

[RO] New Regulation in Support of Domestic Film Production

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A draft regulation on film production drawn up by the Romanian Ministry for Culture was adopted by the government on 14 July 2005 as Regulation N° 39 with effect from the beginning of August 2005.

Above all, the new rules, which replace the previous *Legea cinematografiei* nr. 630/2002 (Film Act N° 630/2002, see IRIS 2003-2: 13) should create better funding possibilities for Romanian film productions and improve the competitiveness of all domestic producers. More attention will be paid in future to quality guarantees when film projects requiring funding are selected to take part in project bids. Co-productions will receive more support than in the past, but above all the new funding system should promote home productions.

From now on, all public and private TV stations in Romania must pay 3% of the value of the advertising time allocated to them in their contract to the *Centrul Național al Cinematografiei* (national cinematographic centre - CNC). Pursuant to Art. 13 (1) e) this sum is kept back by the advertiser or agency that buys the advertising time and passed on to the CNC. The purchasers of advertising slots are also required to send the CNC, at regular intervals, lists of all their contracts showing the value of the contract and who sold them the advertising time. 3% of any revenue from the advertising time allocated by the broadcaster (which depends on the particular price of a minute of broadcasting at a particular time) must also be paid to the CNC in the case of barter agreements (contracts governing programme time exchanged in return for advertising time). Cable TV companies that have their own licence to produce programmes must give the CNC 3% of the price of sold advertising time. They must also contribute 1% of their monthly income to film production.

Delays in paying the sums owing to the CNC under the new rules will trigger the levying of interest and financial penalties in accordance with current legislation pertaining to taxes and duties accruing to the state. Under Art. 15, the CNC is also empowered to levy execution in accordance with prevailing legislation.

Under Art. 16, and subject to certain conditions also set out in the Regulation, video and DVD vendors and rental firms (who have to pay a 2% surcharge to the CNC) and television broadcasters and cable companies can opt instead to invest

up to 50% of the amount accruing to the CNC directly in a film production, following a request from a film producer and subject to notification of the CNC.

Art. 17 provides that public television in Romania must make a contribution of 15 % of its annual advertising revenue towards promoting domestic film production. Here, too, there is the possibility of opting instead to invest up to 50% of this sum directly, following a request from film producers.

According to Art. 78, the Societatea Română de Radiodifuziune (public radio) and the Societatea Română de Televiziune (public television) are required to include in the advertising time slotted into their programme schedules any advertisements for Romanian film premieres produced in accordance with the Regulation. Within 30 days of the Regulation's entry into force, the CNC, public radio and public television must agree on a protocol defining the conditions and time set aside in their programme schedule for raising awareness of Romanian film productions.

Ordonanța nr. 39 din 14 iulie 2005 privind cinematografia, Monitorul Oficial Nr. 704/4, 08/2005

http://www.cultura.ro/Files/GenericFiles/OG_39_cinematografia.doc

Regulation N° 39 of 14 July 2005, Monitorul Oficial Nr. 704/4 of August 2005

