

## [RO] Cinema Act Adopted

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On 25 June 2002, the Proiectul Legii Cinematografiei (Draft Romanian Cinema Act), which had already been adopted by the Senate, was approved by the Romanian Parliament.

The Act sets out the powers of the Centrul National al Cinematografiei (National Film Centre - CNC), which will operate under Government control and whose Chairman will hold the position of State Secretary. The Act regulates the CNC's extra-budgetary revenue, which is to be used to create a national cinema fund ("Fondul cinematografiei"). Under the provisions of the Act, the CNC will receive 3% of the advertising income of public and private television companies in Romania. In addition, all cable network operators will have to pay the CNC 3% of the advertising revenue generated by their own TV channels. The Act stipulates that video cassette distributors must pay 2% of their income to the fund. Further payments must be made by persons or companies which show foreign films in Romanian cinemas and public places, whereas Romanian productions are exempt from this tax. In return for the exploitation rights for Romanian films, the CNC will receive a fee of 25% and, for foreign productions filmed in Romania, 1% of the film budget. TV companies which devote more than 60% of their pay-TV transmission time to feature films will pay the CNC 1% of their subscription revenue.

The Act also regulates how the CNC should provide loans for film production. In order to receive funding from the CNC, the applicant must employ Romanian citizens in the shooting of the film, while at least two-thirds of the filming must take place in Romania.

