

Commission adopts new film support rules

The European Commission has adopted revised criteria for assessing under EU state aid rules Member States' support schemes in favour of films and other audiovisual works. The new Cinema Communication allows aid for a wider scope of activities, highlights Member States' discretion in defining cultural activities worthy of support, introduces the possibility to give more aid to cross-border productions and promotes film heritage. The Commission took into account the comments received during three public consultations of Member States and stakeholders.

The new rules extend the scope of the 2001 Cinema Communication (see IP/01/1326), which applied only to state aid for film production, to include all phases of an audiovisual work from concept to delivery to audiences. The intensity of the aid that can be granted to a film continues to be limited in principle to 50% of the production budget. Distribution and promotion costs may be supported with the same aid intensity. However, co-productions funded by more than one Member State may now receive aid of up to 60% of the production budget. By contrast there are no limits on aid for script writing or film project development, or for difficult audiovisual works, as defined by each Member State in accordance with the subsidiarity principle.

Under the new rules, Member States are still allowed to impose territorial spending conditions on beneficiaries of audiovisual aid measures. Indeed, such a restriction to the rules of the EU Single Market is justified by the promotion of cultural diversity which requires the preservation of the resources and know-how of the industry at national or local level. The revised rules ensure that such territorial obligations remain proportionate to these objectives. In particular, Member States may require that 160% of the aid amount granted is spent in their territory. Member States may also require, independently from the aid amount granted, that a minimum level of production activity is carried out in their territory as a condition to receive the aid. This can never be higher than 50% of the production budget. In all situations, as before, no territorial spending obligation can ever exceed 80% of the production budget.

The new Cinema Communication also emphasises the importance of film heritage objectives linked to the collection, preservation and accessibility of European films. Member States should encourage and support producers to deposit a copy of aided works for preservation and specified non-commercial use.

Member States should bring their existing support schemes in line with this Communication within two years.

For information purposes, the full text of the new Communication is available at:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2013:332:0001:0011:EN:PDF>