

# The importance and need for adequate legislation for the Film Industry in Central America

September 28, 2020

The Film Industry in Central America has shown significant growth in recent years. However, it is still in its early stages and is poorly developed; since in most countries of the region, there are not enough tools to allow it to consolidate. Among other factors that have a negative influence, there is a lack of funding and appropriate legislation.

Despite all these challenges, film production has continued to grow as both productions and the number of artists and professionals dedicated to said art has increased. An essential part of this has been creating different film schools, which have favored and enhanced an environment that allows the industry to develop.

The legal framework, however, regardless of the positive developments that have existed, is still not conducive. This up and coming industry needs adequate legislation that may create the necessary conditions for a more significant number of productions, both national and international.

A modern law that is adapted to the needs of the cinema stimulates the creation of new productions. Through it, sufficient conditions that promote the industry can be generated; for instance, funds and tax incentives can be granted, among other benefits, which ultimately promote both domestic and foreign investment in the industry, as well as the dissemination of our cinema in the rest of the world.

The only countries in the region currently have a film law are Nicaragua, Panama, and Honduras. Honduran law is the most recent one; it was issued at the end of 2019 and includes the creation of a fund for the development of production, tax incentives, as well as tax exemptions. On the other hand, in December 2019, the Guatemala Congress of the Republic introduced a new initiative for the Cinematography Law. On their behalf, Costa Rica also has an initiative in the legislative agenda.

The lack of appropriate legislation and incentives that favor and attract investment prevents the industry from growing in our region. A region with enough attractions and conditions so that each of its countries can become favorite destinations for productions of all kinds. These conditions range from geographic positioning to incredible human talent.

It has been shown that countries that have film legislation at the forefront have achieved significant improvements and increases in their industry, unlike those countries that lack regulation or their regulations are obsolete. The film industry may become an important economic growth factor in the region, as it has done in other Latin American countries. Hence, it is necessary to give it the importance it deserves. For this to happen, it is essential to have conditions and adequate legislation.

## Your Key Contacts



**Gabriela Gándara Ulloa**

Director of Intellectual  
Property and Technology,  
Guatemala City

D +502 2314 7500

M +502 5200 1300

[gabriela.gandara@dentons.com](mailto:gabriela.gandara@dentons.com)