

## [LV] New Draft Film Law Proposed

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The Ministry of Culture of Latvia has drafted and proposed a new Film Law. So far there has not been any field-specific law in Latvia in relation to the film industry (with the exception of the Regulations on the Distribution of Films, adopted in 2001).

The draft Film Law proposes to ensure the support policy for the national film industry, to promote the production and distribution of national films, as well as the preservation and protection of the film heritage. To achieve this goal, the law sets out the financing principles of films, the fundamental principles of the support policy, the governance of the film industry, as well as the basic rules of the distribution and classification of films. The draft law also provides important definitions for the film industry; in particular, it defines what film is to be considered a "national film", and what criteria apply to consider a film a "co-production film".

With respect to the support and financing policy, the draft law introduces two types of support granted by the state: direct and indirect support. Both types of support are administered by the National Film Centre, a state institution under the supervision of the Ministry of Culture, with the primary duty to implement the state cultural policy within the film industry. The draft law also specifies the status of the Latvian Film Council, a consultative expert body providing advice to the Minister of Culture.

The direct support shall be implemented by creating a Film Fund (a certain amount of the state budget funds devoted to the film industry). The support from this fund may be granted for the production and distribution of national films, as well as to other film related projects. The submitted projects applying for financing are evaluated by three standing expert committees (a separate committee for live action films, for documentary, and for animation films).

The indirect support to the film industry shall, according to the proposal, be achieved by granting tax deductions to persons who have received the status of a "qualified producer". The draft law lists criteria for obtaining such a status. He must be a legal entity who has made at least one full-length national film within the last three years, and whose primary activity is film production, constituting at least 50% of annual turnover. The tax deductions may be applied to certain

expenses of the qualified producer within the production of a national film, such as the purchase of new technological equipment for film production, the costs of the creative group within the film production, as well as costs related to the land and buildings used for the production of films.

According to the annotation to the draft Film Law, the Ministry of Culture hopes that the above described system of direct and indirect state support will provide a strong stimulus to the development of the national film industry, increase the professionalism of film producers, and will promote the competitiveness of the Latvian film industry.

The draft Film Law was announced at the Meeting of State Secretaries on 22 November 2007. Now the draft has to be confirmed with other ministries. After the reception of opinions of other ministries the Meeting of State Secretaries will need to approve the draft. Then, it should be transferred to the Cabinet of Ministers who decides whether to pass it for the adoption to the *Saeima* (the Parliament). Within this procedure, the draft Film Law may still be substantially amended.

