

Madrid, 13 September 2018

LEGAL MEMO REGARDING CINEMA ACT IN ANDALUSIA

The purpose of the following legal memo ("Legal Memo", onwards) is the analysis by ECIJA of the recent publication in the State Bulletin of Act 6/2018, on Cinema in Andalusia.

For the first time, the *Junta* de *Andalusia* (the regional government) has approached the establishment of a legal framework regulating cinematographic activities and audio-visual productions, in order to foster the strength and development of the industry. These goals have been pursued from the conviction that the film industry needs a solid industrial infrastructure in order to evolve through time and to be able to innovate, offering quality products that the public would find interesting, leading to the growth and further competitiveness of the industry.

It is important to establish that the Andalusian Act establishes a legal framework, which needs to be concreted through a Decree within 18 months.

(I) SCOPE OF APLICATION

(i) Who and what projects can benefit from the subsidies?

- Natural persons residents in Andalusia
- Legal persons from Spain, from other EU Member State and from the European Economic Area which are established in Andalusia, developing activities related to the cinema industry and audio-visual production, as well as related technical industries.
- The following are expressly excluded: Audio-visual communication services, publicity content works and X movies, as well as those fully financed by Public Administrations.

In general terms, for the subsequent callings, which will develop the framework established in the Act, the following criteria must be considered: Cultural relevance of the work, achievement of gender equality, evaluation of the investments and the direct expenses of the project, and the possibility of creating jobs in Andalusia.

(II) RESOURCES INTENDED FOR THE SATISFACTION OF THE SUBSIDIES

(i) What type of resources are intended?

The initial budget prevision for these aids is of 48,7 million euros until 2022, out of the Cultural Council.

The Act provides the inclusion of what is called 'Estrategia Andaluza' for the impulse of the cinematographic and production sector as an instrument for the coordination of public policies in this area. The strategy shall aim at least at attaining the following objectives:

— The segmentation of activities, products and formats subject to the benefits



- The nature, value and origin of the public resources intended
- Evaluation mechanisms
- Programs and projects with the intervention of other Councils for coordination improvements
- Equality and parity measures
- Andalusia Brand incentive

(III) TYPE OF ECONOMIC AIDS INCLUDED IN THE ACT

(i) Public aids for the creation, development and cinematographic and audio-visual production

The Act points out that it's possible to establish aids intended for the creation, development and production of audio-visual works, included the elaboration of the scripts. In particular, it is intended to grant subsidies for the production of short movies, new languages and format genres, included those with interactive character.

These aids must be able to contribute with the total budget of the audio-visual work; therefore, they cannot be intended for specific parts of the budget.

The project evaluation criteria are the following:

- Its artistic and cultural value
- The project linkage with social, historic, geographic or cultural Andalusian reality and diversity
- The resource investment and the expected expense in Andalusia
- The expected economic efficiency to obtain and its presence in the diffusion channels
- The capacity for international projection
- The contribution with the encouragement policies for gender equality and others linked with the promotion and defence of human and constitutional rights
- The job previsions
- Those projects fostering I+D+i
- Those projects created by women representing the real situation of women

These aids may not be granted until they are concreted through official calling.

(ii) Subsidies to distribution

The legal text includes the creation of aids intended for distribution, whose basis would be subsequently stablished.

The criteria for its grant would be the following:

- a) Territorial range of distribution.
- b) The incorporation of new channels and technologies for distribution, and the measures facilitating the access to movies for disabled people.
- c) The fostering of competitiveness from the requesting entity.
- d) The historical and cultural promotion of Andalusia



(iii) Subsidies for the promotion and support of the presence in national and international markets

The Culture Council engages to facilitate and promote the presence of works totally or partially produced in Andalusia in festivals, events, national and international markets, as well as encouraging the identity of "Andalucía de cine". The beneficiaries and requisites for these aids would be concreted subsequently.

The Council commits to search for EU agreements that foster the internationalization of Andalusian productions and coproduction's, as well as its viewing in other countries of the continent.

(iv) Subsidies for the recording of cinematographic and audio-visual works

The Junta de Andalusia encourages the attraction of cinematographic and audio-visual recordings through the promotion of communications between private and public entities, being able to establish aids intended for a better international dissemination of the recording opportunities in Andalusia.

This way, the simplification of transactions is contemplated, and the creation of technical and artistic facilities is fostered.

(v) Subsidies for festival promotion

The Act considers the promotion of different Andalusian film festivals, as well as the creation of international and national job networks with the aim of obtaining new public. For the support of the objective, other economic aids for festivals would be established, following these requisites:

- To have parity judges
- To be taken place in Andalusian land
- To have as an object Andalusian production

(vi) Subsidies for accessibility for disable people and for cinemas

Its intended to encourage the improvement of audio-visual media usage for disabled people to enjoy correctly. To attain the mentioned objective, it could be established aids for the incorporation of audio description systems for visual or auditive disabled people, as well as aids for their inclusion in the audio-visual market.

Regarding cinemas, the intention is to establish aids for the improvement of digital projections.

(vii) Incentives for cinema and audio-visual associations

The Act foresees aids that facilitate the development of their collective activity and for the promotion of their interlocution with public authorities. Furthermore, specific subsidies can be granted for those projects which involve Andalusian producers and filmmakers.

(IV) THE REGISTRATION OF CINEMATOGRAPHIC AND AUDIOVISUAL PRODUCTION ENTITIES IN ANDALUSIA



The present Act does not only concrete the previous aids, but creates a Public Administration registry. In the latter, the following must be registered:

- Authorisation for the opening of X Cinemas
- Owners of cinemas in spite of their legal entity character
- Natural or legal persons that own entities related to the cinematographic and audio-visual production industry with at least one of the following objectives: Requesting the qualification of a nationality certificate of a cinematographic work, certifying its inscription in any Public Administration procedure (when the relevant administration doesn't count with a cinematographic entities Registry of their own) and exercising any of the rights and obligations included in the regulation.