

## [IT] New Law on Cinema

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The Legislative Decree setting forth new provisions in the field of cinematographic activities in Italy entered into force on 20 February 2004.

It establishes, under the Ministry for cultural assets and activities, a Commission for cinematography divided into two sub-commissions.

The first sub-commission will be in charge of the acknowledgment of the cultural interest, at the planning stage, of a movie. It will also decide on the maximum share of financial support to be allocated to such a movie, to be determined also on the basis of the proved artistic value of its authors.

The other sub-commission will verify, in respect of any work of acknowledged cultural interest, its substantial conformity to the original project as submitted to the other sub-commission. Furthermore, it will verify, in respect of all movies, the existence of the requisites necessary to obtain financial benefits, as well as the qualification of a movie as an art movie (i.e. " film d'essai").

The Decree also institutes information lists in which Italian film companies must enrol as a condition for obtaining financial benefits. Companies from other EU Member States having a branch or an agency in Italy are made equivalent to national undertakings, on the basis of reciprocity, if their activities are carried out mainly in Italy.

The conditions for the admittance of a film to the benefits provided for by the Decree are the acknowledgment of Italian nationality (such acknowledgement to be applicable to co-productions with EU Member States and, subject to a minimum share of 20% of the costs to be borne by the Italian producer, with third countries), its cultural or artistic or spectacular qualities, as well as adequate technical requirements, and the enrolment of the beneficiary undertaking in the information lists.

Subject to existing provisions regarding the ban on advertising tobacco products and a number of other conditions, the framing in a movie of trademarks and products no longer prevents it from admittance to the benefits.

A new Fund for film production, distribution, exhibition and technical industries substitutes the various previous funds for the financing of cinematographic

activities. It will be managed by the Ministry for cultural assets and activities on the basis of agreements with credit institutions. During a transition period of twelve months, the Fund will continue to be managed by the Banca Nazionale del Lavoro (National Bank of Labour).

In respect of production activities, the Decree introduces objective (automatici) criteria for the determination of the admissible financing. Also the evaluation of the applications for the acknowledgement of the cultural interest of a movie will be based partially on objective (automatici) parameters.

The Decree provides for automatic contributions for the distribution of movies of acknowledged cultural interest in Italy. The amount of the contribution shall be proportionate to the number of theatrical admissions obtained by the same distribution company in respect of the distribution, in Italy, of movies of cultural interest in the previous year.

The Decree provides also for the financing of cinema exhibitors in the form, *inter alia*, of a reduction of the interest payable on loan agreements and financial leases. Further benefits are granted in respect of interventions to be realised in small towns upon condition that the cinema theatre or its owner undertakes to schedule a certain percentage of Italian or European movies.

Further Ministerial decrees will be adopted in order to implement the provisions laid down in the main Legislative Decree.

***Decreto legislativo 22 gennaio 2004, Riforma della disciplina in materia di attività cinematografiche***

<http://www.cinema.beniculturali.it/leggi/Cinema2004.pdf>

*Legislative Decree of 22 January 2004, no. 28, New provisions in the field of cinematographic activities, published in the Official Gazette of 5 February 2004, no. 29*

