[HU] Amendment of the State Support Scheme for Film

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The framework of State support provided for the production and distribution of films in Hungary is defined by Act II of 2004 on Motion Picture (Film Act; see IRIS 2004-2: 13). The State support scheme was approved by the European Commission shortly following its establishment; however, the term of this approval has expired in 2008. This led to the revision of the film support scheme.

The subsequent assessment by the Commission has revealed that the Film Act needs certain amendments. However, none of the necessary amendments influences fundamentally the framework as established in 2004. The Hungarian legislator implemented the necessary changes by Act XXXVIII of 2008 on the amendment of the Film Act.

The most important elements of the amending rules are as follows:

- In accordance with the related practice of the Commission the new rules require that the aid granted by the State must benefit a cultural product. In order to be eligible for support under the scheme of the Film Act, cinema feature films need to meet certain cultural criteria as defined in detail by the act;

- As is the case with other European film support schemes, the Hungarian regulation contains territorial conditions. These require that a proportion of the film production expenditure is incurred in Hungary. Consistently with the related Communication of the European Commission of 2001 the amendment defines this proportion as 80 % of the film production budget.

- The amendment also redefines the criteria to be applied in connection with difficult and low budget films where the intensity of the State aid may exceed the general limit of 50 % of the production budget.

The amendment entered into force in July 2008 following the decision of the European Commission on the approval of the changes.

2008. évi XXXVIII. törvény, a mozgóképről szóló 2004. évi II. törvény módosításáról

http://www.nemzetifilmiroda.hu/upload/jogszabalyok/2008.evi_XXXVIII.torveny.pdf

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Act XXXVIII of 2008 on the amendment of Act II of 2004 on Motion Picture

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