

On the basis of Article 7 of the Regulation on Investor Incentive for the production of audiovisual works in the Republic of Serbia („Official gazette of RS“ no. 72/15),

The Republic of Serbia

**MINISTRY OF ECONOMY
announces the permanently open**

**PUBLIC CALL FOR AWARDING INCENTIVES
TO THE INVESTOR WHO IS PRODUCING AN AUDIOVISUAL WORK IN
THE REPUBLIC OF SERBIA**

Incentives to the investor who is producing an audiovisual work in the Republic of Serbia are awarded for the purpose of encouraging economic activities related to audiovisual production in the Republic of Serbia, through increased employment in audiovisual production, as well as promoting the potential of the Republic of Serbia in this industry, i.e. its infrastructure, production and service industries.

I AMOUNT OF INCENTIVES

In accordance with this public call, incentives are awarded as grants, by recovery of part of the eligible costs incurred in the Republic of Serbia.

Incentives are awarded in the amount of 20% of eligible costs which the Investor incurred in the Republic of Serbia.

Accepted as eligible (acceptable) costs are:

- 1) costs regarding the production of an audiovisual work incurred and paid to legal of natural persons on the territory of the Republic of Serbia and which pertain to goods procured and services provided, the use of locations, payment of fees to crew members who are nationals of the Republic of Serbia or foreigners who reside for at least one year in the territory of the Republic of Serbia, in accordance with the regulations of the Republic of Serbia;
- 2) costs incurred in connection with the use of goods or renting of movable and immovable property may be recognized only in the event that the goods or movable and immovable property are owned by legal or natural persons from the territory of the Republic of Serbia.

Costs which are especially not recognized as eligible costs incurred in connection with the development of an audiovisual work are: marketing costs, costs related to the purchase of real-estate, distribution costs and costs of value added tax.

The type and content of rationale for eligible, as well as non-eligible costs, are prescribed in more detail in the Rulebook on the types and content of rationale for eligible and non-eligible costs and the form of application for payment of incentives to the investor who is producing an audiovisual work in the Republic of Serbia („Official gazette of RS“ no. 36/2016).

II USER OF INCENTIVES

The user of incentives may be a legal or natural person for whose account and whose funds are used to finance, i.e. co-finance the production of an audiovisual work in the Republic of Serbia (hereinafter: the Investor).

Not entitled to incentives is an Investor:

- 1) against whom bankruptcy proceedings, liquidation or reorganization have been initiated;
- 2) having due and unsettled tax obligations in the Republic of Serbia and other financial obligations towards the Republic of Serbia.

III AUDIOVISUAL WORK WHOSE PRODUCTION ENTITLES THE AWARDING OF INCENTIVES

The right to awarding incentives may be achieved for the production of:

- 1) motion picture, TV film, documentary film and animated film intended for screening, which last at least 70 minutes;
- 2) TV series of at least 3 episodes lasting at least 40 minutes each;
- 3) documentary TV program lasting at least 40 minutes.

The Investor may request incentives for an audiovisual work:

- 1) whose content is not contrary to morality, public order and public interests of the Republic of Serbia and which does not undermine the reputation of the Republic of Serbia, does not promote human rights violations and hate speech;
- 2) which is in the format of a motion picture, documentary, animated, TV film or TV series, specialized film and postproduction.

IV CONDITIONS FOR PARTICIPATION IN THE AWARDING OF INCENTIVES

In order to be entitled to the awarding of incentives, the Investor must fulfill the condition by which, for the purpose of producing the audiovisual work, allocate funds in the production budget for realization of the project in the Republic of Serbia, in an amount higher than the minimum funds for the specific format:

- 1) for motion picture, TV film and TV series: 300.000,00 euros;
- 2) for animated film, audio and/or visual postproduction of an audiovisual work: 150.000,00 euros;

- 3) for specialized film: 100.000,00 euros;
- 4) for documentary film: 50.000,00 euros.

V APPLICATION FOR AWARDING INCENTIVES

The Application for awarding incentives is submitted by September 30th of the current year.

Applications for awarding incentives which are received after September 30th shall be deemed as applications for the following budget year.

The Application for awarding incentives is submitted by the Investor to the Committee awarding incentives (hereinafter: the Committee), through Film Centre Serbia, on the basis of this public call, with the following supporting documents:

- 1) filled out Form 1, which represents Schedule 1 of the Rulebook on the types and content of rationale for eligible and non-eligible costs and the form of application for payment of incentives to the investor who is producing an audiovisual work in the Republic of Serbia;
- 2) synopsis and scenario of the audiovisual work;
- 3) list of main crew members for production of the audiovisual work (director, actors, etc.);
- 4) overview of the production budget, with an overview of part of the budget intended for production in the Republic of Serbia, expressed in dinars;
- 5) statement that the audiovisual work fulfills the conditions from Article 4 of the Regulation on Investor Incentive for the production of audiovisual works in the Republic of Serbia;
- 6) production calendar of the audiovisual work in the Republic of Serbia;
- 7) shooting schedule of the audiovisual work in the Republic of Serbia;
- 8) evidence that none of the reasons from Article 5 of the Regulation on Investor Incentive for the production of audiovisual works in the Republic of Serbia have been fulfilled (certificate by the Police Department and Excerpt from the Serbian Business Registers Agency);
- 9) Statement on commencing production of the audiovisual work in the Republic of Serbia;
- 10) Statement whether it has received de minimis state aid for the same eligible costs in the current fiscal year and in the two previous fiscal years.

The Investor is obliged to, at the request of the Committee, deliver other data and documents relevant for awarding incentives, as well as a bank guarantee for earnestness of the offer in the amount of 5% of the total estimated costs intended for the production of the audiovisual work, in favor of the Republic of Serbia – Ministry of Economy, issued by a commercial bank from the territory of the Republic of Serbia, with a validity until the date of concluding the agreement on awarding incentives, which must be irrevocable, unconditional and payable on

the first call, without complaint, as security in the event the applicant withdraws, refuses to sign or fails to conclude the agreement on awarding funds in a timely manner.

The Investor is obliged to prove that, on the day of submitting the application, at least 30% of funds allocated for production costs of the audiovisual work in the Republic of Serbia have been provided.

VI AGREEMENT ON AWARDING INCENTIVES

After the Committee determines that the applicant has fulfilled all prescribed conditions, it proposes that the Ministry render a decision on the fulfillment of eligible conditions for awarding incentives.

The Ministry signs the agreement on awarding incentives with the applicant applying for the awarding of incentives, under the condition that funds have been provided in the budget of the Republic of Serbia for these purposes.

The agreement on awarding incentives is an adhesion agreement and contains provisions of the contracting parties, funds which are the subject of the incentive, the terms, rights and obligations of the contracting parties and other provisions.

Documentation submitted with the application for awarding incentives is deemed to be an integral part of the agreement.

VII REQUEST FOR PAYMENT OF INCENTIVES

The Investor submits to the Committee the request for payment of incentives in the term of 45 days after finishing production of the audiovisual work on the territory of the Republic of Serbia.

The Request for payment of incentives is submitted on Form 2 which represents Schedule 2 of the Rulebook on the types and content of rationale for eligible and non-eligible costs and the form of application for payment of incentives to the investor who is producing an audiovisual work in the Republic of Serbia, with the following supporting documentation:

- 1) excerpt from the Business Registers Agency or other competent registry;
- 2) report of an independent auditor on the costs of production of the audiovisual work in the Republic of Serbia and the operations of the investor relating to the specific audiovisual work that is the subject of the application;
- 3) all evidence about the cost of production or the general ledger for eligible costs;

- 4) proof confirming the listed costs (invoices, contracts and copies from the commercial bank with indication of payment made, etc.);
- 5) list of members of the cast and crew;
- 6) evidence of the total expenditures in the territory of the Republic of Serbia, in accordance with the applicable laws of the Republic of Serbia;
- 7) notarized statement of the investor that the information in the documents is true and accurate;
- 8) account number of the investor opened in the Republic of Serbia to which the payment of incentives shall be made.

VIII SUBMITTING THE APPLICATION FOR AWARDING AND THE REQUEST FOR PAYMENT OF INCENTIVES

The application for awarding and the request for payment of incentives made on prescribed forms 1 and 2, as well as supporting documents, are delivered in the Serbian language or a foreign language with a certified Serbian translation, to the address:

FILM CENTRE SERBIA, Koce Popovica Street no. 9/III, 11000 Belgrade
Supporting documentation can also be delivered in CD or DVD format.

IX ADDITIONAL INFORMATION

The required documentation can be downloaded on the websites of the Ministry: www.privreda.gov.rs and Film Centre Serbia www.fcs.rs: Regulation on Investor Incentive for the production of audiovisual works in the Republic of Serbia, Rulebook on the types and content of rationale for eligible and non-eligible costs and the form of application for payment of incentives to the investor who is producing an audiovisual work in the Republic of Serbia, as well as Form number 1 and Form number 2 which define in more detail all important elements and rules of participation in this Public call.

Information necessary for participation in the public call may be obtained at the Film Centre Serbia: 011/26 25 131