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If a whole or part of a paragraph has been amended, the date of the amending regulation appears in square brackets at the end of the paragraph. If a whole paragraph or sub-paragraph has been deleted, the date of the deletion appears in square brackets beside the deleted paragraph or sub-paragraph.

Republic of Latvia

Cabinet

Regulation No. 975

Adopted 12 October 2010

Procedures by which the National Film Centre shall Grant Public Financing to Film Industry Projects

*Issued pursuant to
Section 9, Paragraph three of the Film Law*

I. General Provisions

1. This Regulation prescribes the provisions for the preparation of film industry projects (hereinafter – the project) applied for the public financing (hereinafter – the financing) by tender, the evaluation criteria thereof, the procedures for taking decisions, as well as the procedures for the supervision of the projects financed.

2. In order to grant financing to projects, the National Film Centre shall organise an open tender.

3. The financing within the scope of this Regulation shall be granted for the following activities:

3.1. for the production, pre-production (script writing and project development), and distribution of feature films, documentaries, and animation film projects of Latvia, including for the promotion of film projects, the costs of which in accordance with Article 54 of Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (hereinafter – Regulation No 651/2014) constitute the overall eligible costs of the project. The total budget of the aid scheme shall not exceed the threshold specified in Article 4(1)(aa) of Regulation No 651/2014, and the aid scheme shall be implemented in accordance with Article 1(2)(a) and (b) of Regulation No 651/2014 in relation to the average annual budget of the aid scheme;

3.2. for other projects related to the film industry (marketing of Latvian films, participation in international film art events, film project markets, and seminars abroad, organisation of courses, seminars, and industry events in Latvia).

[18 December 2018; 21 May 2019]

4. Micro enterprises, small, medium and large enterprises and associations and foundations registered in Latvia may submit a project for the tender in accordance with Article 2(24) of and Annex 1 to Regulation (EU) No 651/2014.

[18 December 2018]

5. It shall not be allowed to apply for the financing, if:

5.1. the project submitter conforms to the attributes of an undertaking in difficulty specified in Article 2(18) of Regulation No 651/2014, in relation to the activities referred to in Sub-paragraph 3.1 of this Regulation;

5.2. the project submitter has tax debts and debts of the mandatory State social insurance contributions on the day of submitting the project in accordance with laws and regulations;

5.2.¹ the project submitter is subject to an outstanding recovery order according to a previous Commission decision referred to in Article 1(4)(a) of Regulation No 651/2014 (applicable to Sub-paragraph 3.1 of this Regulation);

5.3. the project submitter has not fulfilled the obligations arising from the financing agreements previously entered into with the National Film Centre, including within one year after completion of the film receiving public financing has not transferred the original film or a copy of the film to the National Archives of Latvia in a format that allows the quality of the original film to be obtained, in accordance with Section 4, Paragraph one of the Film Law;

5.4. the project is submitted by a broadcasting organisation;

5.5. more than 25 % of the fixed capital or voting rights of the project submitter belong to the State or local government, broadcasting organisation, or State or local government capital companies.

[18 December 2018]

6. [18 December 2018]

II. Preparation and Announcement of a Project Tender

7. The National Film Centre shall draw up and approve rules for a project tender (hereinafter – the rules), as well as announce the project tender in the official gazette Latvijas Vēstnesis, indicating the deadline for the submission of projects, the total financing available, the type of the project tender, and the place where one can become acquainted with the rules and receive additional information.

[3 September 2013]

8. The following shall be indicated in the rules:

8.1. the financing of the project tender, the objective, the activities to be supported, the terms and procedures of procedure;

8.2. the project submitters which may apply for the financing for the implementation of projects;

8.3. the place, deadline, and procedures for the submission of a project;

8.4. the provisions for the preparation and drawing up of a project;

8.5. the documents to be submitted;

8.6. the conditions for the spending of the financing;

8.7. the minimum and maximum amount of the financing which may be granted for the implementation of one project, as well as the amount of the co-financing of the project submitter, if any;

8.8. the items of eligible costs, including in relation to Sub-paragraph 3.1 of this Regulation, taking into account Article 54(5) of Regulation No 651/2014;

8.9. the deadline for project implementation;

8.10. the procedures and methods for the evaluation process of projects;

8.11. other information, if necessary.
[18 December 2018]

9. The project submission form and the forms of other documents to be submitted, as well as the project evaluation forms (Annexes 1, 2, and 3) shall be appended to the rules.

10. After announcement of the project tender the rules shall be published on the website of the National Film Centre.

III. Submission of Projects

11. The project submitter shall submit a project to the National Film Centre in relation to the activities referred to in Sub-paragraph 3.1 of this Regulation within the time period specified in the rules, in conformity with the conditions regarding the incentive effect referred to in Article 6(2) of Regulation No 651/2014. If the project implementation works have been commenced prior to submitting an application for aid to the aid provider, all project costs in general shall be ineligible. The project shall be implemented once all the bodies awarding aid have taken decisions to grant aid.

[18 December 2018]

12. The project shall consist of a filled-in project submission form and the documents referred to in the rules. The project shall be prepared in computerised form in Latvian, unless otherwise specified by the rules.

[18 December 2018]

13. The project submitter shall submit the project to the National Film Centre within the time period referred to in Paragraph 11 of this Regulation, in one of the following ways:

13.1. in printed form – in person or by post;

13.2. in the form of an electronic document in accordance with the laws and regulations regarding the drawing up of electronic documents.

14. Upon submitting a project in printed form, its pages shall be bound together and numbered. In the rules, the National Film Centre shall determine the number of copies of the project to be submitted, as well as may specify an additional requirement – to submit the project or its separate parts also electronically on an electronic data carrier or by sending it to the official electronic mail address of the National Film Centre.

[18 December 2018]

15. The National Film Centre shall register the project received and assign an identification number thereto.

IV. Requirements to be Met by a Project

16. A project may be applicable for the financing for the development of a full-length feature film or full-length animated film, if the director of the relevant project is the film director of any completed film, distributed to the public in the relevant film genre.

[18 December 2018]

17. A project which has not received support in the project tender may be re-submitted to the project tender not more than twice. The National Film Centre shall not register the non-

conformity established as a result of the evaluation referred to in Sub-paragraph 24.1 of this Regulation.

[18 December 2018]

18. The same project may be submitted to several project tenders, however, the total amount of the financing granted for a project in different project tenders shall not exceed the maximum permissible amount referred to in Paragraph 19 of this Regulation. If the project is submitted to several project tenders, the financing shall be granted to different activities related to the implementation of the project.

[18 December 2018]

18.¹ The financing for the activities referred to in Sub-paragraph 3.1 of this Regulation shall be granted in conformity with the conditions of Article 1(5) of Regulation No 651/2014.

[18 December 2018]

19. The aid granted to the Latvian film-making project referred to in Sub-paragraph 3.1 of this Regulation may be combined with aid for the same eligible costs provided in another State aid programme or individual project, not exceeding the maximum permissible aid intensity specified in Article 54(6) of Regulation No 651/2014, or the amount specified in the decision of the European Commission, in conformity with the following conditions:

19.1. the total amount of the granted financing, regardless of the source of financing, does not exceed 50 % of the overall eligible costs of the project. At least 80 % of the granted financing are used to pay for services to service providers registered in Latvia;

19.2. the total amount of the financing granted for the creation of a complicated film, regardless of the source of financing, shall not exceed 80 % of the overall eligible costs of the project. At least 80 % of the granted financing are used to pay for services to service providers registered in Latvia;

19.3. all the eligible costs which exceed the maximum permissible aid intensity referred to in Sub-paragraphs 19.1 and 19.2 of this Regulation or the amount specified in the decision of the European Commission shall be covered by the recipient of financing from the funds at his or her disposal which are not related to public funds.

[18 December 2018; 21 May 2019]

20. [18 December 2018]

21. [18 December 2018]

22. [18 December 2018]

23. A film shall be deemed a complicated film, if it conforms to at least two of the following criteria:

23.1. the film text is mainly in Latvian;

23.2. the film is based on issues related to science, including the ecology of Latvia, the social, political or economic environment in Latvia;

23.3. the film is based on historical or cultural events of Latvia;

23.4. it is a distinctly artistic film, in which experimental or innovative forms of expression are used;

23.5. the film is intended for children or young adults;

23.6. the film script is based on an original literary work of Latvia.

[18 December 2018]

V. Evaluation of Projects

24. Evaluation of the project and the project submitter shall take place in the following order:

24.1. evaluation according to the evaluation criteria of administrative conformity (Annex 1) in order to ascertain whether the project submitter and the project conform to the requirements specified and should be advanced for further evaluation;

24.2. evaluation of the creation project of Latvian films referred to in Sub-paragraph 3.1 of this Regulation in accordance with the conditions of Section 8, Paragraph one of the Film Law (Annex 2), as well as the conditions referred to in Paragraph 23 of this Regulation;

24.3. evaluation according to the quality evaluation criteria for film creation projects (Annex 3) in conformity with the project evaluation methods referred to in the rules, in order to determine the project quality in relation to the objective of the project tender;

24.4. evaluation according to the quality evaluation criteria for other projects related to the film industry (Annex 4) in conformity with the project evaluation methods referred to in the rules, in order to determine the project quality in relation to the objective of the project tender.
[18 December 2018]

25. The evaluation of the project and the project submitter according to the evaluation criteria of administrative conformity shall be performed by the National Film Centre within 20 days after expiry of the deadline for the submission of projects referred to in Paragraph 11 of this Regulation.

26. If the project or the project submitter does not conform to any of the conformity criteria for the project submitter referred to in Annex 1 to this Regulation, or any of the conformity criteria for the project referred to in Annex 1, Sub-paragraph 2.1, 2.2, 2.3, 2.4, or 2.5 of this Regulation, the National Film Centre shall take a decision on the non-conformity of the project with the evaluation criteria of administrative conformity and refusal to grant financing.
[18 December 2018]

27. If the project does not conform to any of the conformity criteria of a project referred to in Annex 1, Sub-paragraph 2.6, 2.7, 2.8, 2.9, 2.10, or 2.11 of this Regulation, the National Film Centre shall request in writing that the project submitter updates the project or submits additional information. The request shall be sent by post or to the electronic mail address indicated by the project submitter.
[18 December 2018]

28. If the project submitter submits an updated project or the necessary additional information in person, sends it by post or in the form of an electronic document in accordance with the laws and regulations regarding the drawing up of electronic documents, within seven working days after sending of the request by the National Film Centre, the National Film Centre shall re-evaluate the project according to the evaluation criteria of administrative conformity.

29. If after re-evaluation the project does not conform to any of the evaluation criteria of the project referred to in Paragraph 27 of this Regulation or the project submitter has not submitted the necessary additional information within seven working days after request of the National Film Centre, the National Film Centre shall take a decision on the non-conformity of the project with the evaluation criteria of administrative conformity and refusal to grant financing.

30. If the project conforms to one of the evaluation criteria of administrative conformity, one of the following permanent expert commissions (hereinafter – the commission) created by the National Film Centre shall continue to evaluate the project:

30.1. the commission for feature films;

- 30.2. the commission for documentaries;
- 30.3. the commission for animated films;
- 30.4. the expert commission for joint-production films;
- 30.5. the commission for other projects of the film industry.

[18 December 2018]

31. The activity of the commissions referred to in Paragraph 30 of this Regulation shall be determined by the rules approved by the National Film Centre. Specialists who have the knowledge or working skills in the film industry and who do not represent the interests of the project submitters shall be included in the composition of the commission. At least one member of the commission shall be a representative of the National Film Centre.

32. The commission shall evaluate the conformity of the creation project of Latvian films referred to in Sub-paragraph 3.1 of this Regulation in accordance with the conditions of Section 8, Paragraph one of the Film Law (Annex 2), and the conditions referred to in Paragraph 23 of this Regulation. If the project does not conform to the conditions of Section 8, Paragraph one of the Film Law, the commission shall inform the Director of the National Film Centre thereof. The Director of the National Film Centre shall take a decision to refuse to grant financing and inform the project submitter thereof.

[18 December 2018]

33. The commission shall evaluate the conformity of the project with the quality evaluation criteria referred to in Annex 3 to this Regulation and provide an opinion to the Director of the National Film Centre on granting of the financing for the support of the project or refusal to grant the financing.

34. Upon evaluating the project for the creation of a Latvian film referred to in Sub-paragraph 3.1 of this Regulation and providing an opinion to the head of the National Film Centre on the granting of the financing for the support of the project or refusal to grant the financing, the commission shall take into account the conditions referred to in Paragraphs 18 and 19 of this Regulation for the permissible intensity of the project financing, and also the information provided in the project application regarding the other financing granted to or planned within the project.

[21 May 2019]

35. In conformity with the opinion provided by the commission, the Director of the National Film Centre shall take a decision to grant the financing for the support of a project or to refuse to grant the financing. The date when the decision to grant financing for supporting the project shall be deemed as the date when the financing was granted. The financing shall be granted for the implementation of projects which have received the highest evaluation according to the quality evaluation criteria, while there is sufficient funding intended for the project tender.

[21 May 2019]

36. The National Film Centre shall notify the project submitter regarding granting of the financing for the support of the project or refusal to grant the financing. An announcement of the results of the project tender shall be published on the website of the National Film Centre.

VI. Procedures for the Evaluation of the Creation Project of a Latvian Film in Production

37. If the creation project of a Latvian film referred to in Sub-paragraph 3.1 of this Regulation has received financing for the production stage of the film according to the financing contract

regarding project implementation entered into with the National Film Centre, it may apply for the financing for the continuation or completion of the film production in accordance with the procedures specified in this Chapter, in conformity with Article 54(9) of Regulation No 651/2014 and Paragraph 11 of this Regulation.

[18 December 2018]

38. The project submitter shall, according to the rules, submit a completed project submission form to the National Film Centre, a report on the progress of the project implementation, and other documents referred to in the rules.

39. The National Film Centre shall evaluate the conformity of the project submitter and the project in accordance with Paragraphs 25, 26, 27, 28, and 29 of this Regulation.

40. If the project conforms to all the evaluation criteria of administrative conformity, evaluation thereof shall be continued by the relevant commission referred to in Paragraph 30 of this Regulation. The commission shall provide the Director of the National Film Centre with an opinion on granting of the financing for the support of the project or refusal to grant the financing. Upon evaluating the project and providing an opinion, the commission shall conform to the conditions referred to in Paragraphs 18, 19, 20, and 21 of this Regulation on the permissible intensity of financing for a project.

41. The decision on granting of the financing for the support of the project or refusal to grant the financing shall be taken by the Director of the National Film Centre, in conformity with the procedures referred to in Paragraphs 35 and 36 of this Regulation.

VII. Entering into a Financing Contract, Monitoring of Project Implementation and the Non-Commercial Rights of Film Projects

[18 December 2018]

42. The National Film Centre shall, within a month after taking of a decision to grant the financing for the support of the project, enter into a financing contract with the project submitter regarding the implementation of the project. The National Film Centre shall request the documents necessary for the preparation and supervision of the financing contract from the project submitter (for example, an estimate of the utilisation of the financing granted, work timetables, a financing plan, documents certifying co-production and financing).

43. If the financing contract is not entered into for the implementation of the project within the deadline referred to in Paragraph 42 of this Regulation, the National Film Centre shall revoke the decision to grant the financing for the support of the project. In such case and in other cases, when the financing granted in a project tender cannot be used according to the objectives intended for it, the National Film Centre shall decide on re-direction of the financing to other project tenders organised thereby.

44. Upon entering into the financing contract for project implementation, the project submitter shall become the implementer of the project and shall ensure the implementation of the project financed by the National Film Centre according to the contract on project implementation.

45. Upon performing supervision of the implementation of the project, the National Film Centre has the right to request information from the implementer of the project regarding the progress of implementation of the project and the utilisation of the financing granted. The request shall be sent by post or the electronic mail address indicated by the implementer of the project. The

implementer of the project shall provide the necessary information to the National Film Centre within five working days after sending of the request.

46. If the National Film Centre establishes that the financing granted is not being utilised according to the conditions of the financing contract, it shall unilaterally terminate the financing contract entered into and recover the unsuitably utilised financing from the implementer of the project.

47. In order to ensure the non-commercial availability of supported films to the public, the National Film Centre has the right, informing the producer in advance:

47.1. to perform the non-commercial distribution of the supported film in educational institutions, libraries, festivals, film days, promotional, educational and similar events worldwide regarding Latvian films;

47.2. to insert the supported film into audiovisual technologies administered by the National Film Centre, including Internet platforms (with access in the territory of Latvia), not earlier than 48 months after the national premiere of a short-scale animation film and documentary, and not earlier than 60 months after the national premiere of a feature film and full-scale animation film, except for the case where the National Film Centre and the producer agree to publish the film before the abovementioned deadline.

[18 December 2018]

48. The National Film Centre shall ensure the publicity measures specified in Article 9(1) and (4) of Regulation No 651/2014 in relation to the activities referred to in Sub-paragraph 3.1 of this Regulation.

[18 December 2018]

49. For the purposes of supervision, all the documentation related to the provision of aid in respect of the activities referred to in Sub-paragraph 3.1 of this Regulation shall be kept for 10 years by the aid provider and the aid recipient in accordance with Article 12(1) of Regulation No 651/2014.

[18 December 2018]

50. Taking into account the period of operation of Regulation No 651/2014, a decision to grant aid in respect of the activities referred to in Sub-paragraph 3.1 of this Regulation may be taken by 30 June 2021.

[18 December 2018]

Prime Minister

V. Dombrovskis

Acting for the Minister for Culture, Minister for Education and Science

T. Koņe

Evaluation Criteria of Administrative Conformity
[18 December 2018]

1. Conformity Criteria of the Project Submitter

No.	Criterion	Yes	No
1.1.	The project submitter complies with the conditions referred to in Paragraph 4 of Cabinet Regulation No. 975 of 12 October 2010, Procedures by which the National Film Centre shall Grant Public Financing to Film Industry Projects (hereinafter – the Regulation), the submitter of the creation project of a Latvian film complies with the conditions referred to in Section 8, Paragraph three of the Film Law		
1.2.	The project submitter does not have tax debts or debts of mandatory State social insurance contributions		
1.3.	The project submitter does not comply with the attributes of an undertaking in difficulty specified in Article 2(18) of Regulation No 651/2014		
1.4.	The project submitter has fulfilled the obligations arising from the financing contracts previously entered into with the National Film Centre regarding project implementation, including within one year after completion of the film receiving public financing, has transferred the original film or a copy of the film to the National Archives of Latvia in a format that allows the quality of the original film to be obtained, in accordance with Section 4, Paragraph one of the Film Law		
1.5.	The project submitter is not a broadcasting organisation		
1.6.	More than 25 % of the fixed capital or voting rights of the project submitter do not belong to the State or local government, broadcasting organisation, or State or self- government capital companies		

2. Conformity Criteria of the Project

No.	Criterion	Yes	No
2.1.	The project has been submitted within the specified period of time		
2.2.	The project is related to the objective of the project tender in accordance with the rules		
2.3.	The project is a Latvian film in accordance with Section 3, Clause 1 of the Film Law		
2.4.	The creation project of a feature film or an animated film of Latvia conforms with the conditions referred to in Paragraph 16 of the Regulation		

2.5.	The project conforms with the conditions referred to in Paragraph 17 of the Regulation		
2.6.	The project submission form has been completely filled in, and it has been signed by an official or authorised person of the project submitter		
2.7.	The requirements specified in relation to the drawing up of the project, the number of copies and the method of submission have been observed		
2.8.	All the necessary documents have been submitted		
2.9.	The amount of the financing requested for the project conforms to the amount of the financing specified in the rules (if applicable)		
2.10.	The creation project of a Latvian film conforms to the conditions referred to in Paragraph 6 of the Regulation		
2.11.	The amount of the co-financing indicated in the project is not less than the amount of the co-financing specified in the rules (if applicable)		

Evaluation Conditions for the Creation Project of a Latvian Film
[18 December 2018]

Public financing may be granted for the creation of a Latvian film, if in accordance with Section 8, Paragraph one of the Film Law it conforms to at least three of the following conditions:

No.	Criterion	Yes	No
1.	The action of the film mainly takes place in Latvia or another European Union Member State, or in a Member State of the European Economic Area, or in Switzerland		
2.	At least one of the main characters is related to the culture of Latvia or a territory where Latvian is spoken		
3.	The film producer or the scriptwriter is a citizen of Latvia or a non-citizen of Latvia, or a person who has received a permanent residence permit in Latvia, or the scriptwriter is a person who speaks Latvian		
4.	The main theme of the film is issues of culture, society, politics or history, relating to the Latvian community and is important thereto		
5.	One of the original final versions of the film is in Latvian		
6.	The film script is based on an original literary work of Latvia		

Acting for the Minister for Culture, Minister for Education and Science

T. Koķe

Evaluation Criteria of Quality for the Film Creation Projects
[18 December 2018]

No.	Criterion	Criteria indicators
1.	Significance and topicality of the project	Topicality, significance and (or) originality of the film project theme/idea within the context of the film culture of, primarily, Latvia, but also Europe
2.	Artistic quality of the project	Substantiation of the idea and quality of the project, quality of the film script and (or) subject, as well as the creative and visual production
3.	Professional quality of the project	Project financing, marketing and film distribution strategy, documents confirming the distribution of the film, potential for the distribution of the film
4.	Commensurability of finances, time and work schedule of the project	The conformity of the project estimates, calendar timetable, length and format of the film with the specific character of the project, as well as the conformity of the costs of the project with the financing of the tender
5.	Previous experience and competence of the project submitter	The administrative financial capacity of the submitter of the film project, the previous experience of the submitter/producer of the project in the creation and distribution of films or implementation of similar projects, as well as the history of previous projects in the National Film Centre
6.	Previous experience and competence of the authors of the project	The qualification and experience of the creative and (or) technical team of the project (including the project manager)

Evaluation Criteria of Quality for other Projects Related to the Film Industry
[18 December 2018]

No.	Criterion	Criteria indicators
1.	Significance and topicality of the project	Significance and topicality of the project
2.	Artistic quality of the project	The overall quality of the project idea, as well as the presentation of the project content, offering logical and rational reasoning for the need to implement this idea
3.	Professional quality of the project	The strategy for raising funds needed for the project, as well as the strategy for planned activities and the grounds for these in relation to the aim of the project
4.	Commensurability of finances, time and work schedule of the project	The conformity of the project estimates and calendar timetable with the specific nature of the project, as well as the conformity of the costs of the project with the financing of the tender
5.	Previous experience and competence of the project submitter	The previous experience of the project submitter in the implementation of a similar project, as well as the history of previous projects in the National Film Centre
6.	Previous experience and competence of the authors of the project	The qualification and experience of the creative and (or) technical team of the project (including the project manager)