

Pursuant to Articles 100, 102 and 107 of the Public Interest in Culture Act (Official Gazette of the Republic of Slovenia [*Uradni list RS*], Nos. 77/07 – official consolidated text, 56/08, 4/10, 20/11, 111/13, 68/16, 61/17 in 21/18 – ZNORG; hereinafter: ZUJIK, paragraph one of Article 17b of the Slovenian Film Centre Law, public agency (Official Gazette of the Republic of Slovenia [*Uradni list RS*], No. 77/10, 40/12 – ZUJF, 19/14 – Constitutional Court Decision and 63/16; hereinafter: ZSFCJA) and according to the Rules on carrying out public calls and tenders (Official Gazette of the Republic of Slovenia [*Uradni list RS*], No. 43/10) and as per Article 6 of the Rules on promoting investments in audiovisual production (Official Gazette of the Republic of Slovenia [*Uradni list RS*], No. 7/17), the Slovenian Film Centre, a public agency of the Republic of Slovenia (hereinafter: SFC), publishes

PUBLIC CALL **on promoting investments in audiovisual production 2019**

1. SUBJECT AND OBJECTIVE OF THE PUBLIC CALL

(1.1) The public call shall be intended for collecting requests for financial compensation for film and audiovisual projects which meet the formal and substantive conditions laid down in the text of this public call, Articles 17a and 17b of the ZSFCJA, and the Rules on promoting investments in audiovisual production (Official Gazette of the Republic of Slovenia [*Uradni list RS*], No. 7/17); hereinafter: Rules).

(1.2) The right to financial compensation may be exercised for films intended for cinema release, and audiovisual works of all types intended for release in the media while observing the formal and substantive conditions laid down in these Rules.

2. PROJECT TYPES WHICH ARE THE SUBJECT OF THE PUBLIC CALL

(2.1) The applicants shall apply to the public call with the following projects:

- feature films irrespective of their length;
- animation films irrespective of their length;
- documentary films irrespective of their length;
- medium-length and feature-length, animation or documentary projects suitable for public broadcasting within audiovisual media services;
- individual episodes of television serials and series;
- animated series;
- television serials, whereby an individual season of episodes is considered one project.

(2.2) Projects provided below shall not be entitled to financial compensation:

- projects intended for marketing and business advertising;
- projects containing pornography or inciting violence and hatred or any kind of discrimination;
- projects of the sitcom genre or situation comedy series;
- projects for so-called soap opera or serial melodrama broadcast daily.

(2.3) As per paragraph five of Article 17b of the ZSFCJA, the substantive conditions shall be defined as:

- cultural significance of the film or audiovisual work for the Republic of Slovenia or another Member State of the European Union;
- use of production or post-production capacities in the territory of the Republic of Slovenia;
- participation of operators from the Republic of Slovenia.

(2.4) To obtain the right to financial compensation, a project undergoing the candidacy procedure must obtain no less than 50 per cent of all possible points as per the substantive conditions determined in Annex, "Conditions for granting the right to financial compensation – cultural test", which is an integral part of this public call.

3. CONDITIONS TO BE MET BY APPLICANTS

(3.1) The right to financial compensation may be exercised by a legal entity or a natural person with headquarters in another country, Member State of the European Union, partner country of the European Economic Area or a third country that is registered for film or television production, and an executive producer with headquarters in the Republic of Slovenia who has concluded a contract for the realisation of a film or an audiovisual work in the territory of the Republic of Slovenia with a legal entity or a natural person with headquarters in another country, Member State of the European Union, partner country of the European Economic Area or a third country registered for film or television production while meeting the following conditions:

- has arranged for properly regulated copyright for the project;
- has had at least one project in the last three years which was broadcast in cinematographic distribution or in the media as per the act governing audiovisual media services;
- presents the expenditure spent for the project in the Republic of Slovenia, and has settled liabilities arising from taxes and contributions in the Republic of Slovenia and in the country of their headquarters or permanent residence.

(3.2) Legal entities or natural persons with headquarters in another country, Member State of the European Union, partner country of the European Economic Area or a third country that are linked with legal entities or natural persons registered for film and television production in the Republic of Slovenia shall not be entitled to financial compensation as determined in Article 4 of the ZSFCJA.

(3.3) In the case of an international co-production of a project, where one of the co-producers is a legal entity or a natural person registered to perform film and television production in the Republic of Slovenia, the beneficiary shall be the Slovenian co-producer.

(3.4) As per Articles 1 and 2 of Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in the application of Articles 107 and 108 of the Treaty Text with EEA relevance (OJ L 187, 26 June 2014; hereinafter: Commission Regulation (EU) No 651/2014), the following entities shall not be entitled to financial compensation:

- companies in difficulties or if they receive rescue and restructuring aid;
- legal entities or natural persons that have not settled all liabilities arising from a preliminary decision of the European Commission on declaring aid unlawful and incompatible with the internal market;
- legal entities or natural persons who themselves or their affiliated parties as per Article 4 of the ZSFCJA have not settled outstanding liabilities arising from taxes and contributions.

(3.5) A legal entity or a natural person with headquarters in a third country that is registered for film and television production shall conclude a contractual relationship with an executive producer who has headquarters in the Republic of Slovenia, and who manages film-making, production and/or post-production of a project in the Republic of Slovenia, in order to acquire the right to financial compensation.

4. INDICATIVE VALUE OF AVAILABLE FUNDS EARMARKED FOR PUBLIC CALL

(4.1) As per Article 17b of the ZSFCJA, the funds for granting subsidies shall be provided for from a special budget heading in the amount determined by the ministry responsible for culture and within deadlines determined for drafting the budget of the Republic of Slovenia.

(4.2) The indicative value of available funds earmarked for financial compensation shall be EUR 1,000,000. The funds shall be ensured from the budget heading for promoting investments in audiovisual production.

(4.3) The sum of financial compensation shall amount to up to 25 per cent of the total recognised costs for the implementation of the production of an individual project incurred in the territory of the Republic of Slovenia.

(4.4) Value added tax shall not be included in the basis for the calculation of financial compensation.

(4.5) Financial compensation shall constitute state aid for the production of projects which are eligible for financial compensation as per the conditions and provided documentation. State aid according to this public call shall be allocated as per the scheme [Spodbujanje vlaganj v avdiovizualno produkcijo \(Promoting investments in audiovisual production\)](#) (notification no.: BE01- 2399342-2017).

(4.6) The services of the Viba Film Studio in Ljubljana, which are considered eligible costs, shall not be observed as part of state aid when implementing the financial compensation scheme.

(4.7) In the case of other resources from state aid schemes, the funds shall be aggregated regarding the permitted amount of financial compensation.

(4.8) The amount of state aid shall not exceed 50 per cent of all costs declared for the production of the project.

(4.9) In the case of a low-budget or a demanding project, state aid may amount to no more than 80 per cent of all eligible costs declared for the production of the project.

(4.10) A demanding film or an audiovisual work shall be a project defined as a demanding film in 8. indent eight of Article 4 of the ZSFCJA.

(4.11) If the project involves international production financed by more than one Member State and involves producers from more than one EU Member State, state aid may amount to no more than 60 per cent of all eligible costs declared for the production of the project.

(4.12) Eligible costs shall be defined in Annex, "Eligible costs," which is an integral part of this public call.

5. ACQUISITION OF FORMS AND INFORMATION ON PUBLIC CALL

(5.1) The electronic form of application documentation which the applicants print themselves shall be equivalent to printed forms. The public call and forms may also be ordered from the Slovenian Film Centre, a public agency of the Republic of Slovenia, at the phone number provided below and are sent by mail free of charge. A written request for the aforementioned documentation may also be sent to: Slovenian Film Centre, a public agency of the Republic of Slovenia, Miklošičeva 38, 1000 Ljubljana.

(5.2) Information on the public call may be obtained by phone at 01 234 32 00 during the agency's business hours, i.e. every working day between 9:00 and 15:00, or by e-mail to martin.steblovnik@sfc.si. Mr Martin Steblonik shall be responsible for this public call at the Slovenian Film Centre.

6. APPLICATION METHOD AND DEADLINES

(6.1) For this public call, applicants shall submit an application to claim the right to financial compensation to the Slovenian Film Centre, a public agency of the Republic of Slovenia, no later than 45 days prior to filming in the Republic of Slovenia, or the start of production in the case of an animation film.

(6.2) The applicants shall submit their written applications referred to in the preceding point on prescribed forms with all supporting documents and attachments by hand or by mail to: Slovenian Film Centre, a public agency of the Republic of Slovenia, Miklošičeva 38, 1000 Ljubljana.

(6.3) Applications shall be considered according to the order of their receipt. The official of the agency receiving the applications shall clearly mark the date and time of submission of the application or the date and time the application was posted by mail on each application. All supplements or amendments to the application shall be recorded in the foregoing manner. Applications shall be opened by an official of the agency.

(6.4) The application shall include the following mandatory elements:

- name and size of the legal entity and the number of the transaction or business account (application form);
- estimated value of the project and sources of finance;
- cost estimate of filming, production and/or post-production of the project in the Republic of Slovenia with a list of anticipated costs;
- logline, synopsis and screenplay in the case of a feature project; synopsis and substantive concept for documentary projects; artistic concept, screenplay and storyboard for animation projects;
- schedule of production and post-production;
- evidence of regulated copyright and related rights of the project concerned;
- list of all Slovenian co-authors, authors of contributions and Slovenian cast in the relevant project;
- list of all Slovenian technical operators and co-workers in the production and/or post-production section;
- the use of technical capacities in the Republic of Slovenia (number of anticipated filming days in the Republic of Slovenia and possible audio and/or video post-production) as per the total scope of filming, production and/or post-production;

- contract between the principal producer and the executive producer if one has been concluded;
- evidence from the competent authority on the settlement of all outstanding taxes and contributions in the Republic of Slovenia or abroad if the agency is unable to obtain such data *ex officio*;
- evidence on public broadcasting of at least one project of the applicant in regular cinematographic distribution or in the media in the last three years, as per the act governing audiovisual media services, in which the applicant or their partner or legal representative participated as the principal producer or as a partner or legal representative of the principal producer.

(6.5) If the application is incomplete, the competent agency official shall ask the applicant who is the beneficiary as per the conditions of points 3.1 to 3.5 of this public call to supplement the application within 15 days. The applicant must be informed in the request to supplement the application that the order of the receipt of an individual application shall be determined after the application has been completed.

(6.6) If the applicant fails to supplement the application within the deadline, the agency shall dismiss the application as incomplete.

(6.7) If the applicant is not a beneficiary or if the application was submitted too late as per the period of the public call or the anticipated date for the start of filming the project, the director shall issue a decision on dismissal.

(6.8) The applicant has the right to complain against the decision on dismissal within 15 days of its service. The complaint shall be decided on by the ministry responsible for culture.

(6.9) The competent official shall compose a record of applications, which shall include the order of their receipt and their codes, titles or names of applicants and titles of projects. Complete applications shall be discussed by the expert programme committee for creating programmes for the realisation of projects (hereinafter: EPC).

(6.10) Complete applications of beneficiaries shall be discussed by the EPC as per the conditions from points 2.1, 2.2 and 2.3 of this public call, which shall implement the cultural test determined in point 2.4 of this public call. No later than 15 days after receiving the applications referred to in the preceding point, the EPC shall make its proposal to the agency's director, which shall include reasoned assessments and an opinion on whether the application is to be confirmed or rejected, and a financing proposal.

(6.11) Applications which fail to receive the minimum number of points as per point 2.4 of this public call, or if the project is assessed as ineligible by the EPC as per points 2.1 and 2.2 of this call, shall be rejected.

(6.12) If over 50 per cent of points are obtained as per point 2.4 of this public call, this shall not affect whether the applicant receives the right to financial compensation.

(6.13) On the basis of the EPC's proposal, the agency's director shall issue a decision on the right to financial compensation within 15 days of receiving the proposal. A complaint submitted to the ministry responsible for culture shall be permitted against the agency's decision 15 days after its service.

(6.14) On the basis of a decision to grant the right to financial compensation, the agency shall submit to

the operator a contract, which must be returned to the agency no later than 15 days from its receipt, or it shall be understood that the operator has withdrawn from co-financing of the project from public resources and that the contract was not concluded and the agency is free of any liabilities which arise from the decision.

(6.15) No later than 90 days after the completed production of a film or an audiovisual work in the Republic of Slovenia, the beneficiary shall submit to the agency the prescribed documentation proving that all prescribed conditions for the payment of financial compensation were met, that all declared costs were eligible, that contributions and taxes were paid and no substantial deviation from the project occurred.

(6.16) Within the deadline determined for drawing up the budget of the Republic of Slovenia in September of the current year, the agency shall inform the ministry responsible for culture of the amount of resources for financial compensation for the following year.

(6.17) When deciding on granting the right to subsidy, the procedure shall apply procedure which is laid down in the ZUJIK, ZSFCJA, the General Administrative Procedure Act (Official Gazette of the Republic of Slovenia [*Uradni list RS*], Nos. 24/06 – official consolidated text, 105/06-ZUS- 1, 126/07, 65/08, 8/10 and 82/13) and the Rules.

(6.18) As per paragraph two of Article 2 and point one of Article 28 of the Administrative Fees Act (Official Gazette of the Republic of Slovenia [*Uradni list RS*], Nos. 106/10 – official consolidated text, 14/15 – ZUUJFO, 84/15 – ZZelP-J and 32/16), the application and decision on granting the right to subsidy shall not be subject to the payment of tax.

(6.19) By submitting the application, the applicant agrees to all the terms and conditions of this public call.

(6.20) This public call shall be open until the resources have been disbursed (until the publication of its closing) but not longer than by 31st December 2019.

7. CONDITIONS FOR THE PAYMENT OF SUBSIDIES

(7.1) A project which is subject of the right to financial compensation according to this public call shall be deemed closed after all the activities laid down in the contract have been implemented.

(7.2) No later than 90 days after the completed production and/or post-production of a film or an audiovisual work in the Republic of Slovenia, the operator shall submit to the agency the final report proving that all prescribed conditions for the payment of financial compensation were met, that all declared costs were eligible, that contributions and taxes were paid and no substantial deviation from the project occurred as determined in point 7.6 of this call.

(7.3) The final report referred to in the preceding point shall include:

- form requesting the payment of financial compensation;
- statement from the competent authority on settled outstanding liabilities arising from taxes and contributions;

- total settlement of accounts and documentation of eligible costs and expenditure incurred for the production and/or post-production of the project in the territory of the Republic of Slovenia, approved by an authorised auditor;
- final list of the technical and creative cast, with the provision of participating countries;
- approved contract concluded between the principal producer and the executive producer if such a contract was concluded and if changes in shares occurred;
- information on scheduled public broadcasting of the project by the distributor or the provider of audiovisual media services.

(7.4) The agency shall be obliged to examine possible duplications of costs if the recipients of financial compensation are legal entities or natural persons being co-financed by the agency on the basis of other public tenders or public calls. If the agency suspects a duplication of costs, it shall request the beneficiary to provide a clarification on the basis of which the agency then decides whether the payment is justified and in what amount, or it shall withdraw from the contract and not pay the financial compensation.

(7.5) Each supporting document shall clearly display a direct connection with implementation of the project. When examining the request for payment, the agency may request additional clarifications or a statement proving the occurrence of costs regarding the project's implementation from the recipient of resources for any cost for which the agency could find no direct connection between the occurrence of the cost and implementation of the project, irrespective of the fact that a connection actually existed. If, despite the clarification or statement, a direct connection is not evident, the agency shall reserve the right to not recognise the cost.

(7.6) The agency shall verify the compliance of the documentation referred to in point 7.3 with the operator's application on the basis of which the operator was entitled to financial compensation. The operator is obliged to inform the agency immediately if a delay occurs during the filming, production and/or post-production of the project or a change in the estimated value of the project in the section that refers to financial compensation. If the deviation of the declared eligible costs incurred in the Republic of Slovenia from the reported estimated value is above or below 10 per cent, the agency shall verify the suitability of the project as per the application and the amount of eligible costs, while observing the permitted amount of state aid.

(7.7) If the agency establishes that the realised project deviates significantly from the project for which the decision was issued to the extent that it would no longer obtain the minimum number of points from point 2.4 of this public call, or if it is determined after the review of the final statement of accounts of the production and/or post-production that the obligations arising from the operator's application were not met, the agency shall withdraw from the contract.

(7.8) If a lesser use of eligible funds is established and if, according to points 2.1, 2.2, 2.3 and 2.4 of this public call, the project is still suitable, financial compensation in the actual amount of eligible costs incurred shall be paid.

(7.9) For the payment of financial compensation, the operator shall have, or shall open, a bank account in the Republic of Slovenia, and shall manage the project according to the principle of cost accounting.

(7.10) On the basis of complete documentation, the agency shall issue a certificate to the operator and a request on the basis of which the ministry responsible for culture shall pay financial compensation from a dedicated budget heading within deadlines determined for the payment of budgetary resources to the business account of the operator, who must also be the holder of eligible costs.

(7.11) The recipients of financial compensation shall state in the project programme and promotional materials that financial compensation in the Republic of Slovenia was obtained for the project and shall use logos of the ministry responsible for culture and the agency.

8. SUPERVISION

(8.1) The Slovenian Film Centre, a public agency of the Republic of Slovenia, shall have the right to verify the compliance of documentation and implementation of the project with the provisions of this public call and the applicable regulations at any time in the period from when the decision granting the subsidy was issued until ten years after payment of the subsidy by means of inspection, verification of documentation or in any other way, including the observance of the manner of informing the public that the subject of the contract was co-financed by the Republic of Slovenia. If a violation of the provisions of this public call or a violation of regulations or provisions of the contract on payment of the subsidy is established, the recipient of the subsidy shall be obliged to return the funds received to the ministry responsible for culture in the Republic of Slovenia, together with statutory default interest calculated for the period from the receipt until the repayment of the unjustifiably received subsidy.

NOTIFICATION

The implementation of this public call depends on the budgetary capacities of the Republic of Slovenia. If changes to the state budget occur which directly impact the implementation of the public call, the agency shall be obliged to take action in accordance with the changes to the state budget.

If the scope of funds earmarked in the state budget for the implementation of this public call is reduced during the implementation of this public call to the extent which no longer enables fulfilment of the objectives of this public call, the agency may for this reason stop the procedure of the public call or, if the selection of projects has already been completed, reduce the scope of co-financing as per the changes to the budget, change or terminate contracts already concluded regarding this public call.

Nataša Bučar
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a public agency of the Republic of Slovenia