

# [CH] Publication of the Report on Consultation Concerning the New Federal Legislation on the Cinema

**IRIS 2000-6:1/21**

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The results of the consultation procedure on the bill proposing new federal legislation on culture and the film industry were published on 24 May 2000. The bill is aimed at relaxing the regulations and providing the Swiss filmmaking industry with a modern means of providing encouragement, giving preference to inducement rather than to intervention.

In general, the bill received a favourable reception among those consulted, particularly professionals in the filmmaking and audiovisual industries. Termination of the present authorisation scheme imposed on distributors was approved. On the other hand, a number of professional and political organisations wanted to maintain the requirement of obtaining authorisation for multi-screen cinemas, in order to avoid increased competition harmful to the diversity of full-length films on offer.

The definitive introduction of success-related funding, launched in 1997 for a five-year trial period, was welcomed by those concerned. The bonuses granted under this system are calculated according to the number of tickets sold for Swiss films and co-productions. Thus success-related funding complements the funding based on selective aid mechanisms.

Promoting the quality of the cinema films on offer by supporting diversity is one of the priority objectives of the new legislation. The bill was greeted unanimously on this point. On the other hand, the introduction of an inducement tax designed to maintain a varied offer of films stirred up considerably more controversy. The bill provides for a tax to be levied on films distributed in Switzerland with a large number of copies; the tax would build up a fund to support the distribution of films contributing to the diversity of the market for cinema films. This measure is directed mainly at American super-productions - in 1999, these represented 75% of the Swiss market. Most of the Swiss cantons and the film industry organisations whose members are film directors and producers are in favour of introducing an inducement tax. On the other hand, the economic organisations feel that this measure is punitive and discriminatory as it penalises the most successful films. Doubt is also cast on the inducement effect of the tax. Swiss distributors are also against introducing an inducement tax; they feel it is for the State to finance measures to encourage the film industry.

In view of these diverging opinions, the Federal Council has instructed the Federal Department of Home Affairs (DHA) to draft two different versions of the bill, one with and one without the inducement tax. The communication from the Federal Council on the new legislation on the film industry should be complete before the summer recess.

