[HU] Significant Amendments to the Film Act

IRIS 2012-2:1/26

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On 1 January 2012 an amendment to Act II. of 2004 on Motion Pictures came into force significantly changing the institutional and funding system of the Hungarian film industry (see IRIS 2004-2/28).

Under the new law the recently established Magyar Nemzeti Filmalap Közhasznú Nonprofit Zrt. (Hungarian National Film Fund - MNF) replaces the Magyar Mozgókép Közalapítvány (Motion Picture Public Foundation - MMKA), becoming the central body for the support of the Hungarian film industry.

The MMKA was established jointly by the Government and organisations of the film industry; the MNF's founder is the Magyar Nemzeti Vagyonkezelő Zrt (Hungarian State Holding Company - MNV) which exercises (under current regulations by the Ministry of National Development) the rights of the State of Hungary as owner of public assets. The head of MNF is the chief executive who shall be appointed by the founder of MNF. The tasks of MNF shall be in particular:

- to operate the system for distributing film subsidies, to monitor the use of these subsidies and to contribute to the development of the system;

- to elaborate principles for tender applications;

- to represent and support the Hungarian film industry internationally;

- to utilise films produced with State support.

The Filmszakmai Döntőbizottság (Film Industrial Arbitration Committee) shall be responsible for performing the MNF's task of operating the system of subsidies, in a manner defined in the Code of Subsidies of the MNF. Members of this committee are the CEO of MNF and four Hungarian citizens appointed by the CEO, who have at least five years' professional experience in the film industry.

The MNF shall receive 80% of the 6/45 Lotto Game's gambling tax revenues, which will be approximately HUF 4 billion; this will become the MNF's primary fund.

From 1 January 2012 the Nemzeti Média és Hírközlési Hatóság (Office of the National Media and Communications Authority - NMHH) shall perform the public

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administration tasks related to the operation of the motion picture industry. The NMHH shall operate the Nemzeti Filmiroda (National Film Office), the body which was previously responsible for these tasks. The head of the office shall be appointed by the president of NMHH. The authority shall in particular:

- rate films in order to protect minors and apply sanctions set out in the Act if rating regulations are breached;

- classify films worthy of support due to their artistic value or films that fulfill the supported cultural requirements, as well as movie theatres distributing such films;

- keep public records about films and organisations of the motion picture industry;

- verify entitlement to use subsidies and issue the subsidy certificate that entitles films to tax benefits;

- issue co-production certificates;

- perform statistical and data provision activities concerning the film industry.

The former Act contained three types of direct subsidies:

- Selective: subsidy that is due to the film producer, distributor or any other applicant under the Act based on the decision of the supporting body made by way of tender applications, by evaluation or individual request subject to the characteristics of the film (in particular script, budget, artistic value, the identity of the authors, producers and actors of the film) or the nature of another objective to be supported;

- Normative: subsidy that is due to a film producer or distributor if he/she meets the conditions specified in this Act or announced by the supporting body and which subsidy may be used by film distributors for distributing films and by film producers to produce films; and

- Structural: subsidy granted to applicants by the supporting body on a continuous basis, by assuming an obligation persisting for several budget years to promote motion picture industry objectives implemented throughout several years or in the same manner every year in accordance with the Act, provided that the applicant complies with the conditions specified by the Act and/or the supporting body throughout the entire duration of support provision.

From 1 January 2012 only the selective subsidy remains; the amendment abolished the others.

The Act contains several other amendments as well, for example in order to protect minors it adds a new rating category to the existing five: ”not suitable for viewers below the age of 6”.

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2011. évi CLXIX. törvény a 2004. évi II. törvény módosításáról

http://www.magyarkozlony.hu/pdf/11166

Act CLXIX of 2011 amending Act II. of 2004 on Motion Pictures, published in the Hungarian Official Journal of 9 December 2011 (pages 37357-37379)

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