

# European Commission: French Cinema and Audiovisual Support Scheme Approved

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The European Commission has approved, on the basis of the EC State aid rules, the core aspects of the support mechanisms for cinematographic and audiovisual works notified by France. These mechanisms pertain to all stages in the lifecycle of a work and can be grouped in the following categories: support for the production of theatrical short- and feature films (including by way of tax credits); support for the distribution of films; support for cinema theatres; support for the production of television films; support for the video industry and specific financing mechanisms. In particular, the Commission was assured, as far as film production is concerned, that the criteria relating to the constraints on where the expenditures are to be incurred were fulfilled.

Despite the fact that the majority of these mechanisms qualify as State aid, the Commission has concluded that the criteria for the application of the cultural derogation principle, as laid down in Article 87.3(d) of the EC Treaty, are met. The 2001 Cinema Communication which focuses on State aid rules where cinematographic and audiovisual works are concerned, was also taken into consideration and was found to warrant the approval of the French support mechanisms. The Cinema Communication will expire in June 2007 and may be modified; the French authorities have committed to reviewing their mechanisms accordingly if necessary.

***“State aid: The Commission approves the French cinema and audiovisual support mechanisms”, Press Release IP/06/357, 22 March 2006***

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