

## [RO] New state aid scheme for cinematographic industry

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On 13 June 2018, by way of a Government Ordinance, the Romanian Government adopted a State Aid Scheme for Supporting the Cinematographic Industry (see IRIS 2004-2/35, IRIS 2011-2/5 and IRIS 2018-2/29).

The Government Ordinance was published in the Official Journal of Romania No. 508 of 20 June 2018. This state aid scheme is multiannual and will run until the end of 2020. The maximum annual budget of this new fiscal incentive is 233 million lei, which is equivalent to about EUR 50 million. The total maximum budget is 698 million lei, equivalent to about EUR 150 million for the period 2018-2020. According to this new scheme, up to 45% of the eligible costs for film productions realised on Romanian territory can be covered, under the following conditions:

- non-reimbursable financial allocations of 35% of the total eligible expenditure for the purchase, rental and manufacture of goods and/or services occasioned by the development of film and film production projects in Romania, as well as for fees, salaries and other payments to individuals, related to project implementation;
- non-reimbursable financial allocations of 10% in addition to the basic allocation (35%), provided there is tourist promotion of a geographical area, a city or Romania as such within the cinematographic production.

These financial allocations are granted provided that at least 20% of the total budget of the project is realised on Romanian territory.

This form of financial allocation is intended for Romanian or foreign registered enterprises that meet cumulatively a number of conditions, including: the realisation of the eligible costs for the implementation of the project, in total, must have a value of at least EUR 100 000; the cultural character of the project must have been proven; and it must fulfil the eligibility conditions approved by order of the President of the National Commission for Strategy and Prognosis, the body in charge of the implementation of state aid.

The state aid is granted for the production of films, regardless of the medium in which they are exploited; these could be short- and medium-length fiction films, television series, films for direct distribution on video or the Internet, or any other

type of support, artistic documentation or animation films. The maximum amount of state aid may not exceed EUR 10 million for each project financed under the scheme.

By promoting this state aid scheme, the government aims to stimulate film production by encouraging private initiative in the fields of the creation, financing, production and distribution of Romanian films or films made with Romanian participation. The government estimates that introducing fiscal incentives will benefit the film and television industry in Romania by supporting top-level professional training, promoting Romanian productions at international level and creating new jobs in the creative industries.

In that context, the Romanian Deputy Prime Minister, Ana Birchall, took part in the Ischia Global Film & Music Fest in Italy on July 19-21 2018 to promote the package of advantages designed to support co-production in the Romanian cinematographic industry. She invited filmmakers to make co-productions for the film industry through the state aid scheme and pointed out that the scheme makes Romania one of the most attractive destinations in Europe for film co-production.

***Hotărârea Guvernului nr. 421 din 13 iunie 2018 pentru instituirea unei scheme de ajutor de stat privind sprijinirea industriei cinematografice***

<http://www.monitoruljuridic.ro/act/hot-r-re-nr-421-din-13-iunie-2018-pentru-instituirea-unei-scheme-de-ajutor-de-stat-privind-sprrijinirea-industriei-cinematografice-emitent-201760.html>

*Government Decision no. 421 of 13 June 2018 on the establishment of a State Aid Scheme for Supporting the Cinematographic Industry*

