

## [RO] Support for the Romanian cinema industry

**IRIS 2019-4:1/28**

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On 15 February 2019, the Romanian Government decided to add soap operas, television series and sitcoms to the list of productions that could be funded under the state aid scheme for the film industry (see IRIS 2003-2/23, IRIS 2005-8/28, IRIS 2010-7/34, IRIS 2011-2/5, IRIS 2013-9/22, IRIS 2016-10/23, IRIS 2018-2/29, IRIS 2018-3/29, IRIS 2018-8/37, IRIS 2019-2/22).

The Romanian Government adopted Decision No. 90/2019 regarding the modification and completion of Government Decision No. 421/2018 for the establishment of a state aid scheme to support the cinematographic industry. The new document, in force since 20 February 2019, aims at supplementing the categories of film productions already eligible to receive state aid with short, medium, and feature film fiction; mini-series or television series; films for direct distribution on video or the Internet, or any other type of film support; artistic documentaries; and animated films. The government's decision was drafted by the National Commission for Strategy and Prognosis, which is responsible for the state aid scheme for the film industry.

According to Article I. of Government Decision No. 90/2019, Article 1, paragraph (3) has been amended to provide that the objective of the state aid scheme is to support film culture and production in Romania, consisting of both cinematographic films, as defined by Romanian legislation, and films and television series, as well as any other audiovisual productions within the meaning of the Council of Europe Convention on cinematographic co-productions, including by attracting foreign productions.

Changes to the definitions were introduced in Article 2, paragraphs c), h) and i) regarding the date on which the aid is granted, the level of aid, and the obligation to territorialise the expenditure. New points j) and n) have been added to Article 2 in order to define the following terms and expressions: "start working on the project or activity", "television mini-series", "TV series", "sitcom" and "soap opera".

New paragraphs (51)-(53) have been added to Article 3, paragraph (5), which provide, inter alia, that (51) the maximum annual budget of the scheme that may be allocated to the scheme also includes, in addition to the budget specified in paragraph (2), the amounts that had been designated for this purpose but were

not used in the previous years, within the limit of the maximum budget of the scheme and within the limits of the budgetary and commitment credits approved through the annual budget laws; (52) If the annual budget allocated to the scheme has been exhausted, applications for a funding agreement that did not fit into the allocated annual budget, but which cumulatively meet the conditions and eligibility criteria set out in this decision, are reviewed by the Film Commission in Romania, and will be funded from the following year's budget, if they are approved.

The new Article 4 (2) provides that the non-reimbursable financial allocations under the state aid scheme shall be granted provided that at least 20% of the total budget of the project is carried out on Romanian territory.

Article 6 (1) b) has been amended and extends the list of Romanian or foreign companies which can benefit from this state aid scheme, provided that they are the producer, co-producer and/or production service provider and that they produce short, medium and feature film fiction; television mini-series or series; films for direct distribution on video or the Internet/any other support; artistic documentaries; and animated films, all of which must be partly or entirely produced on Romanian territory. A new paragraph g) was added to Article 6 (1), which provides for a new cumulative condition for Romanian or foreign companies to benefit from the state aid scheme: they must provide proof of their own financial contribution or of the co-financiers to the project financing of producers/co-producers and, in the case of service providers, prove the contribution of the foreign producer. The financial contribution must cover at least the total production budget excluding VAT, except for the state aid requested under this scheme.

The new Article 7 (1) extends the beneficiaries of the scheme: state aid is granted for the production of films, such as short, medium and feature film fiction; mini-series; television series; films for direct distribution on video or the Internet/any other type of support; artistic documentaries; and animated films, irrespective of the medium through which they are exploited.

Throughout the amended Government Decision, reference to the rules, conditions and limits to be observed no longer concerns the state aid scheme but Regulation (EU) No. 651/2014.

A new Article 15.1 has been introduced which contains provisions for the revocation of the grant agreement and the repayment of the state aid in a number of circumstances, such as if the beneficiary had started working on the project before registering a grant application; the beneficiary had given incomplete or non-conforming statements in order to meet the eligibility criteria set out in this scheme, etc.

According to Article II. of Government Decision No. 90/2019, applications for financing agreements submitted and pending until the end of the year for which a registration session has been opened, including those related to 2018, will be analysed and settled the following year within the limits of the budgetary commitments provided for by law under the maximum annual budget and the maximum budget of the scheme.

Article III. of Government Decision No. 90/2019 stipulates that the provisions of the Decision apply to cinematographic projects submitted for the 2019 session, commencing on the date communicated by the National Commission for Strategy and Prognosis on its website.

***Hotărârea nr. 90/2019 privind modificarea și completarea Hotărârii Guvernului nr. 421/2018 pentru instituirea unei scheme de ajutor de stat privind sprijinirea industriei cinematografice***

<https://lege5.ro/Gratuit/gmzdanjsgm4q/hotararea-nr-90-2019-privind-modificarea-si-completarea-hotararii-guvernului-nr-421-2018-pentru-instituirea-unei-scheme-de-ajutor-de-stat-privind-sprijinirea-industriei-cinematografice>

*Decision No. 90/2019 regarding the modification and completion of Government Decision No. 421/2018 for the establishment of a state aid scheme to support the cinematographic industry*

