

[ES] Recent Developments Regarding Cinema Law

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On 1 June 2007, the Spanish Government approved the definitive draft of the Bill on General Audiovisual Law (known as the “Law on Cinema”). After extensive negotiations and discussions with industry players, the following outlines some of the final changes introduced in the final text:

- as regards investments of TV channels: the amount that private television channels must invest in the production of European films is 5% of their gross income (not of their profits). Following much criticism, the Government has chosen not to increase the percentage to 6%, as originally planned;
- concerning the measures to protect Spanish and EU films from American competition: exhibitors must comply with fixed screen quotas entailing that at least 25% of the sessions per year must exhibit European films. The Government’s first proposal was set to calculate the percentage of screen quotas per day and not per session, as now decided;
- with regard to independent market players: the Bill has recognised the category of independent producers and distributors, creating for them both rights and obligations;
- where tax measures are concerned: acknowledging the fact that cinema not only represents culture but also an industry, the Bill is introducing tax measures in order to attract capital to the industry; as a result it will be possible to claim tax relief of up to 18% on investments made;
- as regards film authors: according to the Spanish Copyright Law, the authors of the film are the director, the composer and the scriptwriter. The Bill also recognises the photography director as an author of the film;
- The Bill creates a new *Registro de Bienes Muebles* (Registry of Personal Property) to register and protect film works and other audiovisual works.

The text is currently in parliament. It is being discussed by the different political parties that make up the Congress of Deputies, and each political party may present a partial or total amendment to the text.

During the first week of October, the nationalist and independent political parties of the Autonomous Community of Catalonia withdrew the amendments they had presented upon reaching an agreement with the Ministry of Culture for the creation of a specific fund for cinema in languages different from Spanish, and which are recognised as official languages in Spain (Catalan, Basque and Galician).

Once all the amendments are presented, the Congress shall open the debate and the amendments will be retained or rejected in order to produce the definitive text, which will need to be approved by the Senate.

