

## [PL] New Act on Cinematography

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The newly adopted Act on cinematography of 30 June 2005 came into force on 19 August 2005. However, provisions on deductions, being an important part of cinematographic production support system, came into force on 1 January 2006 (Article 19 of the Act).

The new Law establishes an indirect support system, aimed at strengthening the domestic cinematographic film market, but it also provides additional rules for public service broadcasters referring to direct support. As established in this Act, Polski Instytut Sztuki Filmowej (the Polish Institute of Film Art) will be responsible for dealing with many different tasks, referring to a broadly understood support of Polish film art. Among its tasks will be the co-financing of the preparation of film projects, film productions, film distribution and dissemination, as well as the promotion of Polish film creativity and popularisation of film culture.

The Polish Institute of Film Art is a State legal person, supervised by the Minister of Culture. An important part of its revenues is constituted by deductions (given percentage of revenues) made by entrepreneurs whose business activity is connected with using films (i.e. broadcasters, digital platform operators, cable television operators, cinema owners, distributors selling or renting film copies in tangible form). The Institute's revenues include inter alia State grants, revenues from the exploitation of films whose copyright economic rights belong to the Institute, as well as revenues from the Institute's property and so on.

The newly created Institute will take over the tasks of the three existing State film institutions i.e. Agencja Scenariuszowa, Agencja Produkcji Filmowej, Film Polski - Agencja Promocji.

Television broadcasters (both private and public) are obliged to make payments to the Polish Institute of Film Art. They have to spend an amount of 1,5% of their revenues obtained from the emission of commercials, teleshopping and sponsored programmes or their revenues gained from fees paid directly by subscribers for the access to programme services broadcasted, if these revenues are higher in a given accounting year. These payments have to be made in quarterly periods, within 30 days after the end of the quarter. They have to be paid to the Polish Institute of Film Art.

Additionally, the public service broadcaster is obliged to spend not less than 1,5% of its annual licence fee revenues for film production. It refers to licence fees charged - according to the obligation provided by the Broadcasting Act - for the use of radio and television sets, paid by the viewers. Each year the public service broadcaster is obliged to provide - by the end of the first quarter of the calendar year - a report referring to the fulfilment of the aforementioned obligation. This report shall be delivered to the Director of the Polish Institute of Film Art. If the above mentioned amount has not been spent fully on film production, the public broadcaster shall give to the Institute the missing amount (i.e. the difference between 1,5% of its annual licence fee revenues and the amount actually spent in a given year for a film production.)

Any entity (natural or legal person) active in the cinematographic sector may submit an application for co-financing, the preparation of film projects, as well as for the film distribution and dissemination. The applicants have to be from Poland, any other European Union Member State or an EFTA Member State.

Co-financing is based on criteria such as artistic, cognitive and ethic values, significance for national culture and strengthening of the Polish tradition and mother tongue, enrichment of the European cultural diversity, envisaged results of the planned project, economical and financial conditions of its realisation.

Co-financing by the Institute may not exceed 50% of the film budget. An exception may be made for films which content and form have ambitious artistic character and if they have limited commercial value or are directors' debuts and low budget films. In any case, co-financing may not exceed 90% of the project's budget.

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