

## European Commission: New Communication on European Cinema

IRIS 2004-4:1/6

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On 16 March 2004, the European Commission adopted a follow-up Communication to its Communication of 26 September 2001 on certain legal aspects relating to cinematographic and other audiovisual works (see IRIS 2001-9: 6). The new Communication focuses on two central issues, which had been addressed in the earlier Cinema Communication, namely State aids to cinema and TV production and the protection of heritage.

The 2001 Cinema Communication set out the criteria to be followed by the Commission in assessing the compatibility of State aid schemes for cinema and TV production with the rules of the EC Treaty. These criteria consist of:

- Respect for the general legality principle, i.e. the scheme must not contain clauses which would be contrary to EC Treaty provisions in fields other than State aid;
- Fulfillment by the scheme of the specific compatibility criteria for aid to cinema and TV production, as set out by the Commission in its decision of June 1998 on the French aid scheme.

These assessment criteria were to remain valid until June 2004, but given the unanimous support for the existing rules by both Members States and professionals, the new Communication now extends their validity for another three years, up to June 2007. During this three-year period, however, the Commission will carry out a study on the cultural and economic impact of the existing aid schemes. In particular, the Commission intends to examine the effects of the "territorialisation clauses" of certain aid schemes (which make aid conditional upon a certain amount of the film's budget being spent in a particular Member State), analysing for instance their impact on co-productions.

As regards the protection of heritage, the new Communication contains a proposal by the Commission for a Parliament and Council recommendation on film heritage and the competitiveness of related industrial activities. The proposed recommendation follows extensive consultations with Member States and professionals, including a stocktaking exercise carried out by the Commission of the current situation regarding deposit of cinema works in the Member States (see IRIS 2004-1: 5). The results of the consultations show that four-fifths of



Member States already have a system of compulsory deposit for all - or at least for publicly financed - works, and that there is agreement on the need for systematic deposit systems to ensure preservation of film heritage.

The proposal only relates to cinematographic works and covers: the systematic collection of works; cataloguing and creation of databases; preservation; restoration; making deposited works available for educational, academic, research and cultural purposes and co-operation between the relevant institutions. For audiovisual works other than cinema works, voluntary deposit is suggested.

Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions on the follow-up to the Commission communication on certain legal aspects relating to cinematographic and other audiovisual works (Cinema Communication) of 26 September 2001 and Proposal for a Recommendation of the European Parliament and of the Council on film heritage and the competitiveness of related industrial activities, COM (2004) 171 final, 16 March 2003

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