

European Commission: New Dutch Financing Scheme for Film Industry Approved

IRIS 2007-8:1/3

*Reyer van der Vlies
Institute for Information Law (IViR), University of Amsterdam*

The summer months have brought good news to the Dutch film industry. On 12 July 2007, the European Commission approved two new film measures: the *Suppletiereregeling Filminvesteringen Nederland* (Supplement to Dutch Film Investments Arrangement) and a revised version of the *Regeling Lange Speelfilm* (Long Feature Film Arrangement). These measures create new funds, worth a total of EUR 162 million, meant to support the production of Dutch films. The Dutch Film industry has benefited since 1999-2000 from various forms of aid. One in particular, the Film- *Commanditaire Vennootschap* (Film-Limited Partnership), took the form of a business model and was based on fiscal advantages granted by the State to private investors. These advantages consisted in the possibility of deducting some of the invested amounts from taxable income. The Film-CV was credited in an official report to the Minister for Education, Culture and Science with having contributed to increasing the share of Dutch films in the domestic market from 5.5 % in 1999 to 13.5 % in 2005; However, the complexity and the very high administrative costs this fiscal measure entailed, warranted the creation of a new set of instruments to support the Dutch film industry. As per 1 July 2007, the Film-CV will cease to exist, the new construction will rely on the arrangements mentioned above. From now on, film projects which already have up to 65 % of the total capital needed can call on state support to supplement the remaining 35 %.

These new measures were duly submitted to the European Commission; After a thorough examination, the EC found the Dutch measures complied with the European state aid rules as laid down in the EC Treaty and the 2001 Communication on state aid for cinema and audiovisual works (see IRIS 2001-9: 6 and IRIS 2007-7: 4). This approval is valid until 1 July 2013. Filmmakers wishing to make use of this financial support should take into account that movies are expected to possess a certain cultural value and contribute to the national film diversity.

In order to benefit from the funds a film must comply with at least three out of seven of the following criteria: 1) the screenplay on which the film is based, is mainly set in the Netherlands, or in another Member State of the EU or EFTA; 2) at least one of the principal characters is connected with Dutch culture or the Dutch language area; 3) the original screenplay, on which the film is based, is written

mainly in the Dutch language; 4) the screenplay on which the film is based is an adaptation of an original Dutch literary work; 5) the main theme of the cinema film concerns art and/or an artist/artists; 6) the main theme of the cinema film concerns historical figures or events and/or 7) the main theme of the cinema film addresses actual, cultural, social or political issues relevant to the Dutch population.

Further more territorial conditions have been added, which require (a part of) the production to take place on Dutch territory. These additional conditions are allowed under the 2001 Communication as long as they do not exceed 80% of the production budget.

Suppletiereregeling Filminvesteringen Nederland, Staatscourant, 6 Juni 2007

<https://zoek.officielebekendmakingen.nl/stcrt-2007-106-p18-SC80796.html?zoekcriteria=%3fzkt%3dUitgebreid%26pst%3dStaatscourant%26vrt%3dFilminvesteringen%2b%26zkd%3dInDeGeheleText%26dpr%3dAnderePeriode%26spd%3d20070606%26epd%3d20070607%26sdt%3dDatumPublicatie%26ap%3d%26pnr%3d1%26rpp%3d10&resultIndex=1&sorttype=1&sortorder=4>

Supplement to Dutch Film Investments Arrangement, published in the Official Journal on 6 June 2007

“Een nieuwe poot onder de Nederlandse filmproductie”, advies aan de Minister voor Onderwijs, Cultuur en Wetenschap, 22 Oktober 2006

http://docs.google.com/viewer?a=v&q=cache:X6Kw3bYkTX8J:www.rijksoverheid.nl/bestanden/documenten-en-publicaties/kamerstukken/2006/12/06/bijlage-a-eeen-nieuwe-poot-onder-de-nederlandse-filmproductie/47397a.pdf+www.rijksoverheid.nl/.../2006/...een-nieuwe-poot-onder-de-nederlandse-filmproductie/47397a.pdf&hl=nl&gl=nl&pid=bl&srcid=ADGEEsGdJhw3x_KG2jSeda93mAoz1bnerLQt-9N-yXNmuNhUz8RZ2Vnhv8QI38nrrzaCpSHP8-ue69eyKpH5_odiex1BFUxaAlZMlzA1dPTdyNQFVgKloCn1BwmrGty474HJs4Rki7px&sig=AHIEtbRI_X5K1aDkcSVYvBgVPHsMcMyzpw

“A new leg under Dutch filmproduction” advice to the Minister for education, Culture and Science, 22 October 2006

“State aid: Commission endorses two new Dutch film funds” press release of 12 July 2007, IP/07/1083

<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/07/1083&format=HTML&aged=0&language=EN&guiLanguage=en>

