
20 principals.

21 The nine (9) regular members of the Council are:

- 22 1) Private sector representative of the Audio and Audiovisual domain;
- 23 2) Private sector representative of the Digital Interactive Media domain;
- 24 3) Private sector representative of the Creative Services domain;
- 25 4) Private sector representative of the Design domain;
- 26 5) Private sector representative of the Books, Publishing, and Printed Media
27 domain;
- 28 6) Private sector representative of the Performing Arts domain;
- 29 7) Private sector representative of the Visual Arts domain;
- 30 8) Private sector representative of the Traditional Cultural Expressions
31 domain; and
- 32 9) Private sector representative of the Cultural Sites domain.

1 Every regular member shall be appointed by the President from a list submitted
2 by the *ex officio* members of the Council nominating at least three (3) nominees for
3 every regular member seat: *Provided*, That each of the nominees shall come from the
4 private sector and must have at least ten (10) years of experience in the creative
5 industry domain which the nominee belongs to: *Provided, further*, That each of the
6 nominees shall have been endorsed by a business support organization or creative
7 association relative to the creative industry domain sought to be represented.

8 The Council shall elect a co-chair among the nine (9) regular members.

9 The regular members of the Council shall serve for a term of six (6) years,
10 unless sooner separated from the service due to death, voluntary resignation, or
11 removal for cause. In case of death, resignation, or removal for cause, their
12 replacements shall serve only the unexpired portion of the replaced members. Of the
13 first set of regular members, five (5) shall hold office for a term of three (3) years and
14 the remaining four (4) for a term of six (6) years.

15 The regular members of the Council shall receive *per diem* every meeting in
16 accordance with existing rules and regulations: *Provided, however*, That the total per
17 diem collection each month shall not exceed the equivalent *per diem* for four (4)
18 meetings. Unless and until the President of the Philippines has fixed a higher *per diem*
19 for the members of the Council, such *per diem* shall not be more than ten thousand
20 pesos (P10,000.00) for every Council meeting.

21 Section 5. *Meetings*. – The Council shall meet at least once every quarter, or
22 as often as necessary at the call of the Chairperson or majority of the members.
23 Members of the Council who cannot physically attend or vote at Council meetings can
24 participate and vote through remote communication including videoconferencing,
25 teleconferencing, or other alternative modes of communication that allow them
26 reasonable opportunities to participate. A majority of the incumbent members of the
27 Council shall constitute a quorum to do business.

28 Section 6. *Mandate, Powers, and Functions of the Council*. – The Council shall
29 exercise the following powers and functions:

- 30 a) Define economic goals and key performance indicators for the creative
31 industries including value creation, contribution to gross domestic product,

- 1 job creation, export targets, and creative intellectual property targets, as
2 articulated in the Plan;
- 3 b) Create a classification of the creative industries into sub-sectors based on
4 strategic considerations, and create technical panels, working groups, or
5 task forces that will assist the Council in the performance of its functions,
6 in coordination with the Philippine Statistics Authority (PSA) for its
7 integration in the Philippine Standard Industry Classification;
- 8 c) Issue guidelines and criteria in identifying the persons and stakeholders in
9 the creative industries who may receive aid from the State in times of
10 national emergencies;
- 11 d) Issue guidelines for the accreditation of business support organizations and
12 creative associations that may be entitled to the programs of the Council
13 under this Act, as well as create programs that will assist the creative
14 industry stakeholders in establishing such business support organizations
15 and creative associations;
- 16 e) Generate and mobilize resources from domestic and foreign sources,
17 receive and accept donations and other conveyances including funds,
18 materials and services, by gratuitous title, and rationalize the use and the
19 equitable distribution of such resources to the various creative industries
20 through mechanisms including competitive grants;
- 21 f) Develop and sustain cooperative exchanges, partnerships, and
22 collaborations with and among government agencies, creative entities,
23 organizations, and associations, locally and overseas, whether from the
24 public or private sector, and coordinate with the Department of Foreign
25 Affairs (DFA) and other pertinent government agencies for overseas
26 cooperative exchanges, partnerships, and collaborations;
- 27 g) Endorse to the DTI prospective multi-lateral and bilateral international trade
28 agreements that will benefit the Philippine creative industries, as well as
29 United Nations Conference on Trade and Development (UNCTAD) and
30 United Nations Educational, Scientific and Cultural Organization (UNESCO)
31 creative economy activities, conferences, and events for possible country

1 representation, in coordination with the Philippine National Commission for
2 UNESCO (UNACOM);

- 3 h) Enter into, make, perform and carry out contracts of every kind and
4 description with any person, firm or association or corporation, domestic or
5 foreign, and sue or be sued relative to the contracts entered into;
- 6 i) Acquire, utilize or dispose of, in any manner recognized by law, real or
7 personal property in the Philippines or elsewhere necessary to carry out the
8 purposes of this Act;
- 9 j) Raise or borrow, within the limitation provided by law, and subject to the
10 approval or opinion of the Monetary Board of the Bangko Sentral ng
11 Pilipinas (BSP) and of the Department of Finance (DOF), as the case may
12 be, adequate and necessary funds from local or foreign sources, finance its
13 projects and programs under this Act and for this purpose, issue bonds,
14 promissory notes and other forms of securities, and secure the same by a
15 guarantee, pledge, mortgage, deed of trust or an assignment of all or part
16 of its property or assets;
- 17 k) Adopt, alter and use a corporate seal;
- 18 l) Delegate, from time to time, any of the powers of the Council which may
19 be lawfully delegated pursuant to existing laws, to the executive director,
20 or in the absence of the executive director, to any of the deputy executive
21 directors, such powers and upon such terms as may be deemed fit;
- 22 m) Create *ad hoc* committees or technical working groups representing and
23 consisting of different creative industries and appropriate government
24 agencies to discuss specific issues relative to each creative industry and
25 recommend or advise policies or programs to the Council; and
- 26 n) Promulgate such rules and regulations and exercise such other powers and
27 functions as may be necessary to effectively carry out the attainment of the
28 purposes and objectives of this Act.

29 In the exercise of its powers and functions, the Council shall, at all times,
30 coordinate and synergize its plans and programs with the national government
31 agencies (NGAs) that have existing mandates in culture and the arts, including in the
32 various creative industry domains that are defined in Section 3 of this Act, as well as

1 with national government agencies that will be similarly mandated under future
2 legislation or government reorganization, including:

- 3 1) The Film Development Council of the Philippines;
- 4 2) The National Council for Children's Television;
- 5 3) The Design Center of the Philippines;
- 6 4) The Cultural Center of the Philippines;
- 7 5) The National Museum; and
- 8 6) The National Book Development Board.

9 To this end, the Council may invite the NGAs to present their plans, proposals,
10 and programs during its regular meetings.

11 **THE PHILIPPINE CREATIVE INDUSTRIES DEVELOPMENT PLAN**

12 *Section 7. The Philippine Creative Industries Development Plan.* – A committee
13 headed by the Secretary of Trade and Industry, in coordination with the National
14 Economic and Development Authority (NEDA) and representative organizations of the
15 nine (9) creative industry domains identified in Section 3 of this Act, shall formulate
16 the Philippine Creative Industries Development Plan, hereinafter referred to as the
17 Plan, that sets forth the objectives, targets, strategies, and activities on the growth
18 and development of Philippine creative industries. The Plan must be submitted to the
19 President of the Philippines within one (1) year after the effectivity of this Act for
20 approval and is subject to mandatory review every three years.

21 The Plan shall include a three-year, six-year, and ten-year development timeline
22 for its vision, mission, goals, and milestones.

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

- 25 a) Well-defined and measurable economic goals and key performance
26 indicators for the creative industries including value creation, contribution
27 to gross domestic product, job creation, export targets, and creative
28 intellectual property targets;
- 29 b) A review of the existing governance and policy framework under which the
30 Plan may be implemented;

- 1 c) Current data and findings of scientific, interdisciplinary and policy-oriented
2 research on technological advancements, methodologies, distribution
3 models, product lines, and value chains pertaining to creative industries in
4 aid of the implementation of the Plan;
- 5 d) Analyses of current and emerging trends and changes in technology, trade,
6 consumption, demography, the environment, and health that impacts the
7 labor market for creative talent;
- 8 e) Areas of possible strategic investments in the creative industries;
- 9 f) Financial assistance programs, investments schemes, loan programs, and
10 guarantees for micro, small, and medium enterprises (MSMEs) in the
11 creative industries;
- 12 g) Technical, technological, and financial assistance programs for the
13 development, processing, commercialization and marketing of goods and
14 services generated by the creative industries;
- 15 h) Programs that promote stronger linkages and collaborations between
16 stakeholders in the creative industries and government;
- 17 i) Programs and areas of investment to incubate, encourage, and promote
18 the development of original creative content and talent in the relevant
19 creative industry domains;
- 20 j) Strategies that allow creative industries greater access to both national and
21 international markets and harness their competitive advantages;
- 22 k) Possible Special Economic Zones that support the growth and development
23 of various creative industries in accordance with Republic Act No. 7916,
24 otherwise known as "The Special Economic Zone Act of 1995," as amended,
25 as part of a digital-creative economy nexus;
- 26 l) Programs that promote the hiring and employment of workers in the
27 creative industries;
- 28 m) Programs that promote a stronger intellectual property ecosystem among
29 and across creative industries;
- 30 n) A comprehensive digital acceleration plan for Philippine creative industries;
- 31 o) Strategies towards the creation of a creative cities network to promote an
32 avenue of mutual support and exchange of ideas among Local Government

1 Units, in coordination with the DFA, UNACOM, and the Department of
2 Interior and Local Government (DILG);

3 p) Programs that establish a coordinative relationship with the leading national
4 agency on Disaster Risk Management and Resilience to ensure that players
5 of the creative economy are covered, involved, and included in all aspects
6 of disaster management and resilience from planning to implementation;
7 and

8 q) Guidelines, programs, and strategies for the proper management of the
9 creative industry development fund as provided for under Section 19 of this
10 Act.

11 Section 8. *Organization of the National Secretariat on Creative Industries.* – The
12 Council shall organize a National Secretariat to be headed by the Executive Director,
13 who shall have the rank of Undersecretary, a Filipino citizen, a resident of the
14 Philippines, and be at least thirty (30) years of age at the time of his or her
15 appointment. The Executive Director shall possess good moral character, be of proven
16 integrity, be a holder of a college degree in a related field of discipline, and be a person
17 of proven administrative proficiency, independence, experience, knowledge, and
18 commitment to the promotion and development of Philippine creative industries with
19 at least ten (10) years of competence, expertise, and leadership in at least one (1)
20 sector of the creative industries prior to the date of appointment.

21 The Executive Director shall be assisted by two (2) Deputy Executive Directors
22 and an administrative staff.

23 The President of the Philippines shall appoint the Executive Director and the
24 Deputy Executive Directors from a list of at least five (5) nominees submitted by the
25 Council.

26 The executive director and the deputy executive directors shall serve for a term
27 of six (6) years, unless sooner separated from service due to death, voluntary
28 resignation, or removal for cause. In case of death, resignation, or removal for cause,
29 their replacements shall serve only the unexpired portion of the respective terms.

30 Within one hundred twenty (120) days after the effectivity of this Act, the
31 Council shall determine, upon the recommendation of the executive director, the
32 organizational structure, staffing pattern, and compensation system of the National

1 Secretariat, including the duties, qualifications, responsibilities, and functions of its
2 officers and staff members, and submit the same to the Department of Budget and
3 Management (DBM) for approval. The officers and employees of the National
4 Secretariat shall be appointed in accordance with the civil service laws, rules, and
5 regulations.

6 The DTI and other related NGAs shall provide the technical staff complement
7 for the National Secretariat and shall arrange the permanent office of the National
8 Secretariat within one (1) year upon the effectivity of this Act.

9 Section 9. *Duties and Functions of the Executive Director.* – The Executive
10 Director shall exercise the following duties and functions:

- 11 a) Direct and manage the affairs of the National Secretariat in accordance with
12 the policies of the Council;
- 13 b) Establish the internal organization of the National Secretariat under such
14 conditions that the Council may prescribe;
- 15 c) Submit an annual budget and necessary supplemental budget to the
16 Council for its approval;
- 17 d) Ensure the faithful and proper implementation of the Plan, and recommend
18 changes thereto for consideration of the Council;
- 19 e) Review all existing policies, plans, programs, and projects of the
20 government and formulate and recommend to the Council and other
21 government agencies, in coordination with government agencies, non-
22 government organizations and business support organizations, national
23 policies, plans, and programs that support the creative industries;
- 24 f) Maintain a database of all relevant data and information regarding the
25 creative industries in conjunction with the PSA and such other agencies that
26 maintain any related database;
- 27 g) Maintain a database of accredited business support organizations and
28 creative associations in the creative industries, in coordination with the
29 Local Culture and Arts Councils (LCAC), pursuant to Section 18 of this Act;
- 30 h) Encourage persons in the creative industries to join business support
31 organizations and creative associations in their respective fields;

- 1 i) Establish and promote a culture of continuing dialogue between
2 government and business support organizations and creative associations
3 within the creative industries on proper planning and evaluation of policies,
4 programs, and projects affecting its stakeholders;
- 5 j) Build national awareness of the creative industries through various
6 strategies including advocacy and communication campaigns;
- 7 k) Ensure the promotion, marketing, distribution, and export of creative
8 industry output in both local and international markets in coordination with
9 the Board of Investments (BOI), Export Management Bureau (EMB),
10 Foreign Service Trade Corps (FSTC), and the Center for International Trade,
11 Expositions, and Missions (CITEM);
- 12 l) Submit within thirty (30) days after the close of each fiscal year an annual
13 report and other reporting requirements to the Council;
- 14 m) Submit to the Council for its approval, policies, systems, procedures, rules,
15 and regulations that are essential to the operation of the National
16 Secretariat;
- 17 n) Recommend to the Council the remuneration and other emoluments of its
18 officers and employees in accordance with existing laws on compensation
19 and position classification; and
- 20 o) Perform such other duties as may be assigned by the Council or which are
21 necessary or incidental to the office.

22 **STATE SUPPORT TO THE CREATIVE INDUSTRIES**

23 Section 10. *Infrastructure Support.* – Entities from the creative industries may
24 avail of Shared Service Facilities (SSF) from the DTI and the infrastructure support
25 programs under Republic Act No. 11293, otherwise known as the “Philippine
26 Innovation Act.” Further, the Council shall create subsidized rental schemes for studios
27 and venues, and provide co-working spaces and other similar facilities and hardware
28 that may be utilized by multiple creative industry stakeholders towards the creation,
29 cultivation, and promotion of their goods or services.

1 SSF refer to machinery, equipment, tools, systems, accessories and other
2 auxiliary items, skills, and knowledge that are being provided by the DTI under a
3 shared system to its target beneficiaries. The implementing rules and regulations for
4 this program, including the manner of selecting beneficiaries, shall be issued by the
5 DTI.

6 Section 11. *Research and Development (R&D) and Innovation Support.* –
7 Accredited entities from the creative industries may avail of the research and
8 development support program of the DOST that provides financial support to research
9 projects that address the industry needs through science and technology
10 interventions. Further, the program includes support in accelerating the transfer and
11 commercialization of generated technologies and strengthening the capability of
12 human resources and institutions to undertake research and development. Research
13 grants may be availed by government research and academic institutions as well as
14 local companies and startups, subject to evaluation and approval of the DOST.

15 Section 12. *Digitalization of the Creative Industries.* – Micro, small and medium
16 enterprises and stakeholders in the creative industries shall be granted access to
17 digital services and digital training platforms. Technical and financial assistance
18 programs shall also be provided to Filipino entities that endeavor to create digital
19 content distribution platforms benefitting the creative industries. Dedicated high-
20 speed infrastructure and bandwidth shall be provided by the DICT and the National
21 Telecommunications Commission to the accredited MSMEs and stakeholders in the
22 creative industries, to ensure that such services, platforms, and programs are
23 delivered efficiently to creative industry enterprises. The implementing rules and
24 regulations for this program, including the manner of selecting beneficiaries, shall be
25 issued by the DICT.

26 Section 13. *Creative Voucher System.* – A Creative Voucher System shall be
27 established to systematize the granting of support, aid, and other incentives to
28 creative industry entities. To this end, Creative Vouchers shall be issued to
29 stakeholders from accredited business support organizations or creative associations
30 in the creative industries, which entitle them to receive the support, aid, and incentives
31 from the various government agencies. The implementation of the Creative Voucher

1 System shall be subject to the guidelines, rules, and regulations that the Council shall
2 prescribe.

3 Section 14. *Creative Industries Investment Priority Plan.* – The Council shall
4 create a Creative Industries Investment Priority Plan (CIIPP) that contains a listing of
5 specific activities in the creative industries that may qualify for incentives. The CIIPP
6 must be duly supported by the studies of existing and prospective demands for such
7 products and services in light of the level and structure of income, production, trade,
8 prices and relevant economic and technical factors of the regions as well as existing
9 facilities.

10 The BOI or the leading national agency charged with the creation of the
11 government’s investment priorities plan under Executive Order No. 226, as amended,
12 otherwise known as the “Omnibus Investment Code of 1987,” or successor legislation,
13 shall classify creative industry enterprises as preferred areas of investment under the
14 Investment Priorities Plan (IPP) pursuant to the CIIPP issued by the Council, subject
15 to other pertinent rules and regulations.

16 Section 15. *Fiscal Incentives to Enterprises in the Creative Industries.* – The
17 creative industries may avail of the fiscal incentives provided within the boundaries of
18 a performance-based, time-bound, and transparent system of incentives under the
19 national internal revenue code, as amended, provided that the activities of the creative
20 industries shall undergo the standard processes involved in the identification of
21 preferred activities under the Strategic Investments Priorities Plan (SIPP) and shall be
22 accompanied by a cost-benefit analysis showing the need for incentives.

23 Section 16. *Access to Credit and Financial Instruments.* – Government-owned,
24 -controlled, and/or-supported financial institutions shall give priority to creative
25 industries in providing credit assistance and guarantee schemes, subject to the rules
26 and regulations of the concerned financial institutions.

27 Section 17. *Creative Instruction and Education.* – The following NGAs shall
28 establish a Creative Educational Plan and other policies, programs, and strategies
29 geared towards the development of the country’s human resources in the creative
30 industries:

- 31 1) DepEd and the CHED shall, among others, support and develop relevant
32 programs related to creative industries and provide scholarships and other

1 relevant programs to deserving basic education and college and post-
2 graduate students, respectively, enrolled in programs and courses related
3 to the creative industries: *Provided*, That priority shall be given to
4 underprivileged students. The CHED shall also identify Creative Centers of
5 Excellence and establish criteria for such identification;

- 6 2) The Technical Education and Skills Development Authority (TESDA) among
7 others, shall provide talent and skills training through scholarship programs
8 in courses related to creative industries for entrepreneurs, workers,
9 trainees, and stakeholders in the creative industries, as well as provide
10 continuous education, talent and skills training, and capacity-building for
11 other stakeholders in the creative industries.

12 Section 18. *Data and Information Management*. – The Council and the National
13 Secretariat shall be in close coordination with the PSA and other relevant NGAs in the
14 setting up of a satellite account for creative industries, as well as its data collection
15 and management. The collection and management of data must be conducted
16 diligently to maintain the accuracy of the country's national income accounting.

17 Section 19. *The Creative Industry Development Fund*. – There is hereby
18 established a Special Account in the General Fund with the National Treasury to be
19 called the Creative Industry Development Fund herein referred to as the Fund. The
20 purpose of the fund is for research and development, trade promotion, human
21 resource development in the creative industry and for the welfare of artists, workers
22 and other stakeholders through accredited business support organizations and
23 creative associations. The Fund shall be capitalized, managed, utilized, and accounted
24 for in the manner provided under this Act. The Fund shall be sourced from the
25 following:

- 26 1) Income from specialized products, services, and royalties produced by the
27 Council;
- 28 2) Loans, contributions, grants, bequests, gifts, and donations whether from
29 local or foreign sources: *Provided*, That acceptance of grants, bequests,
30 contributions and donations from foreign governments shall be subject to
31 the approval of the President upon recommendation of the executive
32 director of the Council.

1 The program of expenditure for the programs, projects and activities to be
2 funded by the Trust Fund shall be itemized on a project-to-project basis and submitted
3 annually to Congress. In the identification and prioritization of specific programs,
4 projects and activities, the Council shall conduct prior consultation with the
5 representatives of the industry.

6 The Fund shall be valid for five (5) years and shall be subject to review of the
7 Council. Any remaining balance thereafter shall be reverted to the General Fund.

8 Section 20. *Engagement with the Private Sector.* – Accredited business support
9 organizations and creative associations shall, at all times, be consulted and
10 coordinated with on the formulation and implementation of programs and policies
11 concerning the creative industries, including the creation of jobs and the granting of
12 aid during national emergencies. Moreover, public-private partnerships shall also be
13 promoted towards infrastructure development for creative industries, subject to the
14 provisions of Republic Act No. 6957, as amended, otherwise known as the "Philippine
15 Build-Operate-Transfer (BOT) Law."

16 Section 21. *Local Culture and Arts Councils.* – All local government units, in
17 coordination with the Council and the DILG shall establish a Local Culture and Art
18 Council (LCAC). The LCAC shall exercise the following functions and powers in addition
19 to those provided under existing statutes, memoranda, and other issuances:

- 20 a) Support the Council in all of its functions as provided in Section 6 of this
21 Act;
- 22 b) Report to the Council the development and status of the implementation of
23 programs at the local level;
- 24 c) Regularly maintain a database of business support organizations and
25 creative associations within the territorial jurisdiction of the local
26 government unit where the LCAC is located and transmit such data to the
27 Council;
- 28 d) Formulate, plan, coordinate, implement, and assess policies, programs,
29 activities, and projects that promote and develop the locality's creative
30 industries, in coordination with the Council; and
- 31 e) Perform such other duties and functions as the Council may direct.

1 Section 22. *One-Stop Registration Center.* – The Negosyo Centers in local
2 government units established under Republic Act No. 10644, otherwise known as the
3 “Go Negosyo Act,” shall extend its services as a one-stop shop to assist creative
4 industry MSMEs or entrepreneurs in availing government services that are applicable
5 to the creative industries, including intellectual property registration, product and
6 business registration, loans, grants and benefits programs. There shall be a special
7 lane in all Negosyo Centers for this purpose.

8 Negosyo Centers shall provide electronic means of access and registration, in
9 accordance with the provisions of Republic Act No. 9485, otherwise known as the
10 “Ease of Doing Business and Efficient Government Service Delivery Act of 2018,” as
11 amended.

12 **OTHER PROVISIONS**

13 Section 23. *Annual Report.* – The Council shall submit to the President of the
14 Philippines and to both Houses of Congress, not later than the 30th of April of every
15 year following the effectivity of this Act, a report giving a detailed account of the
16 effectivity and implementation of this Act, including any recommended legislation, if
17 applicable and necessary.

18 Section 24. *Mandatory Review.* – This Act is subject for review at least once
19 every five (5) years or as often as may be deemed necessary by the Congress of the
20 Philippines, with the primary objective of enacting necessary reforms to respond to
21 emerging needs and developments in the creative industry, which may include a
22 review of existing governance structures.

23 Section 25. *Appropriations.* – The amount of Five Billion Pesos
24 (P5,000,000.000.00) is hereby appropriated for the initial implementation of the Act.
25 Thereafter, such sums as may be necessary for the continued implementation of the
26 Act shall be included in the annual General Appropriations Act.

27 Section 26. *Implementing Rules and Regulations.* – Within sixty (60) days from
28 the effectivity of this Act, the Secretary of Trade and Industry shall, in consultation
29 with other concerned government agencies, the industry representatives and non-
30 government organizations, promulgate the necessary rules and regulations for the
31 effective implementation of this Act.

1 Section. 27. *Separability Clause.* – If any provision or part hereof is held invalid
2 or unconstitutional, the remainder of the law or the provision or part not otherwise
3 affected shall remain valid and subsisting.

4 Section 28. *Repealing Clause.* – Any law, presidential decree or issuance,
5 executive order, letter of instruction, administrative order, rule, or regulation contrary
6 to or inconsistent with the provisions of this Act are hereby repealed, modified, or
7 amended accordingly.

8 Section 29. *Effectivity.* – This Act shall take effect fifteen (15) days after its
9 publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,