[DE] Amendment of Film Promotion Act passed by the Bundestag

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On 19 December 2024, the German Bundestag passed an amendment to film funding law. The new *Gesetz über Maßnahmen zur Förderung des deutschen Films* (Law on measures to promote the German film industry – FFG) of 23 December 2024 came into force on 1 January 2025, replacing the version previously adopted in 2016. The main innovations concern the introduction of a reference model for the funding of film production and distribution, as well as a partially automated project funding scheme for the cinema sector. The *Filmförderungsanstalt* (German Federal Film Promotion Agency – FFA) will become the central institution for federal film funding.

Discussion of the proposed reforms, which has been going on for several years, has focused on how Germany's film funding system can react to rising costs, competition between locations and a major shift towards foreign investment. The reform of the FFG is the first of several central pillars of a planned fundamental reform of funding law. However, further reforms could not be implemented due to the dissolution of the Bundestag before the early parliamentary elections.

The new FFG begins by establishing the FFA as the central institution for federal film funding, with responsibility for all types of film funding, i.e. both levy-based film funding and tax-funded cultural and jury-based film and media funding managed by the federal government. It also extends the FFA's authority to issue guidelines, which will strengthen its autonomy and enable it to react more flexibly and quickly to changing market conditions. The FFA's funding commissions will be largely abolished as part of measures to overhaul production and distribution funding. This funding will essentially be automated under the new FFG, which replaces the previous selective funding model with a reference model. As a result, decisions will no longer be made by a funding commission in procedures that can be very lengthy; instead, a fixed reference point system that takes into account the economic and cultural success of previous film productions will determine how much funding is granted. The government believes this will make funding procedures more predictable, transparent and efficient. In addition, access to production and distribution funding will be significantly expanded through lower-threshold requirements.

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Cinema funding will also be changed from reference-based funding to a partially automated project funding system in which funding will be granted as long as the eligibility requirements are met and funds are available, without the need for a final decision by the funding commission, as was previously the case. Eligibility for this type of funding will also be extended, in particular to applicants who do not yet operate a cinema but intend to do so. Finally, the proportion of funding awarded in the form of a grant will be increased.

The reforms also include changes to the film levy, although these are not as far-reaching as initially planned in earlier drafts. The levy that cinemas have to pay the FFA to support film funding will now be calculated according to each cinema's annual net revenue rather than the number of screens. Cinema operators will be exempt from the levy if their net revenue per cinema does not exceed EUR 150,000 per year (instead of EUR 100,000 previously). However, the proposal to remove the option for TV broadcasters to pay a proportion of their levies in the form of "media services" (by advertising cinema films) was rejected. This idea, which had been included in the draft, was removed by the Bundestag's Culture and Media Committee at its meeting on 18 December 2024 before the resolution was passed because there was no longer a majority in favour. However, the maximum proportion that can be paid in the form of media services will be reduced from 40% to 15% and this option will also be offered to video-on-demand services.

The new law also makes it easier for people with visual or hearing impairments to watch films by requiring accessible versions of funded films to be made available.

As well as amending the FFG, the federal government has set out further pillars of film funding reform: the amendment of the directive on federal jury-based cultural film funding, the introduction of a tax incentive model for film and series productions and an investment obligation for streamers and media library providers. However, these measures have not yet been finalised, and it remains to be seen how they will be handled after the elections in February. The Federal Government Commissioner for Culture and Media and the Federal Ministry of Finance have nevertheless agreed that the current film funding regime will continue in 2025 and that the quota for commercial film funding in the form of incentive funding through the German Federal Film Fund (DFFF) and the German Motion Picture Fund (GMPF) will be increased to 30% of German production costs.

Pressemittelung der Beauftragten der Bundesregierung für Kultur und Medien

https://www.kulturstaatsministerin.de/SharedDocs/Standardartikel/DE/2024/12/2024-12-20-ffg-verabschiedet.html?nn=9d01efe2-3478-4d3f-b082-3ea8728974b1

Press release by the Federal Government Commissioner for Culture and Media

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Gesetz über Maßnahmen zur Förderung des deutschen Films

https://www.recht.bund.de/bgbl/1/2024/451/VO.html

Law on measures to promote the German film industry

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