# CINEMA STUDY ON TERRITORIALISATION REQUIREMENTS (Annex to Part A)

## MEMBER STATE LEGAL REVIEW



# AUSTRIA SYNTHESIS SHEET

**July 2007** 



This Member State Synthesis Sheet should be read in conjunction with Chapter A of the Study on the economic and cultural impact, notably on co-productions, of territorialisation clauses of state aid schemes for films and audio-visual productions for the European Commission that is available on www.eufilmstudy.eu

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## A Overview of the legal situation in Austria

## 1 Summary of main findings

**Table A – Direct Territorialisation Requirements** 

			Direct territorialization requirement quantified in the law			Direct territorialization requirement not quantified in the law			Explicit"	
Member State	Names of Funding Schemes	Available Budget	National (Nat) / Regional (Reg) Funding Scheme	X% in terms of film budget	X% in terms of State aid granted	X% of the amount of the total available budget that is subject to territorialization	List of requirements	Estimation of the X% of how much local expending this involves in terms of film budget	Estimation of the X% of how much local expending this involves in relation to the total aid available	Expected New Funding Schemes containing "Objective E Territorialisation Requirements (A.6): Y/N

Austria	Austrian Film	9,600,000	Nat	N/A	N/A	N/A	Y	N/A	N/A	N
	Institute (federal						The recipient			,
	level)						of the State aid			
							must shoot in			
							Austria almost			
							all the film.			
							The FFA does			
							not provide			
							any percentage			
							regarding the			
							shooting. Ex-			
							ceptions are			
							provided by			
							the FFA (2.2).			
	Film and TV <sup>1</sup>		Nat	N/A	N/A	N/A	Y	N/A	N/A	
	Agreement 2006						The recipient			
	(federal level)						of the State aid			
							must shoot in			
							Austria almost			
							all the film.			
							The FFA does			
							not provide			
							any percentage			
							regarding the			
							shooting.			
							Exceptions are			
							provided by			
							the FFA (3.2).			
	Federal Chancellery	1,290,000	Nat	N/A	N/A	N/A	N	N/A	N/A	
	(federal level)									

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<sup>&</sup>lt;sup>1</sup> Budget only available on funding body level. But since territorialisation degree is similar for each scheme it makes no difference.

TV	V Fund Austria	7,500,000	Nat	N/A	150%	N/A	N	N/A	N/A	
	ederal level)				Limited: At least 20% of all production costs can be spent in another MS (5.2).					
	ienna Film Fund egional level)	8,000,000	Reg	N/A	Limited: At least 20% of all production costs can be spent in another MS (6.2)	N/A	N	N/A	N/A	
of	ulture Department f the City of Vienna egional level)	450,000	Reg	N/A	N/A	N/A	N/A	N/A	N/A	
Fil the Lo	ilm Promotion of the Province of ower Austria egional level)	450,000	Reg	N/A	N/A	N/A	N/A	N/A	N/A	
Ciı	ine Styria Film und (regional level)	1,500,000	Reg	N/A	Limited: At least 20% of all production costs can be spent in another MS (9.2)	N/A	N	N/A	N/A	
	ine Tirol Film Fund egional level)	1,100,000	Reg	N/A	200%	N/A	N/A	N/A	N/A	

 $Table\ B-Indirect\ territorisalisation\ Requirements$ 

		located under "Forn	Indirect territorialization requirements located under "Formal Nationality Certification Procedures"		Indirect territo requirements lo selective aid ci procedu	on any other protection that forces the	Indirect territorialization based on any other provisions in the law that forces the producer to make local spending		
Member State	Names of Funding Schemes	List of requirements	Estimation of the X% of how much local expending this involves in terms of film budget	Estimation of the X% of how much local expending this involves in relation to the total aid available	List of requirements	Estimation of the X% of how much local expending this involves in terms of film - budget Estimation of the X% of how much local expending this involves in relation to the total	aid available List of requirements	Estimation of the X% of how much local expending this involves in terms of film - budget	Estimation of the X% of how much local expending this involves in relation to the total aid available

Austria	Austrian Film Institute (federal level)	Y Inter alia the requirements include German language of at least one of the final versions of the films, the nationality of the film director and of the crew members, the place of shooting are the formal criteria to grant the Austrian nationality to a motion picture (A 3 and 2.4)	N/A	N/A	Y The criteria for granting selective aid refer to the place of shooting, to the composition of the staff and to the improvement of the economic condition of the cinema industry in Austria (2.4)	N/A	N/A	Y The requirement to promote local film economy arguably qualifies as indirect territorialisation requirement (2.6)	N/A	N/A
	Film and TV Agreement 2006 (federal level)	Y Inter alia the requirements include German language of at least one of the final versions of the films, the nationality of the film director and of the crew members, the place of shooting are the formal criteria to grant the Austrian nationality to a motion picture (A 3 and 2.4)	N/A	N/A	Y The criteria for granting selective aid refer to the place of shooting, to the composition of the staff and to the improvement of the economic condition of the cinema industry in Austria (3.4)	N/A	N/A	Y The requirement to promote local film economy arguably qualifies as indirect territorialisation requirement (3.6)	N/A	N/A
	Federal Chancellery (federal level)	N	N/A	N/A	N	N/A	N/A	N	N/A	N/A

TV Fund Austria (federal level)	N	N/A	N/A	Y Criteria include economic efficiency and aim of promoting Austrian television films, series and documentaries (5.4)	N/A	N/A	Y The requirement to promote local film economy arguably qualifies as indirect territorialisation requirement (5.6)	N/A	N/A
Vienna Film Fund (regional level)	N	N/A	N/A	Y Vienna film industry effect-In order to be eligible to apply for State aid under this funding scheme, the film project must contribute to the cultural and commercial development of the film industry in Vienna (6.4)	N/A	N/A	Y The requirement to promote local film economy arguably qualifies as indirect territorialisation requirement (7.6)	N/A	N/A
Culture Department of the City of Vienna (regional level)	N	N/A	N/A	N	N/A	N/A	N	N/A	N/A

Film Promotion of the Province of Lower Austria (regional level)	N	N/A	N/A	Y State aid selective granting criteria include inter alia the percentage of Lower Austrian staff members, the employment of local companies, the contributions to the economic development of Lower Austria (8.4)	N/A	N/A	Y The requirement to promote local film economy arguably qualifies as indirect territorialisation requirement (8.6)	N/A	N/A
Cine Styria Film Fund (regional level)	N	N/A	N/A	Y Selective criteria are based on artistic evaluation and economic policy goals (9.4)	N/A	N/A	N	N/A	N/A
Cine Tirol Film Fund (regional level)	N	N/A	N/A	Y Selective criteria include inter alia the use of domestic facilities and the employment of Tyrol-resident film producers are decisive factors in evaluating the project's potential benefits to the local film industry (10.4)	N/A	N/A	Y The requirement to promote local film economy arguably qualifies as indirect territorialisation requirement (10.6)	N/A	N/A

 $Table \ C-Budget \ and \ Territorialisation \ Intensity$ 

Member State	Names of Funding Schemes	Available Budget	Objective explicit territorialisation	Degree of the territorialisation <sup>3</sup>				
State			requirement quantified in the law <sup>2</sup>	Funding Scheme Level <sup>4</sup>	Funding body level	Member State Level <sup>5</sup>		
Austria	Austrian Film Institute (federal level)	9,600,000	not available	< 1	High	79 %		
	Film and TV <sup>6</sup> Agreement 2006 (federal level)		not available	< 1				
	Federal Chancellery (federal level)	1,290,000	not applicable	= 0	No data available			
	TV Fund Austria (federal level)	7,500,000	150%	> 1	High			
	Vienna Film Fund (regional level)	8,000,000	Limited: At least 20% of all production costs can be spent in another MS (5.2).	= 1	High	_		
			Limited: At least 20% of all production costs can be spent in another MS (6.2).					
	Culture Department of the City of Vienna (regional level)	450,000	not applicable	No territorialisation	No data available			
	Film Promotion of the Province of Lower Austria (regional level)	450,000	not available	< 1	No data available			

Cine Styria Film Fund (regional level)	1,500,000	150%	> 1	No data available
		Limited:		
		At least 20% of all		
		production costs		
		can be spent in		
		another MS		
		(9.2)		
Cine Tirol Film Fund (regional level)	1,100,000	200%	> 1	No data available

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No territorialisation: total amount subject to territorialisation = 0

Assessment (Cambridge Econometrics/Ramboll) based on the methodology outlined in Appendix G

<sup>&</sup>lt;sup>2</sup> Assessment based on replies from local lawyers (see synthesis sheet)

High territorialisation: ratio "total amount subject to territorialisation"/"total budget available" >1

Moderate territorialisation: ratio "total amount subject to territorialisation"/"total budget available" =1 or <1

<sup>&</sup>lt;sup>4</sup> Formula: Sum of the budget of the scheme x its degree of territorialisation and divided by the sum of the budget of all the schemes.

Assessment (Cambridge Econometrics/Ramboll) based on the methodology outlined in Appendix G

<sup>&</sup>lt;sup>5</sup> "total amount subject to territorialisation"/"total budget available"

Assessment (Cambridge Econometrics/Ramboll) based on the methodology outlined in Appendix G

<sup>&</sup>lt;sup>6</sup> Budget only available on funding body level. But since territorialisation degree is similar for each scheme it makes no difference.

**Table D – Co-Production Agreements** 

Member State	Titles of Co-Production Agreements	Dates of Entry into Force of Co-Production Agreements	Expected New Co- Production Agreements: Y/N
Austria	Germany	1 November 1990	N
	France	1 October 1997	
	Italy	1 July 1968	
	Canada	18 May 2005	
	Switzerland	1 November 1990	
	Spain	10 April 1970	
	Luxembourg	Signed 23 January 2006, not yet in force	
	European Convention on Cinematographic Co-Production	1 January 1995	

Austria is currently a party to the European Convention on Cinematographic Co-Production and to six bilateral conventions.

There are nine funding schemes: four at the federal level (the Austrian Film Institute, Film and TV Agreement 2006, the Federal Chancery, the TV Fund Austria) and five at the regional level (the Vienna Film Fund, the Culture Department of the City of Vienna, the Film Promotion of the Province of Lower Austria, the Cine Styria Film Fund, the Cine Tirol Film Fund).

#### 2 Synopsis of conventions on co-production agreements

Austria is currently a party to the European Convention on Cinematographic Co-Production (see reply A.3 for Austria)<sup>2</sup>.

There are six bilateral conventions on co-production agreements, and one that has been signed but has not yet come into force (see reply A.5 for Austria).

On the federal level, the Federal Ministry for Economy and Labour ("Bundesministerium für Wirtschaft und Arbeit") is entrusted with the task of administering and supervising co-productions between Austria and foreign producers (see reply A.3 for Austria, see reply B.3 for ÖFI funding scheme).

## 3 Synopsis of formal nationality certification procedures

In Austria, there is a formal procedure at the federal level to assess and certify the nationality of a motion picture within the Austrian Film Institute-federal scheme. The nationality certification procedure is provided by the Federal Film Funding Act ("FFA").

Indirect territorialisation requirements that are not quantified in the law are located under the rules on formal nationality certification procedures that apply to this funding scheme.

These requirements are provided by the FFA as amended in 1980 (Section 11 FFA, see reply A.4 for Austria and Section B. below) and can be summarized as follows. The formal criteria for granting Austrian nationality to a motion picture are the producer's citizenship or place of residency, the legal office of the company, German language of at least one of the final versions of the films, the nationality of the film director and of the crew members, the place of shooting. The same criteria apply to bilateral co-productions, with an added condition of compliance with a co-production agreement (see reply A.4. for Austria).

However, where there is no applicable agreement, the Board of the FFA considers that these criteria can be met by an Austrian and a foreign financial participation

## 4 Synopsis of expected legal developments

A co-production agreement was signed with Luxemburg in January 2006 but further conditions need to be fulfilled for the agreement to come into force (see reply A.5 for Austria).

This indication refers to the attached replies and follow-up replies from the local lawyer to the legal questionnaire.

No new funding schemes with a budget of at least EUR one million are expected to come into force. Because of shifting budgets, some regional schemes might exceed this level of financing at some point in the coming years.

## **B** The Austrian funding schemes

## 1 Overview

In Austria, nine funding schemes have an annual budget of State aid that exceeds EURO one million (see reply A.2 for Austria).

Four of them are on the national (federal) level, the Österreichisches Filminstitut (Austrian Film Institute), the Film/Fernsehabkommen 2006 (Film and TV Agreement 2006), the Bundeskanzleramt (Federal Chancery) and the Fernsehfonds Austria (TV Fund Austria). The most important funding scheme is the Austrian Film Institute (ÖFI), consisting of a supervisory body that is represented by members of the Federal Chancery, the Ministry for Economics and Labour, the Ministry for Finance and the State Attorney.

Five funding schemes are on the infra-national level: Filmfonds Wien, the (Vienna Film Fund), Kulturabteilung MA7 Stadt Wien (the "Culture Department of the City of Vienna"), the Filmförderung des Landes Niederösterreich (Film Promotion of the Province of Lower Austria), the Tyrol Filmförderung – Film Commission & Fund Cine (Cine Tyrol Film Fund) and the Cine Styria Film Fund.

In Austria, State aid is granted both selectively and automatically (see replies B.12 and B.13 for respective funding schemes). Criteria for the grant of automatic aid on the federal level refer to the nationality certification procedure.

## 2 Analysis of the Austrian Film Institute (Österreichisches Filminstitut, ÖFI)

## 2.1 Description of the funding scheme

The "Austrian Film Institute" ("ÖFI") is based on the *Bundesgesetz vom 25 November 1980 über die Förderung des österreichischen Films* (BGBI 557/1980 idf BGBI 170/2004) - Federal Film Funding Act (FFA), most recently amended in 2004. The amendments came into force on 1 January 2005. There were no significant regulatory changes during the reference period 2001-2005.

Prerequisites for the granting of funding that are not provided for in the "FFA" are listed in the ÖFI Funding Guidelines, most recently amended on 4 July 2006 (see reply A.4 for Austria, see reply B.4 for ÖFI funding scheme).

For contact information see reply B.14 for Austria for ÖFI funding schemes. For additional information on this scheme see ÖFI website www.filminstitut.at.

State aid under this Federal funding scheme is granted in both ways, selectively and automatically (see replies B.10 and B.13 for Austria for the ÖFI funding scheme and Sections 2.2 and 2.3 below).

## 2.2 Synopsis of objective territorialisation requirements

#### 2.2.1 Rules

The following provisions containing objective territorialisation requirements apply to this funding scheme: Section 11, Art. 1(d), Art. 2(d) & (b) FFA (reply B.5 for Austria for ÖFI funding scheme).

#### 2.2.2 Practice

There is no relevant judicial and administrative practice reported (see reply B.9 for the ÖFI funding scheme).

#### 2.2.3 Discussion

The FFA provides that the location of shooting is to be in Austria except for scenes requiring foreign locations (see reply B.6 for ÖFI funding scheme for details; see section A 3). Cases of shooting taking place outside Austria need to be precisely documented to qualify for funding. This provision arguably contains an objective explicit territorial requirement that is not quantified by the law.

However the FFA does not provide for any percentage of funding to be spent locally.

#### 2.2.4 Conclusions

The objective territorialisation requirements that apply to this funding scheme can be summarized as follows: the recipient of the State aid must shoot almost all the film in Austria. The FFA does not specify any percentage regarding the shooting. Exceptions are provided by the FFA.

However, the FFA does not require any percentage of funding to be spent locally.

#### 2.3 Synopsis of indirect territorialisation requirements

#### 2.3.1 Practice

There is no relevant judicial or administrative practice reported (see replies B.10 for the ÖFI funding scheme).

#### 2.3.2 Discussion

Certain criteria for the nationality certification procedure arguably qualify as indirect potential territorialisation requirements (see above Section A 3).

In the State aid selective procedure the ÖFI takes into account selection of film projects based *inter alia* on the composition of the crew and the managerial staff (see Section 2.4 below). The requirement that the film project must contribute to the improvement of the technical and economic condition of the Austrian film industry can be qualified as an indirect objective territorialisation requirement (see reply B.11 for the ÖFI funding scheme referring to Section 6(1) FFG).

A recent amendment of the FFA in 2005 ("BundesVerfassungsgesetz, BGBl. Nr. 1/1930 idF BGBl. Nr. 121/2005", Art. 8(2), see reply B.12 under ÖFI funding scheme) specifies the objective of preserving cultural diversity within Austria as a criterion for selective and automatic aid. The judgment that a film can contribute to the quality and the economic viability of the Austrian film industry can override all other selective criteria (Section 12 FFA, Section 6 FG).

The requirement to promote the local film economy arguably qualifies as indirect territorialisation that is not quantifiable (see Section 2.6 below).

#### 2.3.3 Conclusions

There are arguably indirect territorialisation requirements that apply to this funding scheme. See Section A 3 above, B 2.4, 2.6 below.

#### 2.4. Synopsis of selective State aid granting criteria and procedures

This funding scheme grants State Aid in a selective way based on the Film Funding Act.

The producer's citizenship or place of residency, the legal seat of the company, German language of at least one of the final versions of the films, the nationality of the film director and of the crew members, the quality of the screenplay and the place of shooting are the main criteria for providing selective aid. Film projects must contribute to improving the quality and the economic situation of cinema in Austria in order to qualify for State aid (Section 11 & 12 FFA, Section 4 & 6 FG, see reply B.13 for the ÖFI funding scheme). The same criteria apply to bilateral co-productions, with an added condition, that these must comply with a co-production agreement.

Selective aid is granted on the basis of the film's cultural identity and quality, the level of the financial participation, the granting of a certificate of origin in the country of the majority producer, the distribution of the utilisation proceeds in the bilateral agreement and reciprocity in film funding (Section 12 FFA, Section 8 FG).

The criteria for granting selective aid expressly refer also to the composition of the staff and to the improvement of the economic condition of the cinema industry in Austria (see reply B.13 for the ÖFI funding scheme).

The conditions for selective aid referring to the aim of promoting the Austrian film economy can be interpreted in a way that gives scope for indirect territorialisation that is not quantified in the law.

## 2.5 Synopsis of the relation between territorialisation requirements and coproduction agreements

According to the FFA as amended in 1980, federal funding is provided by the Austrian Film Institute also for foreign co-productions on the basis of specific eligibility criteria (BGBI 557/1980 idf BGBI 170/2004, Sec 11 FFA. See reply A.4. for Austria; refer to www.filminstitut.at/downloads/11151230FILM%20FUNDING%20ACT%20200 5.pdf).

Austrian co-productions have to meet the same criteria in terms of specific percentage shares of Austrian and non-Austrian financial participation, unless the criteria are otherwise overruled by the related clauses of the international co-production agreement (see reply A.4.A for Austria, Section 11, Art. 3(c) FFA, see replies B.5 and B.6 for Austria for the ÖFI funding scheme). However, where there is no applicable agreement, the Board of the FFA considers that these criteria can be met by an Austrian and a foreign financial participation (Bundesgesetz vom 25 November 1980 über die Förderung des österreichischen Films, BGBI 557/1980 idf BGBI 170/2004", Section 11 FFA, see reply A.4.A for Austria). A recent amendment of the FFA in 2005 ("BundesVerfassungsgesetz, BGBI. Nr. 1/1930 idF BGBI. Nr. 121/2005", Art. 8(2), see reply B.12 under ÖFI funding scheme) specifies the objective of preserving cultural diversity within Austria as a criterion for selective and automatic aid.

Since there are objective territorialisation requirements applying to the ÖFI funding scheme, conflict of rules or inconsistency between the FFG and the various conventions on co-production can occur (see reply B.5 for the ÖFI funding scheme).

Austrian co-productions have to abide by the same criteria to the extent of specific percentage shares of Austrian and non-Austrian financial participation, unless the criteria are otherwise overruled by the related clauses of the international co-production agreement (Section 11, Art. 3(c) FFA, see replies B.5 and B.6 for the ÖFI funding scheme).

## 2.6 Synopsis of purpose and cultural clauses applying to the funding scheme

Art. 1 FFA (see ÖFI funding scheme reply B.12) provides that the purpose of the most important federal fund, Austrian Film Institute ("Österreichisches Filminstitut, ÖFI"), is to sustain the Austrian film industry in Austria and abroad (Art. 1 FFA; see ÖFI funding scheme reply B.12). It also aims at promoting creativity and artistic quality and enhancing the cultural identity of the Austrian film production and industry (Art. 2 FFA, see reply B.12 for ÖFI funding scheme). The ÖFI grants foreign films the qualification of Austrian films if the project's cultural identity is strengthened ("BundesVerfassungsgesetz, BGBl. Nr. 1/1930 idF BGBl. Nr. 121/2005", Art. 8(2), see reply B.12 under ÖFI funding scheme) specifies the objective of preserving cultural diversity within Austria as a criterion for selective and automatic aid. The judgment that a film can contribute to the quality and the economic viability of the Austrian film industry can override all other selective criteria (Section 12 FFA, Section 6 FG).

The requirement of promoting the local film economy arguably qualifies as an indirect territorialisation requirement.

## 3 Analysis of the Film and TV Agreement 2006 funding scheme

#### 3.1 Description of the funding scheme

The "Film and TV Agreement 2006" ("Film/Fernsehabkommen 2006") is based on ORF-Gesetz, BGBl.Nr. 379/1984 zuletzt geändert durch BGBl- ORF Act" which was most recently amended in 2001 and by the FFA. The authorities in charge of its supervision and administration are the "Austrian Film Institute" ("ÖFI") and the "Austrian Broadcasting Corporation" ("ORF"). This federal funding scheme complies with the requirements of the "Film Funding Act", "FFA" (see Part. 2.1, see reply B.4 for Film and TV Agreement 2006. The ORF Act does not contain any relevant provision for the purposes of this study.

In the reference period this funding scheme was already in force but it was based on the previous Film and TV Agreement of 1989 as amended in 1994 and 2003. However there were no significant regulatory changes during the reference period from 2001 to 2005 affecting the legal questions addressed by this study.

For contact information, see reply B.14 for Austria for Film and TV Agreement 2006. For additional information on this scheme, see ÖFI website: www.filminstitut.at.

## 3.2 Synopsis of objective territorialisation requirements

#### 3.2.1 Rules

As the funding scheme is manly governed by FFA, see Section 2.2.

The following provisions containing objective explicit territorialisation requirements apply to this funding scheme: Section 11, Art. 1(d), Art. 2(d) & (b) FFA), as amended in 1980 (see reply A.4 for Austria; see Section 2.2 above).

#### 3.2.2 Practice

There is no relevant judicial or administrative practice reported.

#### 3.2.3 Discussion

The FFA provides that the location of shooting is to be in Austria except for scenes requiring foreign locations (see reply B.6 for ÖFI funding scheme for details; see Section A 3). Cases of shooting taking place outside Austria need to be precisely documented to qualify for funding.

This provision arguably contains an objective explicit territorial requirement that is not quantified by the law.

#### 3.2.4 Conclusions

The objective territorialisation requirements that apply to this funding scheme can be summarized as follows: the recipient of the State aid must shoot almost all the film in Austria. The FFA does not specify any percentage regarding the shooting. Exceptions are provided by the FFA.

However the FFA does not specify any percentage of funding to be spent locally.

#### 3.3 Synopsis of indirect territorialisation requirements

#### 3.3.1 Practice

There is no relevant judicial or administrative practice reported.

#### 3.3.2 Discussion

See above Section 2.3.

## 3.3.3 Conclusions

There are arguably indirect territorialisation requirements that apply to this funding scheme. Further reference is made to Section A 3 above, B 3.4, 3.6 below.

## 3.4. Synopsis of selective state aid granting criteria and procedures

This funding scheme grants State Aid in a selective way based on the Film Funding Act.

The producer's citizenship or place of residency, the legal seat of the company, German language of at least one of the final versions of the films, the nationality of the film director and of the crew members, the quality of the screenplay and the place of shooting are the main criteria for providing selective aid. Film projects must contribute to improving the quality and the economic situation of cinema in Austria in order to qualify for State aid (Section 11 & 12 FFA, Section 4 & 6 FG, see reply B.13 for the ÖFI funding scheme). The same criteria apply to bilateral co-productions, with an added condition, that these must comply with a co-production agreement.

Selective aid is granted on the basis of the film's cultural identity and quality, the level of the financial participation, the granting of a certificate of origin in the country of the majority producer, the distribution of the utilisation proceeds in the bilateral agreement and reciprocity in film funding (Section 12 FFA, Section 8 FG).

The criteria for granting selective aid expressly refer also to the composition of the staff and to the improvement of the economic condition of the cinema industry in Austria (see reply B.13 for the ÖFI funding scheme).

## 3.5 Synopsis of the relation between territorialisation requirements and coproduction agreements

See above Section 2.5.

## 3.6 Synopsis of purpose and cultural clauses applying to the funding scheme

Art. 1 FFA (see ÖFI funding scheme reply B.12) provides that the purpose of the most important federal fund, Austrian Film Institute ("Österreichisches Filminstitut, ÖFI"), is to sustain the Austrian film industry in Austria and abroad (Art. 1 FFA; see ÖFI funding scheme reply B.12). It also aims at promoting creativity and artistic quality and enhancing the cultural identity of the Austrian film production and industry (Art. 2 FFA, see reply B.12 for ÖFI funding scheme). The ÖFI grants foreign films the qualification of Austrian films if the project's cultural identity is strengthened. "BundesVerfassungsgesetz, BGBl. Nr. 1/1930 idF BGBl. Nr. 121/2005", Art. 8(2) (see reply B.12 under ÖFI funding

scheme) specifies the objective of preserving cultural diversity within Austria as a criterion for selective and automatic aid. The judgment that a film can contribute to the quality and the economic viability of the Austrian film industry can override all other selective criteria (Section 12 FFA, Section 6 FG). See above Section 2.6.

The requirement of promoting the local film economy arguably qualifies as an indirect territorialisation requirement.

## 4 Analysis of the Federal Chancery Funding Scheme

#### 4.1 Description of the funding scheme

The Federal Chancery Funding Scheme is based on the "Federal Art Funding Act" ("Kunstförderungsgesetz 1988, BGBl. Nr.146/1988 idF BGBl. I Nr.95/1997 und BGBl. I NR.132/2000", "AFA"), which came into force on 19 March 1988 and was most recently amended on 30 December 2000 (see reply B.4 for the BKA funding scheme). The authority in charge of its supervision and administration is the "Federal Chancellor" ("Bundeskanzler"). The "Federal Chancery" ("Bundeskanzleramt", "BKA") also issued guidelines which apply to this funding scheme.

For additional information on the guidelines, see BKA website: www.bundeskanzler.at. For contact information, see reply B.14 for Austria for the "Federal Chancery" funding scheme.

#### 4.2 Synopsis of objective territorialisation requirements

#### 4.2.1 Rules

No provisions containing objective explicit territorialisation requirements apply to this funding scheme.

#### 4.2.2 Practice

There is no relevant administrative and judicial practice reported (see reply B.5 for Austria for the "BKA" funding scheme).

#### 4.2.3 Discussion

N/A (see reply B.5 for Austria for the "BKA" funding scheme).

#### 4.2.4 Conclusions

No objective territorialisation requirements apply.

## 4.3 Synopsis of indirect territorialisation requirements

#### 4.3.1 Practice

There is no relevant judicial or administrative practice reported (see reply B.10 for Austria for the "BKA" funding scheme)

#### 4.3.2 Discussion

N/A

#### 4.3.3. Conclusions

There is no reported practice on indirect territorialisation requirements.

## 4.4 Synopsis of selective State aid granting criteria and procedures

State aid under this funding scheme is granted in both ways, selectively and automatically.

State aid under the Federal Chancery Funding Scheme is granted selectively on the basis of quality criteria, taking into account independent and innovative films that bring critical perspectives to themes of cultural and social relevance.

Automatic aid is provided under specific conditions, relating to the non-commercial quality of the content, the artistic and aesthetic dimension and the innovative content of the films that are to be distributed in type-related festivals (see reply B.13 for BKA funding scheme; for funding criteria, refer to: http://www.bundeskanzler.at/Docs/2006/9/27/FKFBeirat 25092006 Druck.pdf).

No indirect territorialisation requirements are located under the criteria and procedures for granting selective State aid.

4.5 Synopsis of the relation between territorialisation requirements and co-production agreements

N/A

## 4.6 Synopsis of purpose and cultural clauses applying to the funding scheme

The purpose of the "BKA" funding scheme is to promote the production and distribution of experimental, animation, documentary and short independent films that bring critical perspectives to themes of cultural relevance.

No indirect territorialisation requirements are located under the cultural and purpose clauses.

## 5 Analysis of TV Fund Austria Funding Scheme

#### 5.1 Description of the funding scheme

The "TV Fund Austria" ("Fernsehfonds Austria") is based on Sections 9B-9F of the Austrian Communications Act ("KommAustriaG, BGBL I Nr.32/2001", "ACA"), which was most recently amended in 2004 (see reply B.4 for TV Fund Austria funding scheme). The "TV Fund Austria" Guidelines for Grants have been effective since 1 June 2005.

The authority in charge of its administration is the Austrian Regulatory Authority for Broadcasting and Telecommunications ("Rundfunk und Telekom Regulierungs-GmbH", "RTR").

For contact information see reply B.14 for Austria for TV Fund Austria funding scheme. For additional information on the scheme see RTR website: www.rtr.at.

## 5.2 Synopsis of objective territorialisation requirements

#### 5.2.1 Rules

The following provisions containing objective explicit territorialisation requirements apply to this funding scheme: Art.2, Art. 3(2), Art. 3(3), Art. 3(4) of the Guidelines for grant (see replies B.6 and B.13 of TV Fund Austria funding scheme).

#### 5.2.2 Practice

There is no judicial or administrative practice reported (see reply B.5 for Austria for TV Fund Austria funding schemes).

#### 5.2.3 Discussion

The objective territorialisation requirements that apply to this funding scheme can be summarized as follows. The film's expenditures in the form of expenses incurred in Austria must, at a minimum, be equal to 1.5 times (150%) the subsidy received from TV Fund Austria. Furthermore, 20% of production cost can be spent in other member States of the European Economic Area (EEA), in line with criteria set by the European Commission Communication ("COM (2001), 534 final, see reply B.7 of the TV Fund Austria funding scheme)

#### 5.2.4 Conclusions

The objective explicit territorialisation requirements that apply to this funding scheme can be summarized as follow. The recipient of the state aid must spend locally (in the federal state) 150% of the aid awarded.

## 5.3 Synopsis of indirect territorialisation requirements

#### 5.3.1 Practice

There is no relevant administrative and judicial practice reported.

#### 5.3.2 Discussion

N/A

#### 5.3.3 Conclusions

There is no reported practice on indirect territorialisation requirements (see reply B.10 for Austria for the TV Fund Austria Funding Scheme; see below Section 5.4 and 5.6). There are arguably indirect territorialisation requirements inherent in the qualitative criteria (see below Section 5.4 and reply B.13 for TV Fund Austria funding scheme), of selective aid schemes and of cultural clauses (see Section 5.6 below).

#### 5.4. Synopsis of selective State aid granting criteria and procedures

Aid is provided solely on a selective basis (see reply B.13 for Austria for the TV Fund Austria funding scheme).

The criteria for granting aid and subsidy include requirements on expenditure (see above Section 5.2), evaluation of the applicant's professional qualification and the project's quality and economic efficiency (see reply B.13 for TV Fund Austria funding scheme).

This funding scheme arguably contains indirect territorialisation requirements under selective aid criteria and procedures that are not quantified and take the form of economic efficiency and the aim of promoting Austrian television films, series and documentaries

# 5.5 Synopsis of the relation between territorialisation requirements and co-production agreements

N/A (see reply B.8 for Austria TV Fund Austria funding scheme).

## 5.6 Synopsis of purpose and cultural clauses applying to the funding scheme

The objective of this funding scheme is to ensure the continuous production of different types of television films, series and documentaries, to improve the quality of television production, to promote the Austrian film industry and to strengthen the audiovisual sector in Europe (see reply B.11 for TV Fund Austria funding scheme).

The cultural clause in TV Fund Austria's *Funding Guidelines* makes an objective the support for "the creation of cultural productions of Austrian character in the form of television films, series and documentaries", with a "purpose to ensure the diversity of the cultural landscape." (Art. 1(1) of the Guidelines; see replies B.10 and B.11 for Austria for TV Fund Austria funding schemes).

The requirement to promote local film economy arguably qualifies as indirect territorialisation requirement

## 6 Analysis of the Vienna Film Fund

## 6.1 Description of the funding scheme

The "Vienna Film Fund" ("Filmfonds Wien") is based on the "Viennese Act on Foundations and Funds" ("Gesetz über Stiftungen und Fonds, Wiener Landes-Stiftungs- und Fondsgesetz, LGBl Nr. 14/1988 idF LGBl 36/2003") which was most recently amended in 2003 (see reply B.4 for Austria Vienna Film Fund funding scheme). The "Vienna Film Fund" has issued Funding Guidelines with effect from 15 August 2006. The authorities in charge of its supervision are the "Fund Authority" ("Fondsbehörde") and the "Municipality of the City of Vienna" ("Magistrat der Stadt Wien"). For contact information see reply B.14 for Austria for Vienna Film Fund. For additional information on these schemes see Vienna Film Fund website: <a href="https://www.filmfonds-wien.at">www.filmfonds-wien.at</a>.

## 6.2 Synopsis of objective territorialisation requirements

#### 6.2.1 Rules

The following provisions containing objective explicit territorialisation requirements apply to this funding scheme: Art. 3 of the Funding Guidelines

#### 6.2.2 Practice

There is no relevant judicial and administrative practice reported.

#### 6.2.3 Discussion

The "Vienna Film Fund" funding scheme contains objective territorialisation requirements (see reply B.5 for Vienna Film Fund funding scheme). In order to be eligible to apply for State aid under this funding scheme, the film project must contribute to the cultural and commercial development of the film industry in Vienna (Art. 3 of the Funding Guidelines).

The so-called "Vienna Film Industry Effect" constitutes a major criterion for evaluating the project's economic impact in terms of "projected expenditures from which the film industry in Vienna and the Vienna Region will benefit", together with the company's seat, the employment of local staff and the utilisation of infrastructures (Art. 3(2) of Funding Guidelines, see reply B.6 of Vienna Film Fund funding scheme). The film's expenditures in the form of payments to the Vienna film industry or other spending in Vienna must, at a minimum, match the Vienna Film Fund's subsidy (100%), excluding the share of the contingency reserve (Art. 3 of Funding Guidelines, see reply B.6 of Vienna Film Fund funding scheme).

However, at least 20 % of production costs may be spent in another country of the European Union.

#### 6.2.4 Conclusions

The objective explicit territorialisation requirements that apply to this funding scheme can be summarized as follows: the recipient of state aid must spend as at least the 100% of the grant in Vienna region. Beside this requirement it is provided that at least 20 % of production costs may be spent in another country of the European Union.

#### 6.3 Synopsis of indirect territorialisation requirements

#### 6.3.1 Practice

There is no relevant administrative and judicial practice reported.

#### 6.3.2 Discussion

N/A

#### 6.3.3 Conclusions

There is no reported practice on indirect territorialisation requirements (see reply B.10 for Austria for the Vienna Film Fund). However indirect territorialisation

requirements are located under the selective granting criteria and under cultural and purpose clauses (See below Sections 6.4 and 6.6.

#### 6.4. Synopsis of selective State aid granting criteria and procedures

State aid under this funding scheme is granted in both ways, selectively and automatically (see replies B.5, B.6, B.10, B.11 and B.13 for Austria for the Vienna Film Fund funding scheme, see Sections 6.2 and 6.3 above).

In order to be eligible to apply for State aid under this funding scheme, the film project must contribute to the cultural and commercial development of the film industry in Vienna (Art. 3 of the Funding Guidelines).

The so-called "Vienna Film Industry Effect" constitutes a major criterion for evaluating the project's economic impact in terms of "projected expenditures from which the film industry in Vienna and the Vienna Region will benefit", together with the company's seat, the employment of local staff and the utilisation of infrastructures (Art. 3(2) of Funding Guidelines, see reply B.6 of Vienna Film Fund funding scheme).

For selective aid, the quality of the application, the screenplay, the crew, the cast of characters, the production and the exploitation concept become relevant (see reply B.13 for Austria the Vienna Film Fund funding scheme).

This funding scheme arguably contains indirect territorialisation requirements under selective aid criteria and procedures not quantified in the Regulations, namely the "Vienna film industry effect" (positive effect on local film economy).

# 6.5. Synopsis of the relation between territorialisation requirements and co-production agreements

N/A

## 6.6. Synopsis of purpose and cultural clauses applying to the funding scheme

This is intended to promote the cultural development of the film industry in Vienna (Art. 3 of the Funding Guidelines, see reply B.6 for Vienna Film Fund funding scheme).

Furthermore the cultural clauses contained in the Guidelines mention the need to take into account the cultural heritage of Vienna, to present Austrian and Viennese cultural and linguistic diversity, to contribute to Vienna film culture (Art. 3(1) of Funding Guidelines, see reply B.13 of Vienna Film Fund funding scheme).

The requirement of promoting the local film economy arguably qualifies as indirect territorialisation that is not quantifiable.

## 7 Analysis of "Culture Department of the City of Vienna""

## 7.1 Description of the funding scheme

The "Culture Department of the City of Vienna" ("Kulturabteilung der Stadt Wien"- Vienna Culture Department) is administered by the Municipality of the City of Vienna. For contact information see reply B.14 for Austria for the "Culture Department of the City of Vienna".

## 7.2 Synopsis of objective territorialisation requirements

#### 7.2.1 Rules

The Vienna Culture Department does not contain any objective territorial condition. There is no obligation to spend a minimum proportion of the budget in Austria.

#### 7.2.2 Practice

There is no relevant judicial or administrative practice reported (see reply B.5 for Austria for Vienna Culture Department")

#### 7.2.3 Discussion

N/A

#### 7.2.4 Conclusions

No objective explicit territorialisation requirements apply to this funding scheme (see reply B.5 for Austria for the "Culture Department of Vienna" funding scheme).

## 7.3 Synopsis of indirect territorialisation requirements

#### 7.3.1 Practice

There is no relevant judicial or administrative practice reported (see reply B.10 for Austria for Vienna Culture Department)

#### 7.3.2 Discussion

N/A

#### 7.3.3. Conclusions

There is no reported practice on indirect territorialisation requirements (see reply B.10 for Austria for the "Culture Department of the City of Vienna" funding scheme).

7.4 Synopsis of selective State aid granting criteria and procedures

The "Department of the City of Vienna" applies no specific selective criteria. Grants are, however, given to projects that are evaluated on the basis of their artistic quality (see reply B.13 for Austria Culture Department of Vienna).

This funding scheme does not contain indirect territorialisation requirements under selective aid criteria and procedures.

7.5 Synopsis of the relation between territorialisation requirements and co-production agreements

N/A

7.6 Synopsis of purpose and cultural clauses applying to the funding scheme

The "Culture Department of the City of Vienna" does not have cultural policy goals (see reply B.12 for Culture Department of the City of Vienna funding scheme). Selective criteria, however, mention a "Vienna Reference" which seems to indicate some cultural preferences (see reply B.13 for the Culture Department of City of Vienna funding scheme).

No indirect territorialisation requirements are located under the purpose and cultural clauses.

## 8 Analysis of "Film Promotion of the Province of Lower Austria"

## 8.1 Description of the funding scheme

The "Film Promotion of the Province of Lower Austria" ("Filmförderung des Landes Niederösterreich") is based on the "Lower Austria Culture Promotion Act", "CPA" ("Niederösterreichisches Kulturförderungsgesetez 1996, NÖ LGBl. 5301-0", "CPA"). The "CPA" has issued Funding Guidelines which were most recently amended on 27 June 2006 (see reply B.4 for Austria for Province of Lower Austria funding scheme). The authority in charge of its supervision and administration is the Province of Lower Austria, Department of Culture and Science. For contact information, see reply B.14 for Austria for the "Film Promotion of the Province of Lower Austria".

## 8.2 Synopsis of objective territorialisation requirements

#### 8.2.1 Rules

The Film Promotion of the Province of Lower Austria does not contain any objective territorial condition. There is no obligation to spend a minimum proportion of the budget in Austria.

#### 8.2.2 Practice

There is no relevant judicial or administrative practice reported (see reply B.5 for Austria for the "Film Promotion of the Province of Lower Austria").

#### 8.2.3 Discussion

N/A

#### 8.2.4 Conclusions

No objective explicit territorialisation requirements apply to this funding scheme (see reply B.5 for Austria for the Film Promotion of the Province of Lower Austria).

#### 8.3 Synopsis of indirect territorialisation requirements

#### 8.3.1. Practice

There is no relevant administrative and judicial practice reported.

#### 8.3.2 Discussion

N/A

#### 8.3.3 Conclusions

There is no reported practice on indirect territorialisation requirements (see reply B.10 for Austria for the Vienna Film Fund). However, indirect territorialisation requirements are located under the selective granting criteria and under cultural and purpose clauses (See below Sections 6.4 and 6.6, and see reply B.10 for Austria for "Province of Lower Austria" funding scheme).

## 8.4 Synopsis of State aid selective granting criteria and procedures

Criteria for granting selective state aid include *inter alia* that the place of residence of the project's applicant or the company's legal seat should be in Lower Austria. The crew should include a percentage of Lower Austrian staff members and the project should employ a wide range of local companies (Art. 3(1) of CPA, see reply B.11 for Austria for Province of Lower Austria funding scheme). The contributions to the cultural autonomy and economic development of Lower Austria are also decisive factors. Furthermore, under the criteria for selective aid, the film must constitute an innovative and aesthetic project that will inform about the cultural and geographic diversity of Lower Austria (Art. 3(1), Art. 3(2) of FG, see replies B.11 and B.13 for the Province of Lower Austria funding scheme).

In this selective procedure the promotion of both, the cultural and the economic aspects of the film sector in Lower Austria are taken into account. These requirements arguably qualify as indirect territorialisation that is not quantifiable.

8.5 Synopsis of the relation between territorialisation requirements and co-production agreements

N/A

## 8.6 Synopsis of purpose and cultural clauses applying to the funding scheme

The purpose of the Province of Lower Austria funding scheme is to promote the cultural autonomy and economic development of the Province of Lower Austria (see Art. 3 & Art. 5 of the Constitution of the Province of Lower Austria as last amended on 26 January 2004, see reply B.12 for Lower Austria funding scheme).

The regulations of this funding scheme mention the objective of promoting both the cultural and the economic development of Lower Austria.

The requirement of promoting the local film economy arguably qualifies as indirect territorialisation that is not quantifiable.

## 9 Analysis of "Cine Styria Film Fund"

#### 9.1 Description of the funding scheme

The "Cine Styria Film Fund" is funded by the Province of Styria and is based on the Styrian Culture and Art Promotion Act 2005, "CAP" ("Steiermärkisches Kultur und Kunstförderungsgesetz 2005, LGBl Nr. 80/2005"). The funding scheme has issued Funding Guidelines for commercial projects as amended in March 2006 as well as artistic projects as amended in April 2006 (see reply B.4 for Austria for Cine Styria Film Fund funding scheme). For contact information, see reply B.14 for Austria for the "Province of Lower Austria" funding scheme. For more information refer to website www.cinestyria.steiermark.at.

## 9.2 Synopsis of objective territorialisation requirements

#### 9.2.1 Rules

The following provisions containing explicit objective territorialisation requirements apply to this funding scheme: Art. 2(1) of the Funding Guidelines.

#### 9.2.2 Practice

There is no relevant administrative and judicial precedent reported (see reply B.9 for Austria for the "Cine Styria Film Fund" funding scheme).

#### 9.2.3 Discussion

The Cine Styria Film Fund funding scheme contains objective territorialisation requirements (see reply B.5 for Cine Styria Film Fund funding scheme).

In order to be eligible to apply for State aid under this funding scheme, the film project must contribute to the commercial development of the Province of Styria (Art. 2(1) of the Funding Guidelines for commercial projects). A major objective is to reach a maximum Regional Effect in terms of projected production expenditures to be incurred in the Styrian region.

The film's production costs must be spent as far as possible locally and the expenditure in Styria must amount to at least 150% of the Cine Styria Film Fund's subsidy. Up to 20% of the production costs may be spent in other EEA member

States (Art. 2(1) of *Funding Guidelines*, see replies B.6 and B.7 of Cine Styria Film Fund funding scheme).

#### 9.2.4 Conclusions

The objective territorialisation requirements that apply to this funding scheme can be summarized as follows: the recipient of the State aid for film production must spend locally (in Styria) at least 150% of the amount received from the funding scheme. At least 20% of the production costs may be spent in another country of the EEA.

## 9.3 Synopsis of indirect territorialisation requirements

#### 9.3.1 Practice

There is no relevant administrative or judicial practice reported.

#### 9.3.2 Discussion

N/A

#### 9.3.3 Conclusions

There is no reported practice on indirect territorialisation requirements (see reply B.10 for "Cine Styria Film Fund" funding scheme). However certain eligibility criteria as defined by the "Funding Guidelines for commercial projects" (*Filmcommission* and *Fonds*) arguably qualify as indirect territorialisation requirements that are not quantified, e.g. the necessary relation between the content of the film and/or production with respectively the regions of Styria and Graz. (Art. 2(1) of FG, see reply B.11 for Austria for Cine Styria Film Fund funding scheme; see below Section 9.4).

## 9.4. Synopsis of selective granting procedures

According to the *Funding Guidelines*, in order to obtain support from the Fund the film must qualify in terms of professional and artistic standards and be internationally exploitable (Art. 3(1) (2) and 3(1)3) of the FG, see reply B.13 for Austria for Cine Styria Film Fund funding scheme). Furthermore selective criteria are based on artistic evaluation but also try to reach economic policy goals and so leave discretion for the Cine Styria Film Fund in giving the subsidy.

This funding scheme arguably contains indirect territorialisation requirements under selective aid criteria and procedures that are not quantified in the Guidelines.

9.5 Synopsis of the relation between territorialisation requirements and co-production agreements

N/A

## 9.6 Synopsis of purpose and cultural clauses applying to the funding scheme

The purpose of the Cine Styria Film Fund funding scheme is to promote cultural activities in the Styria region and preserve the Province's cultural heritage and ethnic diversity (Art.1 (4), Art. 5, Art. 6 of CAP, see reply B.12 for Austria for Cine Styria Film Fund).

No indirect territorialisation requirements are located under the purpose and cultural clauses.

## 10. Analysis of "Cine Tyrol"

#### 10.1 Description of the funding scheme

The "Cine Tyrol" ("Cine Tyrol Filmförderung – Film Commission & Fund") is a unit of the Tyrol Tourist Board which is funded by the Province of Tyrol. "Cine Tyrol" is based on the Tyrolean Culture Promotion Act ("Tyroler Kulturförderungsgesetz, LGBl Nr. 35/1979", "CPA") and on the Tyrolean Constitution as most recently amended in 2003 ("Tyroler Landesordnung, LGBl No 61/1988, idF LGBl 125/2003", see reply B.12 for Austria for Cine Tyrol funding scheme). The funding scheme has issued Funding Guidelines that were most recently amended on 5 May 2006 (see reply B.4 for Austria for Cine Tyrol funding scheme). For contact information, see reply B.14 for Austria for the "Cine Tyrol" funding scheme. For more information refer to website www.homes.tiscover.com.

## 10.2 Synopsis of objective territorialisation requirements

#### 10.2.1 Rules

The following provisions containing objective explicit territorialisation requirements apply to this funding scheme: Art. 2 of the Funding Guidelines.

#### 10.2.2 Practice

There is no relevant administrative and judicial practice reported (see reply B.9 for Austria for the "Cine Tirol Film Fund" funding scheme).

#### 10.2.3 Discussion

The Cine Tyrol Film Fund funding scheme contains objective territorialisation requirements (see reply B.5 for Cine Tyrol Film Fund). In order to be eligible to apply for State aid under this funding scheme, the film project must be at least partially produced in Tyrol (Art. 2 of the *Funding Guidelines*, see reply B.6 for Cine Tyrol funding scheme).

Another important criterion is to meet the standards of the commercial "Tyrol Effect" and the cultural "Tyrol Reference". The Tyrol Effect is measured in terms of projected production expenditures to be incurred in the Tyrol region and/or the potential for fiscal profitability.

At least a double (200%) of the amount granted by the Cine Tyrol Film Fund must be spent in Tirol (Art. 2 of the *Funding Guidelines*, see reply B.6 for Cine Tyrol funding scheme).

#### 10.2.4 Conclusions

The objective territorialisation requirements that apply to this funding scheme can be summarized as follows: the recipient of the State aid for film production must spend locally (in Tirol) at least 200% of the amount received from the funding scheme.

#### 10.3 Synopsis of indirect territorialisation requirements

#### 10.3.1 Practice

There is no relevant administrative or judicial practice reported.

#### 10.3.2 Discussion

N/A

#### 10.3.3 Conclusions

There is no reported practice on indirect territorialisation requirements (see reply B.10 for "Cine Tirol Film Fund" funding scheme). However certain eligibility

criteria as defined by the Funding Guidelines arguably qualify as indirect territorialisation requirements that are not quantified, see reply B.11 for Austria for Cine Tirol Film Fund funding scheme; see below Section 9.4).

10.4 Synopsis of selective State aid granting criteria and procedures

According to the *Funding Guidelines* in order to obtain support from the Fund, the film must qualify in terms of financial returns, artistic quality and international potential (Art. 3(15) of the FG, see reply B.13 for Austria for Cine Tyrol funding scheme). The use of domestic facilities and the employment of film producers resident in Tyrol are decisive factors in evaluating the project's potential benefits to the local film industry. Furthermore the project's artistic quality and international potential represent additional criteria (Art. 3(15) of the *Funding Guidelines*).

This funding scheme arguably contains indirect territorialisation requirements which take the form of local production of the film (included shooting) under selective aid criteria and procedures that are not quantified in the Guidelines (see Section 10.4 below and reply B.13 for Cine Tyrol funding scheme).

10.5 Synopsis of the relation between territorialisation requirements and co-production agreements

N/A

10.6 Synopsis of purpose and cultural clauses applying to the funding scheme

The purpose of the Cine Tyrol funding scheme is to promote cultural activities for the benefit of Tyrol (Art. 1 (1) CPA, see reply B.12 for Austria for Cine Tyrol funding scheme) and its population's cultural, social and economic needs (Art. 7 of Tyrolean Constitution, see reply B.12 for Cine Tyrol funding scheme). The purpose of promoting film production in the Tyrol region as an objective support to the promotion of Tyrol's cultural activities and the population's cultural, social and economic needs arguably qualify as indirect territorialisation requirements.

The requirement to promote the local film economy arguably qualifies as indirect territorialisation that is not quantifiable.

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## B. Reports on Film Funding in Austria

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http://www.filminstitut.at/downloads/11533875Filmwirtschaftsbericht\_endfassung\_pdf

Austrian Film Institute, *Film Financing and Funding in Austria* (German only): <a href="http://www.filminstitut.at/downloads/10960185Filmfinanzierung.pdf">http://www.filminstitut.at/downloads/10960185Filmfinanzierung.pdf</a>

TV Fund Austria, *Activity report 2005* (German only): <a href="http://www.rtr.at/web.nsf/lookuid/EAC0593E3A3FB932C125719C00271761/\$file/TaetigkeitsberichtFFAT\_2005.pdf">http://www.rtr.at/web.nsf/lookuid/EAC0593E3A3FB932C125719C00271761/\$file/TaetigkeitsberichtFFAT\_2005.pdf</a>

Federal Chancery, *Art report 2005* (German only) <a href="http://www.bundeskanzleramt.at/Docs/2006/4/20/Kunstbericht%202005.pdf">http://www.bundeskanzleramt.at/Docs/2006/4/20/Kunstbericht%202005.pdf</a>

#### C. Laws and Funding Guidelines

*Austrian Film Funding Act*: English translation available on the Internet at: <a href="http://www.filminstitut.at/downloads/11151230FILM%20FUNDING%20ACT%202005.pdf">http://www.filminstitut.at/downloads/11151230FILM%20FUNDING%20ACT%202005.pdf</a>

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## D. Material more generally related to Film Funding in Austria

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Maislinger, Filmförderung als ein Mittel der Filmfinanzierung, Salzburg 2005 (master thesis, University of Salzburg)

## **Attachments:**

- Replies to the legal questionnaire by Johannes Juranek, attorney at law, Dallmann & Juranek, Austria
- Regulations for Austria