



### State Aid for Film and Other Audiovisual Works

May 15, 2012

Dear Sir, Dear Madam,

We, the undersigned organizations, represent authors, performers, producers, distributors, publishers and technical crew involved in the creation, financing, production, distribution and publication of film and audiovisual works in all relevant distribution channels and platforms.

We welcome the Commission's initiative to undertake an informal consultation of the professional sectors, which we represent, on the proposed new state aid regime for film and other audiovisual works.

As expressed to the Commission services during this informal consultation, it is our view that the current regime is fundamentally sound. In particular, there is insufficient evidence for the main modification proposed by the Commission, i.e. the replacement of the criteria of territorialisation allowing Member States to require that 80% of a film's budget be spent in their territory by a criterion that 100% of the aid be spent in the EEA. There is no evidence or proof that the current territorialisation criteria require modification.

On the contrary, the high level of co-productions between Member States is considered desirable by the European industry and contributes in a positive manner to cultural diversity and a sustainable production infrastructure across European Member States.

We are concerned that a change to the current territorialisation criteria could lead to arbitrary, disguised territorialisation at national level. This would not increase transparency or indeed legal certainty for market operators. There is a risk of increased administrative burdens as well.

In the worst case scenario, we fear that a change would have the undesirable result of Member States reducing the funds available for financial support to film creation. This would have severely detrimental effects on the European cinematographic and audiovisual industry, a sector which is currently the source of important employment in Europe and with a real capacity for economic growth.

We therefore support maintaining the current rules for state aid to film and other audiovisual works. We urge the European Commission to take into consideration the views expressed in the consultation of the industry concerned, and to refrain from proposing changes to the criteria of territorialisation.

#### **List of signatories**

- **CEPI** - European Coordination of Independent Producers – [www.cepi.tv/](http://www.cepi.tv/)
- **EUROKINEMA** – representing French film producers – [www.eurocinema.eu](http://www.eurocinema.eu)
- **Europa Distribution** – Independent European Distributors - [www.europa-distribution.org](http://www.europa-distribution.org)
- **EPC** – The European Producers Club -- [www.europeanproducersclub.org](http://www.europeanproducersclub.org)
- **EuroFIA** – European Group of the International Federation of Actors – [www.fia-actors.com](http://www.fia-actors.com)
- **FERA** - Federation of European Film Directors - [www.filmdirectors.eu](http://www.filmdirectors.eu)
- **FIAD** - International Federation of Film Distributors Associations - [www.fiad.fr](http://www.fiad.fr)
- **FIAPF** - International Federation of Film Producers Associations – [www.fiapf.org](http://www.fiapf.org)
- **IVF** - International Video Federation Publishers of Audiovisual Content on Digital Media and Online - [www.ivf-video.org](http://www.ivf-video.org)
- **UNIC** – International Union of Cinemas – [www.unic-cinemas.org](http://www.unic-cinemas.org)
- **UNI-MEI** – Uni Global Union Media Entertainment and Arts - [www.uniglobalunion.org](http://www.uniglobalunion.org)

