[BG] Film Subsidy in 2013

IRIS 2013-5:1/13

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On 12 December 2012, the President of the Republic of Bulgaria vetoed a bill amending the Investment Encouragement Act (IEA). This bill provided a.o. that any investment into objects of intellectual property according to the Bulgarian Copyright Act could be awarded public aid if the budget foresees an expenditure of more than BGN 400,000 (approximately EUR 200,000) in Bulgaria.

As a result of the presidential veto, the bill was rejected by the Bulgarian Parliament with the argument that the criteria for encouraging investment in intellectual property had to be in conformity with the not yet adopted Communication of the European Commission on State Aid for films and other audiovisual works (see IRIS 2012-5/5).

This was the second unsuccessful attempt to introduce alternative financial instruments for the film sector. In 2010, a bill for amendments of the Film Industry Act (FIA) foreseeing tax credits for film producers failed because the Bulgarian Ministry of Finance and the Financial Committee of the Parliament considered that it infringed European standards (see IRIS 2010-5/11).

On 30 January 2013, the Association of TV Producers proposed amendments regulating investment mechanisms in the FIA and not in the IEA. The draft is supposed to be prepared after the adoption of the aforementioned Commission Communication.

At present, the only support for film production in Bulgaria is the state subsidy from the National Film Centre based on Art. 17 of the FIA, which provides as follows:

- at least 10% (equating EUR 640,000) of the funding is reserved for the support of local theatrical distribution of Bulgarian movies (including supported minority co-productions);

- up to 5% (equating EUR 320,000) of the funding is allocated to the support of cinema festivals, related events, and the international promotion of Bulgarian films;

- up to 5% of the funding is dedicated to special film projects on subjects proposed by the Ministry of Culture, and

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- at least 80% (EUR 5.22 million) of the funding is destined for any type of film productions (feature film, documentaries, animation and minority co-productions).

Bulgarian National Film Centre - information on film funding

http://www.nfc.bg/en/finansirane.html

ДЕКЛАРАЦИЯ НА АСОЦИАЦИЯ НА ТЕЛЕВИЗИОННИТЕ ПРОДУЦЕНТИ

http://www.atp.bg/bg/news_read/49/

Declaration of the Association of TV Producers - Proposal for the Investment Encouragement Act

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