

**Procedure for the assessment, approval and disbursement of State Aid for projects that can be financed under the State Aid Scheme regulated by Government Decision No 421/2018 for the establishment of a State Aid Scheme on supporting the production of audiovisual works on the territory of Romania, starting with 2024**

- **GENERAL PROVISIONS**

(1) This procedure is issued on the basis of the provisions of Article 10 para. (3) of Government Decision no. 421/2018 for the establishment of a State Aid Scheme to support the production of audiovisual works in Romania, as republished, and regulates the application, settlement and payment of State Aid for projects registered in the call for projects organised from 2024 onwards ("Procedure").

(2) The provider of such State Aid Scheme is the Ministry of Culture and the administrator of the State Aid Scheme is the Film and Cultural Investment Office (Oficiul de Film și Investiții Culturale), hereinafter referred to as the Office.

(3) The administrative and eligibility checklists will be published on the Office's website on the date of publication of this procedure in the Official Journal of Romania.

- **Definitions**

(1) For the purposes of this Procedure, the following terms and expressions shall have the following meanings:

a) **Financing agreement** - a legal instrument concluded between the Office and the beneficiary, on the basis of the decision adopted by the Film Commission following the evaluation and verification process of a funding application, by which an eligible Project is approved for funding under this State Aid Scheme and by which the supplier/administrator undertakes to make the payment of the eligible amounts following the fulfilment of the obligations imposed on the beneficiary;

b) **beneficiary** - the applicant organisation holding a valid certificate of eligibility, and which has concluded a grant agreement with the Office, in keeping with the Film Commission's decision approving said application for funding;

c) **application for registration** - an application for the granting of aid submitted by an applicant prior to the commencement of work on a Project on the territory of Romania, **in the form set out in Annex no. 1.1, together with the documents set out in Annex no. 1.2**, with a view to the registration of the Project under the State Aid Scheme. For the sake of clarity, the conclusion of the contracts explicitly requested in the financing documentation detailed in Annex no. 1.2. does not constitute the commencement of work;

d) **application for funding** - the application submitted by the applicant, in order to sign the grant agreement, holding a valid certificate of eligibility, after the implementation of the Project on the territory of Romania, within a maximum of 60 working days from the date of the last day of filming on the territory of Romania, respectively within a maximum of 60 working days from the date of the last day of activity that causes eligible expenses to be incurred on the territory of Romania, but no later than 1 November 2026, **in the form provided for under Annex no. 2.1, together with the documents provided under Annex no. 2.2**;

e) **Application for payment** - the application submitted by the beneficiary holding a valid grant agreement, within 9 months from the date of signing of the grant agreement but no later than 1 November 2028, **in the form provided for in Annex no. 3.1, together with the documents provided for in Annex no. 3.2 and Annex no. 3.3**, for the purpose of State Aid payment;

f) **eligibility certificate** - a document issued by the Office, in the form set out in **Annex no. 1.4.**, based on the decision of the Film Commission, approving the application for registration and certification of the eligibility of the beneficiary and the proposed project, and entitling the applicant to request the execution of the grant agreement after the implementation of the Project on the territory of Romania, provided that all eligibility conditions are met;

g) **Film Commission** - The Film Commission in Romania, an independent decision-making body, consisting of experts appointed by the Minister of Culture on the basis of art. 12 of the Government Decision no. 421/2018, which ensures the assessment and settlement of projects submitted under the State Aid Scheme , the certification of the eligibility of applicants and projects for the issuance of eligibility certificates and the execution of financing agreements, as well as the certification of the eligible expenses actually incurred and to be settled to the beneficiaries under this Procedure;

h) **Government Decision no. 421/2018** - Government Decision no. 421/2018 for the establishment of a State Aid Scheme to support the production of audiovisual works in Romania, with subsequent amendments and additions;

- **Budget**

(1) The budget of the State Aid Scheme for the period 2024 - 2026, available according to Art. 3 para. (5) of H.G. nr. 421/2018, is detailed as follows:

a) commitment appropriations for the signature of financing agreements for the period 2024 - 2026;

b) budgetary appropriations for the payment of State Aid over the period 2024-2028.

(2) The maximum annual budget of the State Aid Scheme that can be allocated through the execution of financing agreements by the Office, is 273.6 million lei, equivalent to EUR 55 million.

(3) The budget of this State Aid Scheme is allocated by the Ministry of Culture in the budget of the Film and Cultural Investment Office.

(4) The State Aid shall be paid from 2024 throughout 2028, covering a maximum of 30% of the total eligible expenditure to produce eligible audiovisual works, carried out on Romanian territory, within the limit of the budgetary appropriations approved annually for

such State Aid Scheme, through the State Budget Law.

- **State Aid value**

- (5) For projects submitted from the 2024 session onwards, the State Aid granted under this Procedure consists of non-reimbursable financial disbursements amounting to **30% of the total eligible expenditure incurred on the territory of Romania**, after filling the Project application, for the purchase, rental, manufacture of goods and/or services related to the production of an eligible audiovisual work, as well as fees, salaries and other payments to natural persons related to the implementation of said Project in Romania.

- **Conditions for beneficiaries**

(1) In order to access the State Aid Scheme, applicants must fulfil the cumulative eligibility conditions set out in Government Decision no. 421/2018 and submit the documentation required thereby.

(2) The fulfilment of the eligibility conditions regarding the beneficiary will be verified by the Technical Secretariat, the Film Commission and the Office, according to the provisions of Gov.Dec. no. 421/2018 and the present Procedure:

- a) during the review and assessment stage of the application for registration
- b) before the eligibility certificate is issued;
- c) upon review and evaluation of the Grant application
- d) before signing the Grant Agreement;
- e) upon review and assessment of the payment claim;
- f) before State Aid is disbursed;
- g) under the monitoring procedure, until the State Aid is disbursed, in accordance with Article 16 para. (2) of H.G. no 421/2018.

(3) Failure to fulfil the cumulative eligibility conditions concerning the applicant at any of the stages set out in paragraph. (2) above, shall result in rejection of the Project.

(4) Failure by beneficiaries to comply with the conditions set out in this scheme, as well as with any obligations undertaken to obtain funding, shall result in the Office taking the necessary measures to recover the State Aid, including the related interest, in accordance with the provisions of Government Emergency Ordinance No 77/2014, approved as amended by Law No 20/2015, as republished

(5) **Art. 10. Project conditions**

(1) In order to be able to access the State Aid Scheme, proposed projects must fulfil the cumulative eligibility conditions set out in Government Decision no. 421/2018, as well as the criteria for classification as a cultural product, approved by decision of the Office's manager, according to Art. 18 paragraph. (1).

(2) To verify compliance with the provisions herein, the full script in Romanian shall be submitted together with the Project application or, at the latest, together with the Grant application.

(3) To the extent that the initially filed script undergoes changes during the implementation, the final script on which the Project has been implemented in Romania shall be submitted together with the application for Project funding.

(4) In the case of series for which the complete scripts are not available at the date of Project registration, the applicant may submit the complete script of each episode, in Romanian, at least ten working days before the filming for the respective episode started, with the Romanian Film Commission reconfirming, by decision, the eligibility of the script.

(5) The cumulative eligibility conditions for the projects, provided for by the Gov. Dec. no. 421/2018, as well as the criteria for the classification of the Project as "cultural product" will be verified by the Film and Film Office Commission, according to the provisions of the Gov.Dec. no. 421/2018 and of the present Procedure:

- a) during the review and assessment stage of the application for registration
- b) before the eligibility certificate is issued;
- c) upon review and evaluation of the Grant application
- d) before signing the Grant Agreement;
- e) upon review and assessment of the payment claim;
- f) before State Aid is disbursed;
- g) as part of the monitoring procedure, when the electronic recording of the final cultural product is submitted to the Office's headquarters, i.e. within a maximum of 5 years from the date of the last day of filming on Romanian territory.

(6) According to art. 9<sup>1</sup> letter g) of the Government Decision no. 421/2018, the beneficiary shall submit to the Office, the electronic recording of the completed cultural product within a maximum of 5 years from the date of the last day of filming on Romanian territory; otherwise, the applicant is obligated to repay the amount of State Aid, including any related interest, calculated in accordance with the provisions of Government Emergency Ordinance no. 77/2014, approved as amended through Law no. 20/2015, as republished.

(7) With a view to verifying the cumulative Project eligibility conditions, provided for by H.G. no. 421/2018, the criteria for the classification of the Project in the category of "cultural product" and the obligations set out in Art. 16 para. (12) of Gov. Dec. no 421/2018, at the latest at the time of submission of the final cultural product according to par. (6), the beneficiaries shall provide to the Office:

- a) a private viewing link to the final cultural product, in the form which has been publicly communicated, available for viewing by the Film Commission and the Offices' representatives;

b) a screenshot of the audiovisual work credits, mentioning the following text: "***Film made with the support from the Romanian Government***".

(8) Failure to fulfil the eligibility Project conditions or the criteria for classification of the Project as a 'cultural product' at any of the stages set out in paragraph. (5) shall lead to rejection of the project.

- **Eligible expenditure**

(1) Pursuant to the provisions 8 of the Government Decision no. 421/2018, eligible expenditure means the expenditure incurred after the date of submission of the application for Project registration, for the supply of goods and provision of services directly related to the production of an eligible audiovisual work, including costs related to improving accessibility for persons with disabilities, incurred after the date of submission of the application for Project registration, namely the following categories of expenditure:

a) fees, salaries and other payments to natural persons in connection with their activity directly related to the realisation of an eligible audiovisual work, if the income that such persons obtain for or directly related to the implementation of the eligible Project is taxable income in Romania according to the provisions of the Fiscal Code, bilateral tax conventions and international agreements in force at the date of the income;

b) any kind of payments for goods supplied and services rendered by legal persons, in the event that the goods and/or services are directly related to the production of the eligible audiovisual work, if: the legal person supplying said goods or rendering said services has its registered office in Romania; the legal person is a tax resident in Romania and the goods are supplied and the services are rendered on the territory of Romania, irrespective of their origin.

- **Maximum State Aid intensity**

(1) The maximum intensity of State Aid granted to produce audiovisual works will not exceed 50 % of the total Project budget.

(2) The Aid intensity may be increased up to 60 % of the total Project budget for cross-border productions which are financed by more than one Member State of the European Union and involve producers from more than one Member State;

(3) The Aid intensity for pre-production activities shall not exceed 100 % of the eligible costs.

(4) Where the script or Project developed from a Project financed from State sources or resources or administered by the State in any form whatsoever is transposed into an audiovisual work for which production costs are claimed under this State Aid Scheme , the pre-production costs shall be included in the total budget and taken into account for the calculation of the maximum total intensity of the State Aid granted.

(5) The maximum Aid intensity to produce a difficult audiovisual work will be regulated by separate provisions.

- **State Aid will be paid upon the beneficiary's request**, into the beneficiary's account opened with the Treasury Bank, within 120 calendar days of the date of approval of the payment request form by the Film Commission.

