European Commission: Commission Endorses new German Film Fund

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The European Commission has endorsed Germany's new film fund on the basis of EC Treaty state aid rules. The Commission's assessment of the scheme was based on the criteria set out in its 2001 Communication on state aid for cinema and audiovisual works (see IRIS 2001-9: 6). The scheme has been approved until 31 December 2009.

In summer 2006, the Federal Government decided to introduce measures to support the German film industry (see IRIS 2006-8: 12) and asked a group of experts to draw up the key allocation criteria for a new system of production cost rebates. After these key criteria were put forward in October, a provisional Directive on the new measures was published by the Ministry for Culture and the *Filmförderungsanstalt* (Film Support Institute - FFA).

Under the new scheme, funding will be allocated to feature films with total production costs of EUR 1 million or more, as well as documentary and cartoon films costing at least EUR 200,000 and EUR 3 million respectively and a minimum number of copies of which will be made available for cinemas. The amount of funding provided for each film will be between 16% and 20% of the production costs spent in Germany (the "German spend"), up to a maximum of EUR 4 million (or a maximum of EUR 10 million on request).

The key criteria include a series of conditions relating to the applicant, the production or the film itself. Applicants must be film producers whose residence or business headquarters are in Germany, or who at least have an office there, and who are providing at least 15% of the production costs out of their own pocket (exceptions may apply to a producer's first films). Where international co-productions are concerned, a financial investment of at least 20% of total production costs is required (at least EUR 5 million where production costs exceed EUR 25 million). In general, the "German spend" must constitute at least 25% (20% where overall production costs exceed EUR 20 million) of total production costs or EUR 15 million. The film itself must fulfil certain cultural criteria in accordance with a specially developed test, which includes a points system for the evaluation of content, production cost distribution and production, in which German/European factors play an important part.

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The *FFA* will manage the scheme, for which a total of EUR 60 million will be available each year.

"State aid: Commission endorsed new German film fund", press release of 21 December 2006

http://europa.eu/rapid/pressReleasesAction.do?reference=IP/06/1873&format=HTML&aged=0&language=EN&guiLanguage=en

Richtlinienentwurf des Beauftragten der Bundesregierung für Kultur und Medien (BKM), „Anreiz zur Stärkung der Filmproduktion in Deutschland"

http://www.filmverband-sachsen.de/pdf/richtlinie_fff.pdf

Draft Directive of the Ministry for Culture and Media, "incentive to strengthen film production in Germany"

Eckpunktepapier des Beauftragten der Bundesregierung für Kultur und Medien vom 16. Oktober 2006

Key criteria drafted by the Ministry for Culture and Media, 16 October 2006

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