

Pursuant to Article 13 (8) of the Audiovisual Activities Act (“Official Gazette”, Nos. 61/18 and 114/22), the Minister of Culture and Media, with the approval of the Minister of Finance, has adopted the following

## **REGULATION ON THE PROMOTION OF INVESTMENT IN THE PRODUCTION OF AUDIOVISUAL WORKS**

(“Official Gazette”, numbers 70/19, 152/22 and 9/24,)

unofficial consolidated text

effective as of February 1, 2024

### *Contents of the Regulation*

#### Article 1

(1) This Regulation lays down the manner, requirements, time limits, criteria and other requirements for obtainment of state aid for the promotion of investment in the production of audiovisual works.

(2) Gender-related terms used in this Regulation shall equally apply to both the male and female gender.

### *State Aid Programme for the Promotion of Investment in the Production of Audiovisual Works*

#### Article 2

(1) Under the provisions of this Regulation, the provider of state aid is the Croatian Audiovisual Centre (hereinafter: the Centre).

(2) In accordance with state aid regulations and the provisions hereof the state aid program is adopted by the Centre, after obtaining the opinion of the competent authority.

(3) The financial incentives from this Regulation qualify as state aid in accordance with the state aid regulations of the Republic of Croatia.

(4) The financial incentives from this Regulation shall be awarded in accordance with the provisions of the Commission Regulation (EU) no. 651/2014 of June 17, 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (OJ L 187, 26 June 2014) and Commission Regulation (EU) of June 14, 2017 no. 2017/1084 amending Regulation (EU) no. 651/2014 as regards aid for culture and heritage conservation and aid for sport and multifunctional recreational infrastructures and regional operating aid schemes for outermost regions and amending Regulation (EU) no. 702/2014 as regards the calculation of eligible costs (OJ L 156, 20/06/2017), Commission Regulation (EU) 2020/972 of July 2, 2020 amending Regulation (EU) no. 1407/2013 regarding its prolongation and amending of Regulation (EU) no. 651/2014 as regards its prolongation and relevant adjustments (OJ EU L 215, 7 July 2020) and Commission Regulation (EU) 2023/1315 of June 23, 2023 amending Regulation (EU) no. 651/2014 on the evaluation of certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty and Regulation (EU) 2022/2473 on the declaration of certain categories of aid to undertakings active in the production, processing and marketing of fishery and aquaculture products compatible with the internal market in application of Articles 107 and 108 of the Treaty (OJ L 167, 30/06/2023), hereinafter collectively: General Block Exemption Regulation and based on the criteria and conditions prescribed hereby.

(5) The incentives scheme shall be financed from the state budget of the Republic of Croatia and distributed by the ministry responsible for cultural affairs within the scope of activities and items intended for incentives, as well as from other sources.

### *Criteria and Requirements for Obtaining Financial Incentive*

### Article 3

(1) State aid as a financial incentive constitutes a 25% refund of the overall qualifying costs incurred in the Republic of Croatia for the production of feature films, animated and documentary films, television films and television series, which are produced entirely or partially in the Republic of Croatia, and which are intended for public exhibition and meet the criteria set forth by the Audiovisual Activities Act and this Regulation, regardless of whether they are financed from national or international sources.

(2) The financial incentive amounts to 30% of the overall qualifying costs incurred for the purpose of production of audiovisual works referred to in Article 3 (1) hereof in units which are among the units ranked as below-average units in accordance with the law governing regional development of the Republic of Croatia. In the event that the production of audiovisual works is in part carried out in units ranked below-average, and in part according to the criteria set forth in Article 3 (1) of this Regulation, the financial incentive of 30% shall be calculated for the portion of total costs in accordance with Article 6 hereof.

(3) The overall production costs incurred in the Republic of Croatia, which form the basis for calculating the refund shall not exceed 80% of the total production budget of the audiovisual work.

(4) The sum of state aid funds of the Republic of Croatia and other member states of the European Economic Area, including the amount of the financial incentive from this Regulation and any de minimis aid, as well as other sources of financing considered to be state aid regardless of the level of the provider, shall not exceed 50% of the total production budget of the respective audiovisual work. The aid intensity for cross-border co-productions funded by a minimum of two member states and involving producers from at least two member states may amount up to 60% of the total budget for film production.

(5) In accordance with the state aid legislation in force, the 50% limit from the preceding paragraph of this Article shall not apply to difficult audiovisual works, including works for which de minimis aid has been granted, providing that the cumulative effect of state aid does not exceed 80% of the entire production budget of the audiovisual work.

(6) It is not allowed to submit an application for an audiovisual work that is already eligible for a financial incentive based on this Regulation and the corresponding aid programme.

(7) In order to be awarded a financial incentive, it is necessary to achieve the minimum number of points in the Qualification Test from Appendices 1 and 1a of this Regulation and to meet the other criteria from this Regulation.

### *Eligibility Criteria for the Applicant*

### Article 4

(1) The Applicant must be a legal entity registered in the Republic of Croatia for the purposes of producing audiovisual works referred to in Article 3 (1) hereof who meets the following criteria:

1. that, in the capacity of producer, co-producer and/or production service provider of a foreign work (production service company), it produces a feature, animation or documentary film, television film or television series from Article 3 (1) hereof, entirely or partially in the Republic of Croatia
2. that it has acquired the copyright to the script for the purpose of producing the respective audiovisual work or that it is the production service provider that has been contracted by a foreign legal entity which has acquired the copyrights to the script for the purpose of producing the respective foreign work
3. that it has in the three year period prior to submitting the Application in the capacity as producer, co-producer and/or production service provider of a foreign work (production service company) produced at least one audiovisual work (feature film, documentary film, animation film, television film or television series) which has been publicly exhibited in at least one of the

following ways: commercially distributed in movie theatres and/or broadcast on television and/or screened at minimally one international film or television festival

4. that it has at its disposal comprehensive data regarding the total budget of the audiovisual work for which the incentive is sought (in the case of a cross-border or international co-production in which a Croatian legal entity is a co-producer) or has at its disposal data regarding the amount of the total budget of the audiovisual work for which the incentive is sought (in the case of a foreign work).

(2) A legal entity registered in the Republic of Croatia can also be a foreign company duly registered in accordance with the regulations of its domicile country outside of the Republic of Croatia provided that, in accordance with the regulations in force, it establishes a subsidiary in the Republic of Croatia. If the subsidiary is established by a foreign company whose registered office is not in the European Union or another European Economic Area contracting state, it must have been commercially registered in its domicile country for at least two years and submit to the Centre proof of such registration.

(3) The production service provider of a foreign work (production service company) from paragraph 1 subparagraph 1 of this Article is a legal entity registered in the Republic of Croatia for the purposes of producing audiovisual works which is contracted by a foreign legal entity to provide production services for the foreign work in the Republic of Croatia and submits the application according to this Regulation.

(4) By way of derogation from paragraph 1 subparagraph 3 of this Article, the Applicant can also be a legal entity which has not produced at least one audiovisual work in the three years prior to the Application, but whose founder or director/Board member is a producer, coproducer, executive producer or line producer of at least one audiovisual work in the category for which the incentive is sought and which meets the public exhibition requirements from paragraph 1 subparagraph 3 of this Article in the three year period prior to the Application, for which he/she submits written evidence of his/her production credit on the audiovisual work produced, or if it has commissioned a person responsible for the production at the position of executive or line producer with operational experience in the production of an equivalent audiovisual work.

(5) The Applicant and/or beneficiary of funding cannot be an entity from paragraph 1 of this Article if such an entity:

- is an entrepreneur in difficulties,
- is in the process of pre-bankruptcy or bankruptcy proceedings or liquidation
- has been ordered to reimburse state aid or is in the process of reimbursement of state aid,
- has unpaid outstanding liabilities due to the government and/or to the Centre,
- if the Applicant and a duly authorized representative has been finally convicted for one or several of the following criminal offences: fraud (Article 236), fraud in economic business operations (Article 247), accepting a bribe in economic business operations (Article 252), offering a bribe in economic business operations (Article 253), malpractice in procurement procedures (Article 254), tax or customs evasion (Article 256), subsidy fraud (Article 258), money laundering (Article 265), abuse of office and official authority (Article 291), illegal preferential treatment (Article 292), accepting a bribe (Article 293), offering a bribe (Article 294), trading in influence (Article 295), offering a bribe for trading in influence (Article 296), criminal enterprise (Article 328) and organized criminal offences (Article 329) as defined by the law governing criminal offences and the execution of criminal penalties.

(6) In the case of *an international or cross-border co-production* in which one of the coproducers is a legal entity registered in the Republic of Croatia for purposes of producing audiovisual works with majority or minority financial participation, the Croatian co-producer shall act as the Applicant in the procedures relating to the financial incentive provided for in this Regulation.

(7) In the case of a *foreign production*, regardless of the number of producers and countries of their origin, where none of the producers is a legal entity registered in the Republic of Croatia for the purposes of producing audiovisual works, a delegate producer is required to employ a domestic

production service company for the production of a foreign work who shall be the designated Applicant in the procedures relating to the financial incentive, as provided for herein.

*Criteria an Audiovisual Work Must Meet in Order to Qualify for a Financial Incentive*

Article 5

- (1) Audiovisual works eligible for a financial incentive are:
  - feature films, documentaries, animations, television films or television series,
  - works that are being entirely or partially produced in the Republic of Croatia,
  - works that are intended for public exhibition, and
  - works that have scored a minimum required number of points in the Qualification Test from Appendix 1 and Appendix 1a respectively hereof.
- (2) Under this Regulation, a financial incentive may also be sought for:
  - a foreign work referred to in paragraph 1 of this Article, for which a foreign legal entity registered for the purposes of producing audiovisual works outside of the Republic of Croatia or European Economic Area has acquired the copyrights to the script *an international or cross-border co-production*, in which one of the co-producers is a legal entity registered in the Republic of Croatia for the purposes of producing audiovisual works, with majority or minority financial participation.
- (3) The financial incentive awarded hereunder may be cumulated with other state aid, provided that they refer to different eligible costs.
- (4) Where the Application for financial incentive refers to an audiovisual work that is funded from public sources of the Republic of Croatia and from state aid funds, the financial incentive under this Regulation shall be calculated solely for the costs incurred for the production of an audiovisual work in the Republic of Croatia which exceeds the amount of granted funds from public sources and state aid funds, in amounts pursuant to paragraph 7 subparagraph 1 of this Article.
- (5) If the Applicant is the beneficiary of aid granted by the Centre at another legal basis, and/or uses public and state aid funding for the same audiovisual work, he shall upon finalization of the recording of the audiovisual work submit to the Centre a consolidated audit report, indicating precisely which eligible costs have been used on which basis.
- (6) The Qualification Test from paragraph 1 indent 4 of this Article is a test completed by the Applicant for the purpose of evaluating, based on a points system, the cultural content of the audiovisual work for which the incentive is sought, the contribution of human resources, and the exploitation of production capacities of the Republic of Croatia and other member states of the European Economic Area. The Applicant whose work scores a higher number of points in the Qualification Test than the works of other applicants shall not be entitled to any privileges regarding its processing order or reservation of funds.
- (7) Apart from the requirements set forth in paragraph 1 of this Article, in order to obtain a financial incentive, the audiovisual work must also meet the following requirements:
  1. the amount of total costs incurred in the Republic of Croatia associated with the production of the work from paragraph 1 of this Article, net of value added tax, has to amount to:
    - EUR 250,000.00 for a feature film,
    - EUR 150,000.00 for a television film,
    - EUR 100,000.00 for one episode of a television series,
    - EUR 60,000.00 for a documentary film, animated film, one episode of documentary television series, for an animated television series with a minimum total duration of 24 minutes, for post-production of an audiovisual work if the application refers exclusively to that stage of production,

where the said minimum amount cannot exceed 50% of the total budget of the audiovisual work production

2. at least 50% of cast and crew employed in the Republic of Croatia for the production of the work from paragraph 1 of this Article must be Croatian citizens or citizens of EEA member states when the work is being entirely produced in the Republic of Croatia,
3. at least 30% of cast and crew employed in the Republic of Croatia for the production of the work from paragraph 1 of this Article must be Croatian citizens or citizens of EEA member states when the work is being partially produced in the Republic of Croatia, and partially in other country/countries,
4. when the financial incentive exceeds EUR 500,000.00, in addition to meeting the aforementioned requirements, the Applicant must employ at least 1 (one) trainee who is a Croatian citizen or a tax resident of the Republic of Croatia in each of the main production departments represented in the production of the respective audiovisual work (Set Design, Production, Camera, Costume, Directing, Hair and Makeup, Stunt Performers, VFX/SFX).
5. when the financial incentive exceeds EUR 1,000,000.00, in addition to meeting the aforementioned requirements, the Applicant must meet the following requirements:
  - hire at least 3 (co-)managers of the department, who are tax residents of Republic of Croatia, in one of the main production departments represented in the production of the audiovisual work in question (set design, production, camera, costume design, directing, hair and makeup, stunt performers, VFX/SFX);
  - of the total number of employees participating in the production of an audiovisual work (not including extras and interns) in the Republic of Croatia, at least 50% of the employees must be tax residents of the Republic of Croatia

(8) Works not eligible for a financial incentive are:

- promotional audiovisual works and/or audiovisual commercial communication
- works that advocate violence, racism, hate speech and/or has pornographic content and similar
- works that promote behaviour contrary to interests of public health, protection of human rights, values of the constitutional order of the Republic of Croatia, public security, and similar
- daytime drama (“soap opera”)
- situation comedy (“sitcom”).

(9) The Applicant is eligible for a financial incentive for the work referred to in paragraphs 1 and 2 of this Article on condition that on the day of the submission of the Application, among other things, it has secured at least 70% of funding needed to cover the cost of production of the audiovisual work in the Republic of Croatia.

### *Eligible Costs*

#### Article 6

- (1) Costs relating to goods and services sourced and purchased in the Republic of Croatia within the scope of producing the audiovisual work referred to in Article 3 hereof are deemed eligible for financial incentive.
- (2) Financial incentive of 30% shall be calculated for the costs relating to goods and services sourced and purchased in local self-government units which are among the units ranked below average under the law governing regional development of the Republic of Croatia.
- (3) When the production of an audiovisual work partially takes place in units ranked below the average under the law governing regional development of the Republic of Croatia, and the Applicant cumulates the Application for the financial incentive from Article 3 (1) and (2) hereof, the financial incentive of 30% shall be calculated for the portion of total costs in accordance with paragraph 1 of this Article, less the costs from paragraph 2 of this Article, which is proportionate to the share of filming days / animation / post-production in units ranked below the average in the total number of filming days / animation / post-production in the Republic of Croatia.

(4) The eligible costs are specified in Appendix 2, which is an integral part of this Regulation.

*The Centre's Commission for the Promotion of Investment in the Production of  
Audiovisual Works*

Article 7

(1) The Centre's Commission for the Promotion of Investment in the Production of Audiovisual Works (hereinafter: the Commission) is composed of five members, namely: one member from the Ministry responsible for cultural affairs, two producers from the Croatian Producers' Association, one member from the Ministry of Finance and one member from the Centre. Members of the Commission may have deputies who substitute for an individual member in case he/she is prevented from participating in the work of the Commission.

(2) Members of the Commission and their deputies shall be appointed and relieved by the Minister of Culture upon the recommendation of the body from which they originate, for a period of two years. Members of the Commission and their deputies may be reappointed.

(3) For the duration of his/her term, a member of the Commission shall not participate in the consideration and assessment of Applications:

- for audiovisual works which he/she is a producer, co-producer, production service provider or contributor of,
- submitted by a legal entity in whose ownership structure and/or management structure he/she sits, or in which he/she is employed.

(4) A member of the Commission who has a conflict of interest within the meaning of paragraph 3 of this Article is required to promptly inform the Centre thereof and exempt himself/herself from assessing the Application. In such a case, the deputy of the member of the Commission shall substitute for the member.

(5) At the meetings held in the Centre as needed, and at least once every three months, the Commission considers the Applications and the attached documentation, assesses whether the requirements for obtaining a financial incentive set out in this Regulation have been met, upon which it issues a reasoned proposal for a decision.

(6) The manner of work and the decision-making process of the Commission are stipulated by its Rules of Procedure.

(7) Members of the Commission and their deputies are entitled to remuneration for their work in the Commission and the amount of the remuneration shall be determined by the director of the Centre in accordance with the Decision of the Government of the Republic of Croatia on the amount of remuneration to the members of commissions, councils, committees, working groups and other similar bodies.

*Application for Exercising the Right to a Financial Incentive*

Article 8

(1) Not later than 8 days before the official start of filming or the first animation made in the Republic of Croatia, or in the event that the application for exercising the right to a financial incentive is submitted exclusively for post-production, prior to the official start of post-production in the Republic of Croatia of the audiovisual work referred to in Article 3 hereof, the Applicant shall submit to the Commission:

1. a completed Application form available on the Centre's website;
2. a certificate from the competent authority on duly executed payment obligations to the state, not older than 30 days;

3. an extract from the criminal records as proof that the Applicant (legal entity) and the responsible person in said legal entity signing the application have not been finally convicted for criminal offences referred to in Article 4 (5) hereof, not older than 30 days;
4. proof of public exhibition of an audiovisual work which it produced during the last three years
  - for a feature film and series – confirmation of the distributor/exhibitor/media service provider/television broadcaster or other appropriate proof of public screening of the film
  - for an animation, short film or documentary – proof of screening in a programme of at least one international film festival

Said proof needs not be submitted if the applicant has been a beneficiary of state aid based on this Programme in the last three years for an audiovisual work that was publicly shown, of which the Centre has available data;

5. the script and a brief summary (synopsis) of the audiovisual work referred to in Article 3 hereof for the production of which a financial incentive is sought, and in the case of the production of a television series the treatment of the entire audiovisual work, subject to the submission of the scripts for the individual episodes not later than 8 days before the start of the filming of each episode;
  6. the total budget (cost statement) of the audiovisual work for which the financial incentive is sought, in the case of an international or cross-border co-production in which a Croatian legal entity is a co-producer; or information on the amount of the total budget of the audiovisual work for which the financial incentive is sought, in case of performance of the service of production of a foreign work (service production company);
  7. the financial plan for the production of the entire audiovisual work, in which all sources of financing are clearly indicated (both domestic and foreign), together with the exact amount of state aid from the Republic of Croatia and member states of the European Economic Area, as well as the contribution percentage of each and every source of financing in the total production budget of the audiovisual work;
  8. the financial plan for the production of the audiovisual work in the Republic of Croatia;
  9. a list of all artistic and technical crew engaged in the production of the audiovisual work in the Republic of Croatia (cast and crew list), which also indicates their nationality and tax residency;
  10. the operational production schedule of the audiovisual work in the Republic of Croatia and the filming schedule
  11. the operational production schedule of the audiovisual work with the final completion date of the entire production of the audiovisual work,
  12. the cash flow plan and the expenditure plan for the production of the audiovisual work in the Republic of Croatia;
  13. proof that at least 70% of financing required to cover the cost of production of the audiovisual work from Article 3 hereof in the Republic of Croatia has been secured (e.g. contracts, deal memos, letters of intent with precise amounts, bank guarantees, etc.);
  14. proof of the dedicated account opened for the audiovisual work in question;
  15. a completed Qualification Test form from Appendix 1 and Appendix 1a hereof
  16. a signed Producer's Statement.
- (2) The Applicant shall submit to the Centre the certificate from paragraph 1 item 2 of this Regulation of duly paid obligations to the state also upon completion of filming in the Republic of Croatia, and prior to the disbursement of the financial incentive in accordance with this Regulation.
- (3) For an international or cross-border co-production, the Croatian co-producer or co-producer from an EEA member state shall, in addition to the Application, enclose a notarized copy of the co-production deal-memo or contract, together with the proof of confirmed sources of funding.
- (4) For a foreign production, the production service provider is required to enclose a notarized copy of the co-operation deal-memo or contract with a foreign entity (so-called production service agreement).

(5) All documents referred to in paragraph 1 of this Article must be submitted in the Croatian language, and deal-memos/contracts from paragraph 2 and 3 of this Article must be translated into Croatian by a certified translator.

### *Exercising the Right to a Financial Incentive*

#### Article 9

- (1) In response to the proposal of the Commission, the Centre shall issue a Provisional Certificate thereby guaranteeing to the Applicant the right to a financial incentive in the amount determined on the basis of the planned production budget of the work and the documentation defined hereby.
- (2) In the event that the foreign company, which has met the conditions for the issuance of the provisional certificate, has failed to submit proof of establishment of its subsidiary in accordance with the regulations of the Republic of Croatia in force and the stipulations of this Regulation, the Centre will, in the form of a conclusion, grant to the Applicant a reasonable period to meet such obligation, which may not be shorter than 15 (fifteen) days. In the event that the Applicant fails to submit proof of compliance with the required obligation within the specified period, the Application shall be rejected as incomplete.
- (3) The provisional certificates referred to in paragraph 1 of this Article are issued on a first come first served basis for duly submitted applications.
- (4) After the completion of production of the audiovisual work in the Republic of Croatia and based on the calculation of the actually incurred production costs in the Republic of Croatia and the documents as specified herein, the Centre shall, in response to the proposal of the Commission, adopt a Payment Certificate establishing the final amount of the financial incentive that will be paid to the Applicant from the funds earmarked for incentives.
- (5) Claims under the Provisional Certificate and Payment Certificate from paragraphs 1 and 4 of this Article cannot be transferred to a third party and any such transfer shall produce no legal effects.

### *Obligations of the Legal Entity to Which the Provisional Certificate Was Issued*

#### Article 10

- (1) Upon completion of the production of the work in the Republic of Croatia, the legal entity which received the provisional certificate is required to submit to the Centre, within a timeframe determined by the certificate, the following documentation:
  - the final accounts for the production of the work from Article 3 of this Regulation in the Republic of Croatia, certified by a chartered auditor registered in the Republic of Croatia whose expenses are paid for by the Applicant, and in the case provided for in Article 5 (5) of this Regulation also the consolidated audit report with and exact indication of which eligible costs are used on which basis
  - copies of documents proving that all payment obligations related to the production of the audiovisual work in the Republic of Croatia, including obligations to the state, have been duly met, certified by a chartered auditor registered in the Republic of Croatia whose expenses are paid for by the Applicant.
- (2) The Applicant shall indicate in the end credits of the audiovisual work, along with the official logo of the Centre, that it was financed with state aid funds awarded by the Centre and upon completion of the production of the entire audiovisual work, and no later than 8 (eight) days from the start of the official distribution or broadcast of the audiovisual work in question, submit 5 (five) photos and a video announcement of the audiovisual work in question to the Centre for the purposes of promoting the support programme in the country and abroad.



- (3) The Commission shall decide on the conformity of proofs from paragraph 1 of this Article with the list of planned expenditures for the production of the work carried out in the Republic of Croatia and with other documents on the basis of which the Applicant has been issued the provisional certificate.
- (4) The legal entity to which the provisional certificate has been issued shall promptly notify the Centre in cases where, after the issuance of the certificate there has been:
- a change in the scheduled date of the start of filming, creation of the first animation or start of post-production by more than thirty days than planned
  - a change by more than a 10% increase in the submitted financing plan for the production of the entire work that contains all the sources of financing and the financing plan for the production of the audiovisual work in the Republic of Croatia
  - a material change in legal and/or factual circumstances.
- (5) The decision on the follow-up to the circumstances from paragraph 4 of this Article shall be made by the Centre in response to the proposal of the Commission.

#### *Payment of the Financial Incentive*

##### Article 11

- (1) The funds for the financial incentives are planned in the annual State Budget of the Republic of Croatia and are allocated to the Centre from the budget line of the Ministry of Culture upon the issuance of the Provisional Certificate. The Centre may use any funds that have remained unused under the issued provisional certificates for projects that have applied for a financial incentive in the previous year and which have not been issued a Provisional Certificate in the same year. The Centre shall return all remaining unused funds it has received in the previous year to the State Budget by June 30 of the current year at the latest.
- (2) In addition to the funds provided in paragraph 1 of this Article, funds for financial incentives can also be provided from other sources.
- (3) The Centre shall carry out the payment of the financial incentive specified in the Payment Certificate from Article 9 hereof to the account of the Applicant held with a commercial bank in the Republic of Croatia, provided that the Applicant has fulfilled its obligations from the Article 10 hereof and that the budget funds for the financial incentive and funds from other sources have been transferred to the account of the Centre.
- (4) Irrespective of the type of production, and subject to the requirements from paragraph 3 of this Article, the Centre shall carry out the payment of the financial incentive specified in the Payment Certificate from Article 9 of this Regulation to a dedicated bank account that the Applicant has opened with a commercial bank in the Republic of Croatia, specifically for the purpose of producing the audiovisual work in question, including a dedicated deposit account.
- (5) The final amount of the financial incentive as established in the Payment Certificate shall not exceed the amount established in the Provisional Certificate.

#### *Obligations of the State Aid Provider*

##### Article 12

- (1) The provider of state aid under this Regulation has a duty to publish, under the legal basis of publishing information referred to in Article 9 of the General Block Exemption Regulation, the entire text of the approved aid scheme on its webpages, as well as its implemented provisions, the name of the aid beneficiary, the name of the Applicant and the project that received the financial incentive, the

amount and intensity of state aid expressed as a percentage of the total budget of the project for which the financial incentive was awarded.

(2) The provider of state aid shall keep the afore-mentioned information for a minimum of 10 years and make it publicly available in accordance with the applicable regulations governing the right of access to information.

### *Qualification Test*

#### Article 13

The Qualification Test for co-production and service production (A Cultural contents and Exploitation of production resources of the Republic of Croatia, B Contribution of human resources) and the List of eligible costs are Appendices 1, 1a and 2 respectively and they form an integral part of this Regulation.

### *Transitional and Final Provisions*

#### Article 14

(1) The procedures that have been initiated in accordance with the Regulation on the Promotion of Investment in the Production of Audiovisual Works ("Official Gazette", Nos. 86/12, 104/12, 105/13 and 83/14, 03/15) by the date of entry into force of this Regulation shall be finalized in accordance with the provisions of that Regulation, apart from the applications that are submitted after the date of entry into force of the Audiovisual Activities Act ("Official Gazette", No. 61/18).

(2) The Centre shall use any unused funds from the previous year relating to the procedures that were started in accordance with the provisions of the Regulation on the Promotion of Investment in the Production of Audiovisual Works ("Official Gazette", Nos. 86/12, 104/12, 105/13 and 83/14, 03/15) by no later than 30 September 2019.

### *Expiry of the Regulation*

#### Article 15

Once entered into force, this Regulation shall supersede the Regulation on the Promotion of Investment in the Production of Audiovisual Works ("Official Gazette", Nos. 86/12, 104/12, 105/13 and 83/14, 03/15).

### *Entry into Force*

#### Article 16

This Regulation shall enter into force on the eighth day following its publication in the "Official Gazette".

MINISTER

Nina Obuljen Koržinek, PhD

## APPENDIX 1

### QUALIFICATION TEST FOR CO-PRODUCTIONS

NAME OF THE PROJECT	
APPLICANT	

DATE AND SIGNATURE: \_\_\_\_\_

Basic conditions: in order for the project to pass the qualification test, it must achieve a minimum of 22 points (out of a total of 44 possible), with a minimum of 6 points from Part A (Cultural content), a minimum of 10 points from Part B (Contribution of human resources) and minimum 6 points from Part C (Using production resources of the Republic of Croatia).

#### PART A – CULTURAL CONTENT

		Possible number of points	The number of points achieved
A1	The theme and content of the work is based on a person, character or events that are part of Croatian, European or world culture, history, mythology or religion or narratively coherent projections of the past and future	2	
A2	The work is located on location in Croatia or in one of the European countries, or its images represent Croatia or another European country or cultural environment	2	
A3	The work is inspired by or based on an adaptation of an existing literary, musical, theatrical or audiovisual work	2	
A4	The work deals with contemporary political, social or cultural topics and/or content	2	
A5	The final version of the work is in Croatian or one of the European languages	2	
A6	The work represents a contemporary artist from another discipline, and his/her contribution forms an essential part of the work	2	
<b>TOTAL A (A1+A2+A3+A4+A5+A6)</b>		<b>12</b>	

PART B – CONTRIBUTION OF HUMAN RESOURCES

		Possible number of points	The number of points achieved
B1	Citizens of the Republic of Croatia or citizens of EEA countries contributed to the work in the role of:		
	a) director	1	
	b) producer	1	
	c) at least one co-author: - dialogue writer - script writer - director of photography - chief animator - layout man - music composer	1	
	d) at least one contributing author or department manager:		
	for feature and documentary works*: - film director - chief dresser - costume designer - editor - sound editor - camera operator - first assistant director - set designer - hair and makeup artist - visual effects supervisor - unit/floor manager *2 points for one, 1/2 for each following, maximum of 7 points	7	
OR			

	<p>for animated works*:</p> <ul style="list-style-type: none"> <li>– animator</li> <li>– assistant animator</li> <li>– compositing</li> <li>– cleanup artist</li> <li>– character designer</li> <li>– background designer</li> <li>– light designer</li> <li>– inbetweener</li> <li>– colourist</li> <li>– puppeteer</li> <li>– modeler</li> <li>– editor</li> <li>– motion capture supervisor</li> <li>– camera operator</li> <li>– image rendering</li> <li>– rigger</li> <li>– stage designer</li> <li>– visual effects supervisor</li> <li>– camera artist</li> </ul> <p>*2 points for one, 1/2 for each subsequent one, maximum of 7 points</p>	7	
	e) lead actor or voice	1	
	f) a minimum of 3 supporting actors or voices	1	
	g) a minimum of 1 intern in one of the main departments	2	
<b>TOTAL B1</b>		<b>14</b>	

<b>B2</b>	<b>Other team members engaged in the production of the work</b>		
	At least 50% of the team members engaged in the production of works in Croatia, with the exception of those who have already achieved points in B1 and extras, are citizens of the Republic of Croatia or citizens of EEA countries.	6	
	OR		
	At least 40% of team members engaged in the production of works in Croatia, except for those who have already achieved points in B1 and extras, are citizens of the Republic of Croatia or citizens of EEA countries.	4	
	OR		
	At least 30% of team members engaged in the production of works in Croatia, except for those who have already achieved points in B1 and extras, are citizens of the Republic of Croatia or citizens of EEA countries.	3	
<b>TOTAL B2</b>		<b>6</b>	

<b>TOTAL B (B1+B2)</b>		<b>20</b>	
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PART C – USE OF THE PRODUCTION RESOURCES OF THE REPUBLIC OF CROATIA

		Possible number of points	The number of points achieved
C1	Filming and/or production takes place on location or in studios in Croatia		
	at least 50% of the total days of filming/production/ post-production take place in Croatia	5	
	OR		
	at least 30 to 50 % of the total days of filming/production/ post-production take place in Croatia	3	
	OR		
	At least 15 to 30% of the total days of filming/production/ post-production take place in Croatia	2	
<b>TOTAL C1</b>		<b>5</b>	
C2	For the co-production, service providers based in Croatia were hired		
	At least 50% of the total production cost realized in Croatia is paid to Croatian service providers.	7	
	OR		
	At least 30% of the total production cost realized in Croatia is paid to Croatian service providers.	5	
	OR		
	At least 15% of the total production cost realized in Croatia is paid to Croatian service providers.	3	
<b>TOTAL C2</b>		<b>7</b>	
<b>TOTAL C (C1+C2)</b>		<b>12</b>	
<b>TOTAL A+B+C</b>		<b>44</b>	

## APPENDIX 1a

### QUALIFICATION TEST FOR SERVICE PRODUCTIONS

NAME OF THE PROJECT	
APPLICANT	

DATE AND SIGNATURE: \_\_\_\_\_

Basic conditions: in order for the project to pass the qualification test, it must achieve a minimum of 14 points (out of a total of 36 possible), with a minimum of 4 points from Part A (Cultural content), a minimum of 6 points from Part B (Contribution of human resources) and minimum 4 points from Part C (Using production resources of the Republic of Croatia).

#### PART A – CULTURAL CONTENT

		Possible number of points	The number of points achieved
A1	The theme and content of the work is based on a person, character or events that are part of Croatian, European or world culture, history, mythology or religion or narratively coherent projections of the past and future	2	
A2	The work is located on location in Croatia or in one of the European countries, or its images represent Croatia or another European country or cultural environment	2	
A3	The work is inspired by or based on an adaptation of an existing literary, musical, theatrical or audiovisual work	2	
A4	The work deals with contemporary political, social or cultural topics and/or content	2	
A5	The final version of the work is in Croatian or one of the European languages	2	
A6	The work represents a contemporary artist from another discipline, and his/her contribution forms an essential part of the work	2	
<b>TOTAL A (A1+A2+A3+A4+A5+A6)</b>		<b>12</b>	

PART B – CONTRIBUTION OF HUMAN RESOURCES

		Possible number of points	The number of points achieved
B1	Citizens of the Republic of Croatia or citizens of EEA countries contributed to the work in the role of:		
	a) director	1	
	b) producer	1	
	c) at least one co-writer: - dialogue writer - script writer - director of photography - chief animator - layout man - music composer	1	
	d) at least one contributing author or department manager:		
	for feature and documentary works: - film director - chief dresser - costume designer - editor - sound editor - camera operator - first assistant director - set designer - hair and makeup artist - visual effects supervisor - unit/floor manager	1	
	OR		



	for animated works: - animator - animator's assistant - compositing - cleanup artist - character designer - background designer - light designer - inbetweener - colourist - puppeteer - modeler - editor - motion capture supervisor - camera operator - image rendering - rigger - set designer - visual effects supervisor - camera artist	1	
	e) lead actor or voice	1	
	f) a minimum of 3 supporting actors or voices	1	
TOTAL B1		6	

B2	Interns engaged in the production of works		
	a minimum of 3 interns in some of the main production departments are Croatian citizens or tax residents of the Republic of Croatia	2	
TOTAL B2		2	

B3	Other team members engaged in the production of the work		
	at least 50% of the team members engaged in the production of the work in Croatia, with the exception of those who have already achieved points in B1 and B2 and extras, are citizens of the Republic of Croatia or citizens of EEA countries.	6	
	OR		
	at least 40% of team members engaged in the production of works in Croatia, except for those who have already achieved points in B1 and B2 and extras, are citizens of the Republic of Croatia or citizens of EEA countries.	4	
	OR		
	at least 30% of team members engaged in the production of works in Croatia, except for those who have already achieved points in B1 and B2 and extras, are citizens of the Republic of Croatia or citizens of EEA countries.	3	
TOTAL B3		6	

<b>TOTAL B (B1+B2+B3)</b>	<b>14</b>	
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PART C – USE OF THE PRODUCTION RESOURCES OF THE REPUBLIC OF CROATIA

		Possible number of points	The number of points achieved
C1	Filming and/or production takes place on location or in studios in Croatia		
	at least 50% of the total days of filming/production/ post-production take place in Croatia	5	
	OR		
	at least 30 to 50 % of the total days of filming/production/ post-production take place in Croatia	3	
	OR		
	At least 15 to 30% of the total days of filming/production/ post-production take place in Croatia	2	
<b>TOTAL C1</b>		<b>5</b>	

C2	For the co-production, service providers based in Croatia were hired		
	At least 50% of the total production cost realized in Croatia is paid to Croatian service providers.	5	
	OR		
	At least 30% of the total production cost realized in Croatia is paid to Croatian service providers.	3	
	OR		
	At least 15% of the total production cost realized in Croatia is paid to Croatian service providers.	2	
<b>TOTAL C2</b>		<b>5</b>	

<b>TOTAL C (C1+C2)</b>	<b>10</b>	
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<b>TOTAL A+B+C</b>	<b>36</b>	
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## APPENDIX 2

### LIST OF ELIGIBLE COSTS

<b>1.</b>	<b>PRE-PRODUCTION COSTS</b>	
	▪	Research and development of the project (material costs for research, fees of expert associates) exclusively if it is a documentary and feature-documentary film.
	▪	Costs of location visits
	▫	Accommodation and transportation (boat rental, road tolls, bridge tolls, vehicle rental, motorola rental, drone recording costs, etc.)
	▫	Food costs
	▫	Per diems
	▪	Fees and wages for the writing and production team on location visits and expert associates with pertaining public contributions (taxes, surcharges, tax assessments, payroll contributions) for Croatian citizens or tax residents in the Republic of Croatia, calculated and paid in the Republic of Croatia based on existing regulations.
	▪	Obtaining permits
<b>2.</b>	<b>FEES</b>	
	Fees and wages for the writing, production and technical human resources with all pertaining public contributions (taxes, surcharges, tax assessments, payroll contributions) for Croatian citizens or tax residents in the Republic of Croatia, calculated and paid in the Republic of Croatia based on existing regulations.	
	▪	Directing department
	▪	Production department
	▪	Organisation department
	▪	Department of actors
	▪	Department of extras
	▪	Stunt performers' department
	▪	Set design, construction, props and studio department
	▪	Grip department
	▪	Special effects department

	▪ Animation department
	▪ Character modelling department
	▪ Department of set design modelling
	▪ Department of costume design
	▪ Hair and makeup department
	▪ Lighting department
	▪ Camera department
	▪ Sound department
	▪ Location department
	▪ Food department (supply of prepared food and drinks)
	▪ Music department
	▪ Image editing department
	▪ Sound editing department
	▪ Music editing department
	▪ Image and sound processing and design department
	▪ Specialist department for special services (doctors, nurses, veterinarians, mountain search and rescue service and similar services)
	▪ Department of special consultants for work on the script or help with the realization of filming
<b>3.</b>	<b>SET DESIGN AND COSTUMES</b>
	▪ Costs of purchasing set design and props
	▪ Costs of construction and adaptation of set design (cost of materials and rental of working machinery and tools)
	▪ Costs of renting/leasing the set design, props and studios
	▪ Leases and associated costs of equipment

	<ul style="list-style-type: none"> <li>▪ Rentals/lease of locations</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Rentals of animals of all kinds</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Rentals/lease of movable and immovable property (props, vehicles used for filming (<i>picture vehicles</i> ))</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Rentals of facilities and infrastructure necessary for filming an audiovisual work (mobile kitchens, toilets, caravans, tents, costume and make-up trailers)</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Costs of costume design (costs of all services, production, rental and purchase of goods related to the costuming of an audiovisual work)</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Costs of modelling characters and set and creating backgrounds (costs of services, rental and purchase of consumables for animated audiovisual works)</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Costs of special effects, consumables, film weapons, film ammunition</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Costs of make-up, mask and hairstyle</li> </ul>
<b>4.</b>	<b>TECHNICAL EQUIPMENT</b>
	<ul style="list-style-type: none"> <li>▪ Costs of grip rental and purchasing consumables and pertaining grip equipment</li> </ul>
	<ul style="list-style-type: none"> <li>▪ The costs of lighting rental and purchasing consumables and pertaining lighting equipment</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Camera rental costs (including a camera dolly and safety equipment for stunt performers and actors) and ancillary camera equipment, sound equipment rental costs and ancillary equipment with sound equipment, animation, compositing and rendering equipment rental costs, purchase of related consumables and pertaining camera equipment and ancillary equipment, sound equipment and animation equipment</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Purchase of equipment, including computer equipment for animation and/or post-production for production in the Republic of Croatia for more than one year, recognized in the value of the annual depreciation rate for fixed assets</li> </ul>
<b>5.</b>	<b>TRAVEL, TRANSPORT, FOOD</b>
	<ul style="list-style-type: none"> <li>▪ Transportation costs (rental of vehicles needed during the production of the audiovisual work)</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Fuel, road tolls and other costs related to transport and vehicles</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Transportation costs (airplane, train, bus, boat)</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Accommodation costs of employees engaged in the production of the work (preparations, filming and post-production)</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Food costs (catering and craft exclusively in terms of procurement and delivery of food and soft drinks for the set)</li> </ul>
<b>6.</b>	<b>FILM MATERIAL AND EDITING</b>
	<ul style="list-style-type: none"> <li>▪ Costs of image, sound and music editing</li> </ul>

	▪	Costs of image and sound processing, finishing and design
	▪	Development of photos
	▪	Creation of <i>making of</i> materials
	▪	Rental costs of computer programs for animation, compositing and rendering
	▪	Rental costs of other computer equipment and programs during production
	▪	Costs of visual effects
<b>7.</b>	<b>LOCATION COSTS</b>	
	▪	Vehicle rentals for the purpose of providing services for the production of the audiovisual work (police vehicles, security vehicles, ambulances, fire engines, camera dollies)
	▪	Additional costs at locations (cleaning, utilities contributions, medical supplies, etc.)
<b>8.</b>	<b>OTHER COSTS</b>	
	▪	Green certificate costs ( <i>green filming certificate</i> )
	▪	Costs of industrial injury insurance for the entire team in all stages of production; costs from liability to third parties, third-party property insurance (including film material) that covers all damage or loss, financial loss insurance (due to bad weather, illness of actors) during filming.
	▪	Audit costs
	▪	Costs of legal and other advisory services (lawyer, notary public, tax advisor, financial advisor)
	▪	Office costs of the film crew in the field during production (preparation, filming and editing)
	▫	Rent of office space on the location, warehouse, space for wardrobe and make-up, space for casting, space for actors' daily rest, rent of office furniture
	▫	Rental of office equipment (telephone, computer, photocopier, telephone and Internet connections, etc.)
	▫	Bills for telecommunications and internet services
	▫	Costs of delivery and postal services, customs