

**PART A OF THE CINEMA STUDY
REPLIES TO THE LEGAL QUESTIONNAIRE FOR CYPRUS**

Member State:	CYPRUS
Re:	Follow Up Reply
Date:	03 December 2006

(...)

Please find below the answers to your questions set out in your email of 26/11/2006:

Question 1

There is no formal nationality certification procedure in Cyprus. According to the Regulations of the Programme for the Development of Cyprus Cinema, production houses or producers must be either a company registered in Cyprus or a production house having its seat in a Member State of the EU but operating in Cyprus through a permanent branch or office.

Question 2

List of countries with which new co-production agreements are expected to be negotiated and concluded:

According to the Council of Europe,¹ at the 101st meeting of the Board Members from 25.06.2006 to 27.06.2006 in Lisbon, the following co-production was agreed with regards to Cyprus:

Mikro Eglima (CY)
Feature Film
Awarded: 230 000€

Coproducers:
TWENTY TWENTY VISION (DE)
LYCHNARI PRODUCTIONS (CY)

For 2007, new deadlines for the submission of applications for new co-production agreements are set for 9 January 2007, 5 March 2007, 4 May 2007, 27 August 2007 and 22 October 2007.

¹ http://www.coe.int/t/e/cultural_co-operation/eurimages/funding_history/coproduction/2006_coproductions.asp#TopOfPage

Question 3

According to Article 169 (3) of the Constitution of the Republic of Cyprus, treaties, conventions and agreements concluded with a foreign State or any International Organisation shall have, as from their publication in the official Gazette of the Republic, superior force to any municipal law on condition that such treaties, conventions and agreements are applied by the other party thereto.

As a result, in case of conflict or inconsistency, the rules contained in international conventions on co-production agreements, if any, will prevail over national law on condition that they have been published in the Official Gazette of the Republic and on condition that the other party to the said agreement or convention also applies same.

In case of conflict or inconsistency, the parties may address the matter to the competent authority established by the relevant international agreement or convention or treaty, if any.

In addition, according to Article 140 of the Constitution of the Republic, the President of the Republic may, at any time prior to the promulgation of any law (i.e. a Law ratifying an international treaty or convention or agreement) or decision of the House of Representatives, refer to the Supreme Court of Cyprus for its opinion on the question as to whether such law or decision or any specified provision thereof is repugnant to or inconsistent with any provision of the Constitution.

Furthermore, according to Article 144 of the Constitution of the Republic, a party to any judicial proceedings, including proceedings on appeal, may, at any stage thereof, raise the question of the unconstitutionality of any law (i.e. a Law ratifying an international treaty or convention or agreement) or decision or any provision thereof material for the determination of any matter at issue in such proceedings and thereupon the Court before which such question is raised shall reserve the question for the decision of the Supreme Court of Cyprus and stay further proceedings until such question is determined by the Supreme Court.

The Supreme Court, on a question so reserved, shall, after hearing the parties, consider and determine the question so reserved and transmit its decision to the Court by which such question has been reserved. Any decision of the Supreme Court shall be binding on the court by which the question has been reserved and on the parties to the proceedings and shall, in case such decision is to the effect that the law or decision or any provision thereof is unconstitutional, operate as to make such law or decision inapplicable to such proceedings only.

Finally, according to Article 149 of the Constitution, the Supreme Constitutional Court shall have exclusive jurisdiction to make, in case of ambiguity, any interpretation of the Constitution.

Please let us know if you would like any clarifications.

(...)

Member State:	CYPRUS
Re:	Follow Up Question
Date:	26/27 November 2006

(...)

Please provide us your replies to the follow-up requests for clarification as follows so that we can integrate them into our country report on your jurisdiction:

1) Is our understanding correct that there is no formal nationality certification procedure in Cyprus (question A.4), but that projects are assessed on the basis of the quality without specifically referring to their nationality?

2) Could you list the countries with which new co-production agreements are expected to be negotiated and concluded?

3) With respect to your reply to question B.8 we assume that, in case of a conflict or an inconsistency between the (explicit or implicit) rules on territorialization contained in your national or internal legislation on State aid to cinema and the rules contained in conventions on co-production agreements to which your country is a party, the latter rules prevail over the former, i.e. international agreements prevail over national or internal law. Should this principle exceptionally not apply in your jurisdiction to the concrete case of territorialization requirements, please let us know via email, and please provide us with a short description of the legal mechanism addressing such conflicts or inconsistencies as applied in your jurisdiction.

(...)

Member State:	CYPRUS
Re:	Follow Up Question
Date:	21 November 2006

(...)

To more questions came up in the meantime:

1) Is our understanding correct that there is no formal nationality certification procedure in Cyprus (question A.4), but that projects are assessed on the basis of the quality without specifically referring to their nationality?

2) Could you list the countries with which new co-production agreements are expected to be negotiated and concluded?

(...)

Member State:	CYPRUS
Re:	Follow Up Question
Date:	09 November 2006

(...)

We have reviewed your replies to our legal questionnaire and we are currently in the process of finalizing our country report on your jurisdiction based on your information.

We have the follow-up request for clarifications as follows:

With respect to your reply to question B.8 we assume that, in case of a conflict or an inconsistency between the rules on territorialization contained in your national or internal legislation on State aid to cinema and the rules contained in conventions on co-production agreements to which your country is a party, the latter rules prevail over the former, i.e. international agreements prevail over national or internal law. Should this principle exceptionally not apply in your jurisdiction to the concrete case of territorialization requirements, please let us know via email, and please provide us with a short description of the legal mechanism addressing such conflicts or inconsistencies as applied in your jurisdiction.

(...)

Member State:	CYPRUS
Re:	Reply
Date:	09 October 2006

(...)

Please find attached our Office's contribution to the study, as well as various relevant documents. Please let us know if it is ok with you or whether you need some more information.

(...)

Attachments to e-mail of 09 October 2006

- CG Legal Questionnaire 170906Cyprus.doc
- regulations.pdf
- Decisions.pdf
- CYPRUSCINEMA.pdf
- announcement.pdf
- cinema coproduction.pdf
- applicationform.doc

**QUESTIONNAIRE ON STATE AID TO CINEMA AND TERRITORIALISATION
REQUIREMENTS
(Version of 17 September 2006)**

PART A

GENERAL QUESTIONS

OVERVIEW

A.1 Country / region:

Cyprus

A.2 Names of funding schemes with an annual budget of State aid dedicated to pre-production, production, post-production, marketing, distribution and promotion of independent cinematographic and audiovisual works² of at least €1 million in 2005 (this includes any kind of support, e.g. direct subsidies, fiscal advantages, etc., to pre-production, production, post-production, marketing, distribution and promotion):

Cyprus Cinema Advisory Committee

The Cinema Advisory Committee (CAC) (Συμβουλευτική Επιτροπή Κινηματογράφου) was established first in 1980 by a decision of the Council of Ministers No. 18.816, dated 21 February 1980 following an initiative of the Press and Information Office of the Republic. The then purpose of the CAC was to advise the Cyprus Broadcasting Corporation on the evaluation of applications made by Cypriot producers or directors for the production or co-production of cinematographic films and for possible government funding. The then Committee ceased its functions in 1987.

It was then re-established in 1994 by a decision of the Council of Ministers N° 40.698, 1994 and n° 56.727, 2002. It is responsible for the financing of films by the State. It recommends for funding to a competent Ministerial Committee the best proposals submitted by Cypriot producers or directors in the categories of feature-length films, short films and documentaries. The Presidency of the Advisory Committee on the Cinema rests with the Cultural Services of the Ministry of Education and Culture.

² “Independent” means that the cinematographic and audiovisual works are produced and distributed by entities that are legally independent from broadcasters.

It is mandated

- (a) To recommend for funding to a competent Ministerial Committee the best proposals submitted by Cypriot producers/ directors in the categories of feature-length films, short films and documentaries.
- (b) To prepare an appropriate legal framework for the cinema industry in Cyprus.

The annual amount set in the national budget stands at Cy Pounds CY£580.000 (1.017.545 EUR)

Program for the development of the Cyprus Cinema

Funding under the program is provided by the Cyprus Cinema Advisory Committee. The Program was approved in 2002 by the Council of Ministers. Proposals for the purpose of receiving funding under the Program may be submitted by all production houses or producers, that is, a company registered in Cyprus, specialised in the production of films or other audiovisual material, and which can provide proof of having produced films or audiovisual works, other than the personal productions of its shareholders.

Following the approval by the Committee of a proposal submitted upon a complete file and the ratification of the said approval by the Ministerial Cinema Committee, the Cinema Advisory Committee will proceed to the issue of a Letter of Participation stating the specific amount which it intends to provide for funding the production of the film.

Eurimages Fund

In addition to government grants Cypriot co-productions are eligible for funding from the Eurimages Fund, a Council of Europe institution financing European film co-productions (see below).

Sources:

- http://korda.obs.coe.int/web/result_fonds.php?country_iso3166_id=CY&searchfunding=&aide_secteurs=&choose_aide_intervention=&apply=&searchprog=
- http://www.tetraktysmedia.com/film_cyprus.html
- <http://www.hri.org/CYPIO/info.html>
- http://www.cyprusnet.com/content.php?article_id=2863&subject=standalone
- <http://www.moec.gov.cy/announcements/pdf/CYPRUSCINEMA.pdf>

COPRODUCTION AGREEMENTS

A.3 List the conventions on co-production agreements to which your country is currently a party, indicate the date of the entry into force of each convention, and indicate the name and address of the authority in charge of their administration and supervision:

Cyprus is a member country of the European Convention on Cinematographic Co-production and has ratified the said Convention with the Law of 2000 Ratifying the European Convention on

Cinematographic Co-production, Law No. 11(I) of 2000. The said Law was published in the Official Gazette of the Republic of Cyprus on 28 January 2000. The Convention was signed by the Republic of Cyprus on 19.5.1999, following a relevant decision by the Council of Ministers with no. 49.027 of 20.1.1999. The Law does not mention which authority is in charge with regards to issues under the Convention.

In addition to government grants, Cypriot co-productions are eligible for funding from the Eurimages Fund, a Council of Europe institution financing European film co-productions. Cyprus joined on 26.10.1988. The Eurimages Fund was set up by Resolution [(88)15] of the Council of Europe setting up a European support fund for the co-production and distribution of creative cinematographic and audiovisual works: «Eurimages»

The following films have received funding from Eurimages within the last 5 years:

2006

Mikro Eglima (CY)

Feature Film

Awarded: 230 000€

Coproducers:

TWENTY TWENTY VISION (DE)

LYCHNARI PRODUCTIONS (CY)

2003

Akamas Panicos Chrysanthou (CY)

Feature film, Scheme 2

Awarded : 180 000 €

Coproducers

ARTIMAGES (CY)

CREATOR 4 (HU)

MARATHON FILMCILIK (TR)

2002

Kokkini Pempti (Red Thursday) Christos Shopachas (CY)

Feature film, scheme 2

Awarded : 250 000 €

Coproducers :

TETRACTYS FILM PRODUCTIONS (CY)

CHR. SHOPACHAS FILM & TV PRODUCTIONS (GR)

STUDIO KLASSIKA (RU)

2001

Kalabush Adonis Florides & Theodoros Nikolaides (CY)

Feature film, scheme 2

Awarded : 190 000 €

Coproducers :

CAMERA STYLO RAP (CY)

HYPERION (GR)

Sources:

http://www.tetraktysmedia.com/film_cyprus.html

[http://www.coe.int/T/E/Cultural_Co-](http://www.coe.int/T/E/Cultural_Co-operation/Eurimages/About_Eurimages/Members/index.asp#TopOfPage)

[operation/Eurimages/About_Eurimages/Members/index.asp#TopOfPage](http://www.coe.int/T/E/Cultural_Co-operation/Eurimages/About_Eurimages/Members/index.asp#TopOfPage)

<http://www.accessarts.com.cy/broadcastingfilmvideo.htm#Cinematographic>

NATIONALITY CERTIFICATION PROCEDURES

A.4 Describe the formal procedure, if any, to assess and certify the nationality of an independent film or television production in your country by indicating the authority in charge of this procedure, the criteria of eligibility, and the scope of this certification procedure in relation to public funding schemes in your jurisdiction:³

The procedure for assessing the nationality of an independent film is prescribed by the Regulations of the Programme for the Development of Cyprus Cinema (the Regulations). The responsible authority in charge of the administration of this program and for evaluating proposals submitted for the purpose of receiving funding under the Program is the Cyprus Cinema Advisory Committee.

With regards to the nationality of the film, the Regulations prescribe that proposals for the purpose of receiving funding under the Program may be submitted by all production houses or producers, that is, a company registered in Cyprus, specialised in the production of films or other audiovisual material, and which can provide proof of having produced films or audiovisual works, other than the personal productions of its shareholders.

Nevertheless, production houses having their seat in a Member State of the EU, and which operate in Cyprus through a permanent branch or office, may also be entitled to receive funding for certain actions, such as the participation in the development of the production plan of a proposal for feature films, scriptwriting. This is also true for first feature films, low and high budget films, etc.

Where the criteria of eligibility are concerned, there is an obligation that houses or producers making the proposal for funding must be a company registered in Cyprus, specialised in the production of films or other audiovisual material, and which can provide proof of having produced films or audiovisual works, other than the personal productions of its shareholders. In addition, depending on the type of cinema work to be produced, there are additional eligibility criteria which do not necessarily have to do with the nationality of the director or producer but with his qualifications and experience.

Taking the example of the production of a feature film, the Regulations require, inter alia, that:

³ E.g. the French “Procédure d’agrément”.

1. The proposed director must have already directed a debut film or two documentaries, with the exception of films shot during his studies. His previous work and studies are a decisive criterion in the selection of the proposal.
2. The proposal is submitted by the producer. The director cannot be, at the same time, the producer of his work.
3. The producer or the executive producer must have proven experience in filmmaking with at least one feature film or a satisfactory number of fiction audiovisual programmes.
4. Production houses having their seat in a Member State of the EU, and which operate in Cyprus through a permanent branch or office, are also entitled to receive funding under this category.

The scope of this procedure is the allocation of funding to the persons submitting the proposal on the basis of the maximum levels of participation of the Committee.

EXPECTED DEVELOPMENTS

A.5 Indicate whether new co-production agreements are to be expected in your jurisdiction as of 1 January 2007, indicate the contemplated date of the entry into force of each convention, and indicate the name and address of the authority in charge of their administration and supervision

New co-production agreements are to be expected within the framework of the funding allocated under the Eurimages Fund. As mentioned above, Cypriot co-productions are eligible for funding from the Eurimages Fund of the Council of Europe as Cyprus is a member since 1988.

A.6 Indicate whether new funding schemes containing territorialisation requirements entered into force or are to be expected to enter into force in your jurisdiction as of 1 January 2006,⁴ and indicate the name and address of the administration of these funding schemes:⁵

New funding schemes under the Regulations of the Programme for the Development of Cyprus Cinema are available covering the year 2007 for the funding of the following types of cinema films:

1. Short Duration Films (up to CY £15.000 - 26.0456 EUR, duration 10 -12')
2. Debut Films (up to CY £45.000 - 78.1365 EUR, duration 25 - 30')
3. Short Duration Documentaries (up to CY £25.000 - 43.4091 EUR, duration up to 30')
4. Long Duration Documentaries (up to CY £40.000 - 69.4590 EUR, duration up to 60')
5. Development Plan for Short Duration Film (up to CY£20.000 - 34.7295 EUR)

⁴ Any requirement/incentive that some of the development, production or post-production activities must take place in the country or region offering the State aid, either for the audiovisual work to be eligible for State aid or affecting the amount of State aid available to the audiovisual work.

⁵ E.g. in Germany, there will be a new funding scheme on the federal level containing a territorialisation clause as from 2007.

6. Scenario development for Short Duration Film (up to CY £8.000 - 13.8918 EUR)
7. Experimental Cinema (as the case may be)
8. Animated films (as the case may be)

REFERENCES TO LOCAL STUDIES

A.7 Provide the references of studies, reports or other relevant materials on territorialisation requirements, on co-production agreements and on legal aspects of the promotion of film related cultural identities and cultural diversity in your jurisdiction (author, title, place, date of publication, and, if available, internet link):

“CO-OPERATIVE REGULATORY SYSTEMS IN THE MEDIA SECTOR OF CYPRUS”.
Report by Dr. Christophoros Christophorou for the Study on Co-Regulation Measures in the Media Sector.

Study commissioned by the European Commission, Directorate Information Society
Unit A1 Audiovisual and Media Policies, Digital Rights,
Task Force on Coordination of Media Affairs
DG EAC 03/04

More information on the study can be found at <http://co-reg.hans-bredow-institut.de>

PART B

FUND SPECIFIC QUESTIONS

Please only cover funding schemes, including tax incentive schemes, that were operated at the national, regional or local level in your country during the reference period from 1 January 2001 to 31 December 2005, and that disposed of an annual budget of State aid dedicated to pre-production, production, post-production, marketing, distribution and promotion of independent cinematographic and audiovisual works of at least € 1 million per year.⁶

Please use for each funding scheme a separate form.

IDENTIFICATION OF THE FUNDING SCHEME

B.1 Country/region:

Cyprus

B. Name of the funding scheme:

Program for the development of the Cyprus Cinema

B.3 Name and address of the funding scheme's administration and supervisory authority:

Cyprus Cinema Advisory Committee
Ministry of Education and Culture
Corner of Kimonos and Thoukidides, 1434 Nicosia
Person Responsible: Elena Christodoulidou,
Cultural Officer A', Responsible for Cinema Affairs
E-mail: echristo@cytanet.com.cy
Phone: 0035722800982

B.4 List the titles of the laws and regulations that govern this funding scheme as of 31 December 2005 (in the original language and in an English working translation), and indicate

⁶ "Independent" means that the cinematographic and audiovisual works are produced and distributed by entities that are legally independent from broadcasters.

The Funding Programme was set up by the Cyprus Cinema Advisory Committee internally. The Cyprus Cinema Advisory Committee was set up by a decision of the Council of Ministers N° 40.698, 1994 and n° 56.727, 2002. No other legislation is available.

- the dates when these laws and regulations entered into force,

The decision was adopted on 22/3/1994 by the Council of Ministers.

- whether these laws and regulations were amended during the period from 2001 to 2005 (if so and if the amendments were significant, indicate their dates of entry in force),

The decision was amended in 2002 by Decision Number 56.727 of 7/11/2002.

and provide a copy of these laws and regulations in the version as of 31 December 2005 (in the national language only).

TERRITORIAL CONDITIONS

Explicit territorial conditions

B.5 Does the scheme impose any explicit obligation on independent film and audiovisual project proposals that they must spend a minimum proportion of the production budget in the Member State/Region to qualify for State aid or to receive the maximum amount of State aid available (*consider the situation as of 31 December 2005 and, only in case of significant changes, the situation before this date during the period from 2001 to 2005*)?

Yes / No

No.

There is no obligation, under the Regulation of the Programme for the Development of Cyprus Cinema that a proposal for an independent film spends a minimum proportion of the budget in Cyprus. The only requirement that has to do with Cyprus is that proposals have to be submitted by production houses or producers registered in Cyprus as companies. In addition, the funding scheme also seems to promote other production houses established in another Member State. In this respect, production houses having their seat in a Member State of the EU, and which operate in Cyprus through a permanent branch or office, are also entitled to receive funding in specified cases.

⁷ Any requirement/incentive that some of the development, production or post-production activities must take place in the country or region offering the State aid, either for the audiovisual work to be eligible for State aid or affecting the amount of State aid available to the audiovisual work.

If yes,

- B.6** Quote (in the national language and in an English working translation) the provisions requiring territorialisation that are contained in the rules (legislation and internal regulations) listed under Answer B.4 (*provide quotes of the current version of the rules as of 31 December 2005 and, only in case of significant changes, of former versions of territorialisation clauses that were in force before this date during the period from 2001 to 2005*):
- B.7** Describe how these territorialisation requirements are implemented, including the minimum proportion required and the maximum (*provide a description with respect to the current version of the territorialisation requirements as of 31 December 2005 and, only in case of significant changes, with respect to former versions of territorialisation requirements that were in force before this date during the period from 2001 to 2005*).
- B.8** Describe how territorialisation requirements that apply to this scheme are interpreted and implemented in the context of the co-production agreements listed under answer A.3 (*provide a description with respect to the current version of the territorialisation requirements as of 31 December 2005 and, only in case of significant changes, with respect to former versions of territorialisation requirements that were in force before this date during the period from 2001 to 2005*):
- B.9** Quote and summarize judicial and administrative practice (case law and guidelines) and legal commentaries addressing the implementation of territorialisation requirements that you quoted and described under answers B.6 to B.8 (*provide a quote and summary with respect to the current version of the territorialisation requirements as of 31 December 2005 and, only in case of significant changes, with respect to former versions of territorialisation requirements that were in force before this date during the period from 2001 to 2005*):

Implicit or *de facto* territorial conditions

- B.10** Does the scheme provide any scope for territorial conditions to be applied implicitly or *de facto*? - For example, do the selection criteria imply that proposals are more likely to be selected for funding if they would create employment in the region/Member State, use local professionals, or generally promote interest in the region/Member State (*please cover the situation prevailing as of 31 December 2005 and, only in case of significant changes, the situation that prevailed before this date during the period from 2001 to 2005*)?

Yes/No

No.

As already mentioned, the Regulation of the Programme for the Development of Cyprus Cinema require that certain qualitative criteria are fulfilled by applicant producers / directors such as his qualifications and experience.

If yes,

B.11 Please describe the implicit or *de facto* territorialisation requirements that are practised by this funding scheme (as of 31 December 2005 and, only in case of significant changes, before this date during the period from 2001 to 2005):

CULTURAL CLAUSES

B.12 Quote the legal provisions of your jurisdiction (in the national language and in an English working translation) expressing cultural policy goals (e.g. promotion of cultural identity and cultural diversity) that could legitimate the explicit or implicit territorialisation requirements mentioned under answers B.6, B.7 and B.11 and that are currently in force:

Although there are no territorialisation requirements under the Programme for the Development of Cyprus Cinema, there are certain provisions in the Regulation of the Programme for the Development of Cyprus Cinema, issued by the Cyprus Cinema Advisory Committee, which describe the general policy goals for the provision of the funding by the Government.

The Preamble of the Regulation states that the Regulation is the result of the experience gained by the Cyprus Cinema Advisory Committee over the recent years. The Committee has drawn up the Regulation upon studying the realities of Cyprus and the difficulties faced by the local film production industry.

With regards to the Production Development Plan for Feature Films, the Regulation provides that, having recognised the difficulties in funding the production of films and the importance of this phase in the execution of a production, the Committee has decided to accept proposals to participate in the development of the production plan of a proposal, so as to facilitate the producer in completing the production file and proceeding to its final phase.

Similar policy goals are pursued with respect to High Budget Films. According to the Regulation, this category of funding is addressed to producers who wish to produce high budget films, for the realisation of which funds from abroad are definitely required, and aspires to be the basis for filmmaking of high artistic and technical standards. Considering that the success of such a venture requires costly production means and a persistent search for additional resources, the Committee has decided to give this programme comparative priority and enhance it as follows:

5. By participating in such productions with a minimum amount of CYP150.000 and a maximum of CYP250.000, provided the overall funding does not exceed 50% of the film's total budget.
6. By supporting this programme in all production stages.

7. By supporting such proposals, provided they have been approved by the Committee, before other European agencies such as Eurimages, the Greek Film Centre and Greek television.

Finally, funding for Participation in Festivals demonstrates the cultural policy pursued by the Committee. According to the Regulations, the Committee, having recognised that a proper participation in a film festival requires expenditure, preparation and organisation, in order to make possible the promotion of films from Cyprus, has decided to take part in the planning of the participation, by funding such films against their budget and receipts. The said Festivals include leading European Festivals such as Cannes, Berlin and Venice and B' class Festivals, such as Locarno, San Sebastian, Valencia, Thessaloniki, Manheim and London.

Further to the above, the decision of the Council of Ministers N° 40.698 of 1994 on the establishment of the Committee also demonstrates the policy goals behind the funding provided:

- The progress of cinema and of audiovisual means on an international level and mainly in Europe, as well as the promotion of public television and the promotion of private companies such as producers and private television stations.
- The participation of Cyprus in various European bodies which promote cinema and the co-production of films such as Eurimages and Eureka. The selection and support of Cypriot candidate movies for funding and promotion through such bodies.
- Due to the extreme weather conditions, the wonderful landscape, the services offered by the developing movie production industry in Cyprus, Cyprus has started to attract foreign producers for shooting films in Cyprus, and this is another important reason for organising cinema in Cyprus.

SELECTIVE SCHEMES

B.13 If this scheme distributes aid selectively,⁸ please indicate the total aid selectively distributed, and list the qualitative criteria that were applied as of 31 December 2005 and, only in case of significant changes, before this date during the period from 2001 to 2005:

Funding by the Cyprus Cinema Advisory Committee under the Regulation of the Programme for the Development of Cyprus Cinema is provided selectively and on the basis of qualitative criteria as follows:

A. Scrip Funding for a Feature Film

Terms of Participation

⁸ Selective funding schemes grant State aid based on an evaluation of each project and following qualitative criteria. In contrast, automatic schemes grant State aid if certain quantitative criteria such as box office results of previous works are met.

1. The scriptwriter must have already written a feature film script, already shot into a film, or scripts for two short films shot into a film or the script of a fiction TV programme.
2. The producer must be experienced in organising film productions.
3. Only proposals from experienced production houses will be admitted.
4. Production houses having their seat in a Member State of the EU, and which operate in Cyprus through a permanent branch or office, are also entitled to receive funding under this category.

Selection Criteria

1. Originality and artistic excellence of the proposed script
2. The scriptwriter's previous work
3. The producer's previous work
4. Possibility of financial coverage of a future production plan within the Committee's funding limits

Funding Participation of the CAC

1. The overall aid arising from the funding of scriptwriting and the eventual funding of additional production stages of the film will not exceed 50% of the film's total budget, with the exception of films by new directors and low budget films.
2. 50% of the approved amount is paid to the producer upon approval of the proposal and the signing of the project award contract. The producer is free to spend at least 20% of the production's budget in Member States of the European Union without being faced with a reduction in the funding provided in accordance with the plan.
3. The remaining 50% is paid upon delivery of the script.
4. The maximum deadline for the delivery of the script will be 6 months from the signing of the award contract. In special cases, the deadline may be extended by another two months, upon relevant decision by the Committee.
5. If, upon the expiry of the deadline, the script is not delivered to the Committee, the producer is obliged to return immediately in full the amount of the first installment (50%), which he received with the signing of the award contract.
6. In case the proposal proceeds to subsequent production stages, the amount granted for the funding of the script will be taken into account when calculating the overall cost of the production.
7. Proposals whose funding has been approved and in respect of which the relevant contracts have been signed can, in no case, be presented again before the Committee for additional funding.

B. Production Development Plan for Feature Films

This category of funding is addressed exclusively to experienced producers and established directors, provided they have a registered production house.

Terms of Participation

1. The producer or the production house which submits the proposal must have significant professional experience and proven work in the field of organisation and execution of film productions.

2. The proposed director must have already directed a fiction feature film. Directors of at least two feature documentaries or a debut film are also admitted. The director's previous work is an important criterion in the positive review of the proposal.
3. In case the producer is also the director of his film, an executive producer must be appointed along with the submission of the proposal.
4. Production houses having their seat in a Member State of the EU, and which operate in Cyprus through a permanent branch or office, are also entitled to receive funding under this category.

Selection Criteria

1. The professional experience of the producer, the adequacy and capabilities of the production house
2. The proposed director's filmography
3. The producer's filmography
4. The scriptwriter's work up to this day
5. Originality in the development of the film's theme
6. Artistic excellence of the proposal
7. The possibilities of artistic and commercial success of the proposal, at the discretion of the Committee.
8. The real probabilities of completing the funding of the production.

Funding Participation of the CAC

The amount of the Committee's participation in the Development Plan Programme is a contribution to the overall amount of the producer's expenses to cover his needs at this stage of the production. In the case of additional funding of the proposal in the subsequent production stages, the Committee's contribution will be set off against the overall cost of the film.

The overall aid arising from the funding of the Plan Development Programme and the eventual funding of additional production stages of the film will not exceed 50% of the film's total budget, with the exception of films by new directors and low budget films. 50% of the Committee's participation is paid to the producer immediately after the signing of the relevant contract.

The producer is free to spend at least 20% of the production's budget in Member States of the European Union without being faced with a reduction in the funding provided in accordance with the plan.

The remaining amount is paid upon submission of the complete production file and upon presentation of valid receipts. Producers who will not complete the development of the production plan and will not submit the production file are not obliged to return the advance payment, provided they will produce valid receipts justifying and covering the said amount. They will not be entitled to the remaining amount.

C. Participation in First Feature Film

This part of the programme is addressed to producers who undertake the production of the first feature film of new directors. In order for production plans for these films to be realisable, the Committee upon review has decided to set the amount of CYP250.00 as the maximum budget

limit for proposals under this programme. Consequently, the scripts of these proposals must be within the limits of the aforementioned amounts.

Terms of Participation

1. The proposed director must have already directed a debut film or two documentaries, with the exception of films shot during his studies. His previous work and studies are a decisive criterion in the selection of the proposal.
2. The proposal is submitted by the producer. The director cannot be, at the same time, the producer of his work.
3. The producer or the executive producer must have proven experience in filmmaking with at least one feature film or a satisfactory number of fiction audiovisual programmes.
4. Production houses having their seat in a Member State of the EU, and which operate in Cyprus through a permanent branch or office, are also entitled to receive funding under this category.
5. The duration of the work must not exceed 90 minutes.
6. The duration of filming must not exceed 6 weeks.
7. The budget must not exceed the limit provided by the Regulation. An excess of 20% is allowed only if, upon submission of the production file, it is demonstrated that the aforementioned percentage has been obtained in monetary funding.

Funding of First Film

As indicated above, the maximum budget for the film must be CYP 250.000. The maximum participation of the Committee up to CYP 110.000. Funding for production plan development is CYP 6.000.

The disbursement of the Committee's participation amount is made as follows:

- 20% upon the signing of the production agreement
- 50% one month before the commencement of filming
- 20% upon the end of filming
- 10% upon delivery of the first print and the accounting verification of the budget.

The Committee may fund, in total, the production of a first feature film with 60% of the total budget, provided the proposal complies with the above terms and, in particular, the term concerning the maximum budget. The annual number of film productions funded under this category will not exceed two (2).

The producer will be free to spend at least 20% of the total budget of the film in Member States of the European Union without being faced with a reduction in the funding granted in accordance with the plan.

D. Low Budget Films

This category of funding is addressed to producers who intend to organise the production of a feature film on a low budget and for the execution of which no additional financial resources from abroad are needed. Taking into consideration the real costs of feature film productions, the Committee has fixed the amount of CYP130.000 as its maximum participation in the funding of these films.

Terms of Participation

1. The director must have already directed a feature film with plot or a feature documentary.
2. In case the director is also the producer of his work, an executive producer must be appointed along with the submission of the proposal.
3. The production house, the producer and/or the executive producer must have proven experience in the organisation of feature film productions.
4. The duration of the proposed work must not exceed 90 minutes.
5. The duration of filming must not exceed 7 weeks.
6. The budget must not exceed the limit provided for by the Regulation.

An excess of 20% is allowed only if, upon submission of the production file, it is demonstrated that the aforementioned percentage has been obtained in monetary funding.

7. Production houses having their seat in a Member State of the EU, and which operate in Cyprus through a permanent branch or office, are also entitled to receive funding under this category.

Funding Participation of the Committee

- Maximum budget CYP 400.000
- Maximum participation of the Committee up to CYP 130.000
- Maximum funding of script CYP 8.000
- Funding for production plan development CYP 12.000

The disbursement of the Committee's participation amount is made as follows:

- 20% upon the signing of the production agreement
- 50% upon the commencement of filming
- 20% upon the commencement of post-production
- 10% upon delivery of the first print and the accounting verification of the budget.

Proposals whose funding has been approved and in respect of which the relevant contracts have been signed can, in no case, be presented again before the Committee for additional funding. The Committee may fund, in total, the production of a first low budget feature film with a maximum of 75% of the total budget, provided the proposal complies with the above terms and, in particular, the term concerning the maximum budget. The annual number of film productions funded under this category will not exceed three (3). The producer will be free to spend at least 20% of the total budget of the production in Member States of the European Union without being faced with a reduction in the funding granted in accordance with the plan.

E. High Budget Films

The Committee gives this programme comparative priority and enhances it as follows:

1. By participating in such productions with a minimum amount of CYP150.000 and a maximum of CYP250.000, provided the overall funding does not exceed 50% of the film's total budget.
2. By supporting this programme in all production stages.

3. Bu supporting such proposals, provided they have been approved by the Committee, before other European agencies such as Eurimages, the Greek Film Centre and Greek television.

Terms of Participation

Terms of participation for phases 3, 4 and 5 are as follows:

1. The production house, the producer and/or the executive producer must have proven experience in international co-productions. The producer's previous work is a decisive criterion in the acceptance of a proposal.
2. The director must have directed at least two feature films with plot or a feature film with plot awarded at a recognised film festival. The director's previous work is a decisive criterion in the acceptance of a proposal.
3. The director cannot be, at the same time, the producer of his work, unless, along with the submission of the proposal, an executive producer with experience in international co-productions is appointed.
4. In the case of international co-productions, the budget is unlimited, but priority will be given to the review of proposals whose budget does not exceed CYP1.000.000.
5. Production houses having their seat in a Member State of the EU, and which operate in Cyprus through a permanent branch or office, are also entitled to receive funding under this category.

Funding Participation of the Committee

- Maximum budget unlimited
- Maximum participation of the Committee CYP 250.000
- Minimum participation of the Committee CYP 150.000
- Funding of script CYP 8.000
- Funding for production plan development CYP 20.000

The disbursement of the Committee's participation amount is made as follows:

- 20% upon the signing of the production agreement
- 50% one month before the commencement of filming
- 20% upon the end of filming
- 10% upon delivery of the first print and the accounting verification of the budget.

The Committee funds the overall budget of a film with a percentage not exceeding 50%. This funding includes the eventual funding of additional stages in the production of the film, such as scriptwriting, the development of the production plan, the promotion of the film and participation in festivals. The producer will be free to spend at least 20% of the total budget of the film in Member states of the EU without being faced with a reduction in the funding granted in accordance with the plan.

The Committee accepts the provision of services, as follows:

- a. Cover of the cost for the rental of machinery
- b. Supply of work
- c. Capitalisation of part of the remuneration of the scriptwriters, the producer, the director, the actors, the director of photography and other artists involved.

In case financiers include the Greek Film Centre or other official agencies in Greece, the certificate of submission of the file or the approval or the letter of intent. The Committee recognises only one production budget for itself, the Greek Film Centre and Eurimages.

Evaluation and Selection Criteria

The following criteria apply to phases 3, 4 and 5.

1. The professional adequacy and the capabilities of the production house.
2. The producer's work up to this day
3. Originality in the conception and the development of the plot.
4. The work of the proposed director up to this day
5. The actual and proven coverage of the production's funding plan
6. The value of the production's artistic and technical resources

F. Funding for Film Promotion

After the completion of each production, the Committee accepts proposals by producers for the commercial promotion of their films and their eventual participation in film festivals. In a first stage, the Committee may fund the coverage of the expenses for the printing of the answer prints as follows:

- a. First film: 2 prints
- b. Low budget film: 3 prints
- c. High budget film: 4 prints
- d. Documentary, short film, etc: each case will be reviewed separately
- e. Subtitling of print in a foreign language

In a second stage, the Committee funds:

- i. the transfer of the film on BETA and VHS video
- ii. the production of a demo
- iii. the translation of dialogues and subtitling on video and film.

The above concern the production of feature films. All other productions are assisted depending on each separate case and based on the specific needs, at the discretion of the Committee. In the cases where a production has secured distribution in cinema halls, the Committee funds the promotion of the film with an amount of up to CYP7.000 for feature films. This amount is distributed equally for advertising and for the hall. In respect of short films, applications are approved per case and, in any case, with an amount not exceeding CYP2.500 including the funding of one print.

The producer will be free to spend at least 20% of the total budget of a film in Member States of the European Union without being faced with a reduction in the funding granted in accordance with the plan.

Production houses having their seat in a Member State of the EU, and which operate in Cyprus through a permanent branch or office, are also entitled to receive funding under this category.

G. Participation in Festivals

Funding for participation in a film festival is made as follows:

- Leading European Festivals

Cannes, Berlin, Venice: CYP15.000

In the case of participation in the competition section: CYP20.000

- B' class Festivals

Locarno, San Sebastian, Valencia, Thessaloniki, Manheim, London: CYP10.000

In the case of participation in the competition section: CYP15.000

- Other festivals: up to CYP5.000

The Committee undertakes to print the festival copy and to subtitle the film. The producer will be free to spend at least 20% of the total budget of the film in Member States of the European Union without being faced with a reduction in the funding granted in accordance with the plan. Production houses having their seat in a Member State of the EU, and which operate in Cyprus through a permanent branch or office, are also entitled to receive funding under this category.

H. Participation in Alternative Cinema Proposals (Documentaries, short films, animated films)

All cinema genres other than the production of feature films, are funded under this category, which is addressed to directors who wish to express themselves through documentaries, short films, animated or even experimental films. This funding is purely of developmental nature, as it gives young people with limited cinematographic experience the opportunity to take their first steps in short films.

The Committee also launches the DEBUT category addressed exclusively to young directors who have already directed a first short film other than films made during their studies. This funding category provides for the Committee's participation in films whose duration ranges from 25 to 30 minutes and whose purpose is to prepare young directors for feature films.

Maximum funding participation of the Committee

- a. Short films: up to CYP15.000
- b. 30 minute documentaries: up to CYP25.000
- c. 60 minute documentaries: up to CYP40.000
- d. Debut films: up to CYP45.000
- e. Animated films: each case will be reviewed separately
- f. Experimental films: each case will be reviewed separately

The Committee accepts proposals the filming of which is to be made on digital video. It accepts analog video as material for the post-production of the films described above. The Committee does not participate and does not fund TV films or programmes. The Committee accepts proposals for the aforesaid films only by production houses, with the exception of first short films, experimental and animated films.

Evaluation Criteria

1. The director's previous work
2. Professional adequacy of the producer and capabilities of the production house
3. Interest of the theme
4. Originality in the development of the plot
5. In the case of documentaries, the director's filmography as proof of his prior artistic and creative work, which predetermines to a large extent the style of the proposed documentary, is a decisive criterion.

The Committee funds the production of films under this category with a maximum of 50% of the film's overall cost. This funding includes the eventual funding of additional production stages of the film, such as scriptwriting, production plan development, film promotion and participation in festivals. The producer will be free to spend at least 20% of the total budget of the film in Member States of the European Union without being faced with a reduction in the funding granted in accordance with the plan.

As mentioned above, new funding schemes under the Regulations of the Programme for the Development of Cyprus Cinema are available covering the year 2007 for the funding of the following types of cinema films:

9. Short Duration Films (up to CY £15.000 - 26.0456 EUR, duration 10 -12')
10. Debut Films (up to CY £45.000 - 78.1365 EUR, duration 25 - 30')
11. Short Duration Documentaries (up to CY £25.000 - 43.4091 EUR, duration up to 30')
12. Long Duration Documentaries (up to CY £40.000 - 69.4590 EUR, duration up to 60')
13. Development Plan for Short Duration Film (up to CY£20.000 - 34.7295 EUR)
14. Scenario development for Short Duration Film (up to CY £8.000 - 13.8918 EUR)
15. Experimental Cinema (as the case may be)
16. Animated films (as the case may be)

CONTACT DETAILS

B.14 Name, function and contact information (postal address, phone and email) of the liaison person at the funding scheme:

Cyprus Cinema Advisory Committee
Ministry of Education and Culture
Corner of Kimonos and Thoukidides, 1434 Nicosia
Person Responsible: Elena Christodoulidou,
Cultural Officer A', Responsible for Cinema Affairs
E-mail: echristo@cytanet.com.cy
Phone: 0035722800982

(Contacted on 5 October 2006)

Name of the lawyer and law firm in charge of the data collection:

Olga Georgiades, Lellos P. Demetriades Law Office

Date of the data collection and processing:

4 October 2006

5 October 2006

6 October 2006