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As per Article 17, Paragraph 8 of the Law on Audio-Visual Businesses (Official Gazette of the Republika Srpska Ref 56/22) and Article 43, Paragraphs 1 and 2 of the Law on Government of the Republika Srpska (Official Gazette of the Republika Srpska, Ref 118/08), at their session held on 28 September 2023, the Government of the Republika Srpska issued the

DECREE

ON THE TERMS AND PROCEDURE FOR ALLOCATION OF FINANCIAL INCENTIVES TO INVESTORS WHO PRODUCE AUDIOVISUAL WORKS IN THE REPUBLIKA SRPSKA

Article 1

This Decree establishes the requirements for and ways of allocating financial incentives to investors who produce audiovisual works in the Republika Srpska (hereinafter: Republika) with the aim of stimulating increase in employment and economic activity related to audiovisual production in Republika and of promotion of Republika's potential in this area, that is, of her infrastructural, production and service industries.

Article 2

Here is the meaning of some of the terms and concepts contained in this Decree:

- 1) Investor is a legal entity or a physical person on account of whom and with whose funds the production of audiovisual works is financed or co-financed (hereinafter: Investor);
- 2) Budget for the production is a lump sum of funds allocated to the production of an audiovisual work, from production preparations to the point when the zero copy i.e. digital copy is ready for distribution, broadcasting and screening to the public at large, that does not include the costs of distribution and marketing thereof;
- 3) Acceptable costs are those costs that were incurred on the territory of Republika and that are accepted as costs spent for the production of an audiovisual work on the territory of Republika, as per the report of an auditing agency;
- 4) Applicant for allocation and payment of financial incentives (hereinafter: Applicant) is an investor or a local entrepreneur who produces an audiovisual work on behalf and for Investor in Republika;
- 5) Completion of the production of an audiovisual work in the spirit of this Decree is considered as the day when the zero copy i.e. digital copy of a audiovisual work is ready for distribution, in other words, the day when all activities necessary for completion of the project have been completed on the territory of Republika, and all proofs for the funds spent for the production of the audiovisual work are made available (invoices, contracts, bank statements for the payments made and suchlike), that is, when all payments as per the invoices submitted have been made.
- 6) Project, in the spirit of this Decree, is a unique process that consists of a number of activities determined by their beginning and end, that results in an audiovisual work whose uniqueness is reflected in the same programme basis and within the same implementation timeframe regardless of whether it appears as a whole or in separate segments.

Article 3

- (1) The financial incentives as per this Decree shall be allocated to Investor as grants through the reimbursement of part of the acceptable costs incurred in Republika.

Translator's note: This is an unofficial translation of the document in the Serbian language.

- (2) The financial incentives shall be allocated in the amount of 30% of the total as per the report by an auditing agency on the costs of the production of an audiovisual work in Republika.
- (3) In the event that Republika and the pertaining local government have given approval through the authorised bodies and the legal entity that manages and/or have at disposal public funds have approved aid for production of an audiovisual work in any form, the total amount of the state aid and financial incentives allocated under this Decree shall not exceed 50% of the total amount projected for the production of the audiovisual work in Republika as per the pertaining regulations that govern state aid.

Article 4

- (1) The condition that Investor is obliged to meet to qualify for financial incentives is to allocate budget funds for the production of an audiovisual work in Reublika in the amount higher than the minimum funds for the given format as follows:
 - 1) a feature film, a feature-documentary or a TV film: 500,000 BAM,
 - 2) TB series: 200.000 BAM per episode,
 - 3) animated series: 150.000 BAM per episode,
 - 4) a feature animated film, audio and/or visual postproduction of an audiovisual work 150,000 BAM,
 - 5) a special-purpose film: 300,000 BAM,
 - 6) a documentary film and documentary TV programme: 50,000 BAM,
 - 7) a short animated film: 50,000 BAM.
- (2) The financial incentives can be allocated for the production of:
 - 1) a feature film, TV film and documentary film with the minimum duration of 70 minutes and an animated film intended for public screening with the minimum duration of five minutes;
 - 2) TV series of at least three episodes with the total duration of minimum 120 minutes;
 - 3) animated series of at least ten episodes with the minimum duration of 50 minutes;
 - 4) documentary TV programme with the minimum duration of 40 minutes.
- (3) To qualify for financial incentives for production of a special-purpose film, it is required that the production thereof be funded by one investor and defined as a project.

Article 5

- (1) The financial incentives shall not be approved to investors:
 - 1) against whom insolvency proceedings, reorganisation, bankruptcy or liquidation have been brought under the pertaining regulations that govern bankruptcy and liquidation;
 - 2) who has public revenue related liabilities due but unsettled, or other financial obligations towards Republika.

Article 6

- (1) The financial incentives can be allocated for an audiovisual work:
 - 1) whose content does not constitute a breach of morality, public order and public interest of Republika and that does not compromise the reputation of Republika or promote violation of human rights or hate speech;
 - 2) that has a format of a feature film, TV film, TV series, animated film or series, audio and/or visual postproduction, audiovisual work, special-purpose film, documentary film, or documentary TV programme;
 - 3) whose production started or continues in the fiscal year in which the application for financial incentives was submitted.

- (2) The production of an audiovisual work shall take place as per the production time schedule, any departure from which must be reported by Applicant to the Financial Incentive Allocation Commission within seven days of departure from the said schedule.

Article 7

- (1) The financial incentives shall be allocated as per the permanently open public call for financial incentives allocation (hereinafter: Public call) issued by the Ministry of Education and Culture (hereinafter: Ministry).
- (2) The public call shall be issued at the start of a year and published on the website of the Ministry.

Article 8

Incentives constitute state aid, and the incentive allocation procedure is governed by the rules established by the regulations that govern state aid.

Article 9

- (1) Government of the Republika Srpska (hereinafter: Government) shall appoint the Commission for Finance Incentives Allocation (hereinafter: Commission) comprised of the Commission Chair and four members, whereby two members shall be nominated by the Ministry of whom one shall represent The Audio-Visual Centre of the Republika Srpska; one member shall be nominated each by the ministry responsible for economy, the ministry responsible for finance and the ministry responsible for trade and tourism.
- (2) The Commission shall be appointed for a period of one year.
- (3) No member of the Commission shall be in conflict of interest which implies the following:
 - 1) A member shall not take part in the processes of appraisal of taking decision on the audiovisual work if he/she is the investor or an associate in the production thereof;
 - 2) A member shall not be on either the ownership or steering structures of the applying legal entity or entrepreneur, nor shall he/she be employed by the legal entity in question.
- (4) A member of the Commission who is in conflict of interest under Paragraph (3) of this Article shall notify without delay the other members of the Commission and shall not take part in drawing up the proposal for allocation of financial incentives.
- (5) The Commission may oversee the production of the audiovisual work which has been allocated financial incentives as per this Decree.
- (6) The Commission shall issue a rulebook of the way of its operation and decision-taking.
- (7) Administrative tasks for the Commission shall be performed by Ministry.

Article 10

The Commission's tasks shall be to:

- 1) consider the applications received,
- 2) determine whether the applications submitted are timely, complete and admissible,
- 3) appraise each application for financial incentives received,
- 4) write a report on the procedure implemented with a proposal for granting approval for financial incentives and to submit the report to the Government,
- 5) verify the documentation and determine whether the requirements have been met for the payment of the financial incentives.

Article 11

- (1) The application for financial incentives shall be submitted to the Commission through the Ministry following the public call for applications, that shall be accompanied by the following documentation:
- 1) Filled-out application form in Attachment 1 of this Decree that is its integral part,
 - 2) Synopsis and scenario for the audiovisual work in case of a postproduction, or a description of the project in case of a special-purpose film,
 - 3) List of the members of the creative team (crew) for development of the audiovisual work (director, cast etc),
 - 4) Production budget with an outline of the funds allocated for production in Republika expressed in convertible marks (KM or BAM) in the amount as stipulated in Article 4, Paragraph (1) of this Decree,
 - 5) Timeframe for the production of the audiovisual work in Republika,
 - 6) Schedule of filming of the audiovisual work in Republika,
 - 7) Proof that there are no reasons for non-approval under Article 5 of this Decree (pertinent district court certificate),
 - 8) Statement on whether *de minimis* state aid has been received for the costs or any other costs in the current fiscal year and in the previous two years, that is, a statement on whether the project has received any other state aid from any of the levels of authority and on any other grounds,
 - 9) Contract as per which the audiovisual work is produced on behalf of and for Investor, or other valid proof that the financial incentives paid out will be paid to Investor only if Applicant is a local legal entity or physical person who produces the audiovisual work in Republika on behalf of and for Investor.
- (2) Statement from Paragraph (1), Item 8) of this Article shall be submitted in the form in Attachment 2 of this Decree that is its integral part.
- (3) The application and its accompanying documentation shall be made in one of the official languages in use in Republika or in a foreign language with the translation verified by a court translator to one of the languages in official use.

Article 12

- (1) The Commission shall appraise every application received for financial incentives and determine whether Investor and the audiovisual work meet the requirements for financial incentives allocation, that is, whether the requirements under Articles 4-6 of this Decree have been met and whether all documents stipulated by Article 11 of this Decree have been submitted.
- (2) In case the application from Paragraph (1) of this Article has not been accompanied by all required documents under Article 11 of this Decree, the Commission shall propose to the Minister of Education and Culture (hereinafter: Minister) to issue a conclusion on non-approval of the application in accordance with the provisions of the law that governs general administrative proceedings.

Article 13

- (1) After establishing that the requirements under Articles 4-6 of this Decree have been met, the Commission shall submit through the Ministry the report on completion of the procedure with a proposal for issuing a decision on approval for allocation of financial incentives.

- (2) Following the consent of the Government, Minister shall issue a decision on approval for allocation of financial incentives within the amount of funds envisaged by the law that govern the execution of the budget of the Republika Srpska.
- (3) After the decision from Paragraph (1) of this Article becomes effective, Minister shall conclude a contract with the applicant to whom the financial incentives have been approved, that shall stipulate in more detail the mutual rights and obligations.
- (4) The contract shall stipulate in more detail the deadlines, rights, and obligations of the contractual parties, and requirements for termination of the contract.
- (5) Documentation enclosed to the application shall be considered an integral part of the contract as per Article 11 of this Decree.

Article 14

- (1) Investor shall submit to the Commission a notification on the completion of the production of the audiovisual work no later than 45 days upon completion of the production.
- (2) The Commission's obligation shall be to assess based on the report whether all the requirements have been met and the contractual obligations fulfilled for the payment of the financial incentives, following which the Commission shall write a separate record that establishes that the requirements have been met and shall subsequently notify Ministry thereupon so the Ministry can act accordingly.
- (3) Along the notification on the completion of the audiovisual work in Republika, the following documentation shall be submitted:
 - 1) Auditor's report on the costs for the audiovisual work in Republika and on the business of Investor, that shall serve to prove that the requirements for the payment of financial incentives have been met as per this Decree and that shall be produced based on the complete records of the production costs and the costs incurred on the territory of Republika as well as proofs of the said costs (invoices, contracts, bank statements for the payments made and suchlike).
 - 2) Verified statement that production of the audiovisual has been completed on the territory of Republika and that all the requirements have been met as stipulated by Article 16 of this Decree, as well as that the information in the documents is correct and true.
- (4) Auditor's report from Paragraph (3), Item 1) of this Article shall be made upon verification of all acceptable costs and shall not be based on the sampling method, that is, on the verification of only certain documents.
- (5) Auditor's report from Paragraph (3), Item 1) of this Article will determine the actual amounts of costs for the payment of financial incentives.
- (6) The approved incentives shall be paid out after the Commission ascertains that Applicant has submitted the report on completion of the audiovisual work in Republika along with the proofs that the costs incurred are acceptable.
- (7) Before the incentives are paid out, business-related data of Applicant shall be verified with the Mediation, IT and Financial Services Agency, that is the Central Entrepreneurs Registry by accessing the Current Data Overview document.
- (8) Should Applicant fail to submit the report with the accompanying proofs on the expenditure of the funds on the territory of Republika by the contracted deadline, Applicant shall forfeit the right to the incentives approved.

Article 15

- (1) The following costs shall be deemed acceptable:
 - 1) costs for the production of an audiovisual work that were incurred and paid to legal entities or physical persons on the territory of Republika, related to the purchase of

- goods and services provided, use of locations and fees to the members of the team who are nationals of Republika or foreign citizens with residence for at least one year in Republika,
- 2) costs incurred in relation to the use of goods, that is, by renting movable and immovable assets only in the event that the goods, that is, the movable and immovable assets, are owned by legal entities or physical persons on the territory of Republika.
- (2) The costs that shall especially not be deemed acceptable in relation to the production of an audiovisual work are: costs of marketing, distribution and value-added tax, and those for the of purchase immovable assets.
- (3) Minister shall issue a rulebook on the types and specification of acceptable and unacceptable costs.

Article 16

Audiovisual work, for the production of which financial incentives have been provided under this Decree, shall contain information displayed in a visible place in its all versions, copies and public presentations on different markets that Republika has financially supported the production of the subject audiovisual work. In other words, the information of the financial support of Republika shall be visible in all marketing activities related to the promotion of the audiovisual work.

Article 17

Minister shall issue a rulebook on the types and specification of acceptable and unacceptable costs within 30 days of this Decree becoming effective.

Article 18

This Decree shall become effective on the eight day of publishing thereof in the 'Official Gazette of the Republika Srpska'.

Ref: 04/1-012-2-3391/23
28 September 2023

Radovan Viskovic
Prime Minister

ATTACHMENT 1

Application Ref. (to be filled out by the Ministry of Education and Culture)	
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APPLICATION**FOR ALLOCATION OF FINANCIAL INCENTIVES TO INVESTOR WHO PRODUCES AN
AUDIOVISUAL WORK IN THE REPUBLIKA SRPSKA**

Applicant:
Investor:
Audiovisual work:

DATE OF SUBMISSION OF THE APPLICATION: _____

I – AUDIOVISUAL WORK**1 DESCRIPTION****1.1 Name**

State the name of the audiovisual work /project that the application is submitted for (hereinafter: Application)

1.2 Location(s)

State the location(s) in which the project is to be implemented – country, region(s), city(ies)/town(s)

1.3 Production budget*

Production budget – a total amount of funds projected for production of an audiovisual work	A total budget projected for production in the Republika Srpska	% of production in the Republika Srpska relative to the total production budget
BAM	BAM	%

*In analysing the budget, it shall be determined whether the audiovisual work meets the requirements under Article 4 of the Decree on the Terms and Procedure for Allocation of Financial Incentives to Investors Who Produce Audiovisual Works in the Republika Srpska.

1.4 Detailed description of activities

A detailed description of each activity undertaken towards completion of an audiovisual work

1.5 Start of the production of an audiovisual work in the Republika Srpska

Start date of the production of an audiovisual work on the territory of the Republika Srpska

1.6 Completion of an audiovisual work

Date of completion of all project activities on the territory of the Republika Srpska

1.7 Obtaining proofs for the total expenditure for the production of an audiovisual work in the Republika Srpska

Date envisaged for obtaining proofs (invoices, contacts bank statements for the payments made and suchlike), that is, for completing payments as per all invoices submitted.

II – APPLICANT

(investor or a local legal entity or entrepreneur who produces an audiovisual work on behalf and for an investor in the Republika Srpska)

1. BASIC INFORMATION

1	Business/company name OR First and last name (if the applicant is a physical person)	
2	Address	
3	Identification Number	
4	Person in charge	
5	Contact person	
6	Contact telephone number	
7	Email address	
8	Website address	
9	Bank account number	
10	Name, head office and branch of the bank	

2. OTHER INFORMATION ON THE APPLICANT

2.1 Establishment and start of business operation

2.2 Experience with projects

2.3 Resources

Please specify different resources/assets in your possession with the particular attention to:

- Annual income for the past three years _____,
- The number of staff with both employed full time and part time and the position they occupy,
- Equipment,
- Other relevant assets (e.g. volunteers, partner organisations).

3. INVESTOR

1	Business/company name OR First and last name (if the investor is a physical person)	
2	Legal form (if the investor is a legal entity)	
3	Identification number – JIB (if the investor is a legal entity with the seat in the Republika Srpska)	
4	Head office address	
5	Person in charge (if the investor is a legal entity)	
6	Contact telephone number	
7	Email address	
8	Website address	
9	Bank account number	
10	Name, head office and branch of the bank (if the investor is a legal entity)	

4. OTHER INFORMATION ON THE INVESTOR

4.1 Establishment and start of business operation

4.2 Experience with projects

4.3 Resources

Please specify different resources/assets in your possession with the particular attention to:

- a) Annual income for the past three years _____,
- b) The number of staff with both employed full time and part time and the position they occupy,
- c) Equipment,
- d) Other relevant assets (e.g. volunteers, partner organisations).

I hereby declare under penalty of perjury that the above provided information is true and correct. Witness my hand.

Place: _____

Date: _____

Person in charge for applicant
(signature)

L.S.
(place of the seal)

NOTES:

The application for financial incentives shall be submitted to the Commission through the Ministry following the Public call for applications, that shall be accompanied by the following documentation:

- 1) Filled-out application form in Attachment 1 of this Decree that is its integral part,
- 2) Synopsis and scenario for the audiovisual work in case of a postproduction, or a description of the project in case of a special-purpose film,
- 3) List of the members of the creative team (crew) for development of the audiovisual work (director, cast etc),
- 4) Production budget with an outline of the funds allocated for production in Republika expressed in convertible marks (KM or BAM) in the amount as stipulated in Article 4, Paragraph (1) of this Decree,
- 5) Timeframe for the production of the audiovisual work in Republika,
- 6) Schedule of filming of the audiovisual work in Republika,
- 7) Proof that there are no reasons for non-approval under Article 5 of this Decree (pertinent district court certificate),
- 8) Statement on whether de minimis state aid has been received for the costs or any other costs in the current fiscal year and in the previous two years, that is, a statement on whether the project has received any other state aid from any of the levels of authority and on any other grounds,
- 9) Contract as per which the audiovisual work is produced on behalf of and for Investor or other valid proof that the financial incentives paid out will be paid to Investor (only if Applicant is a local legal entity or physical person who produces the audiovisual work in Republika on behalf of and for Investor)..

The application and its accompanying documentation shall be made in one of the official languages in use in the Republika Srpska or in a foreign language with the translation verified by a court translator to one of the official languages in official use in Republika.

ATTACHMENT 2

STATEMENT

On the *de minimis* aid and other state aid received pursuant to Article 13 on the terms and procedure for allocation of small-scale aid – *de minimis* aid (state its publication in the official gazette ‘Official Gazette of the Republika Srpska’)

Name of economic operator	
Head office address	
Identification (registry) number	

I hereby state that the economic operator I represent and the economic operators with which we are associated in the manner stipulated in Article 4 on the terms and procedure for allocation of small-scale aid – *de minimis* aid within three fiscal years (check with ‘x’ as appropriate:

- Has not received *de minimis* aid or any other aid,
- Has received *de minimis* aid or other aid.

If the answer is affirmative, the table below should be filled out.

In the year (current year ²)	Aid provider	Legal grounds for allocation of aid	Purpose/aim (justified costs) for which aid is approved	Category/type of state aid (regional, horizontal, vertical, <i>de minimis</i> aid)	Amount of state aid - <i>de minimis</i> aid	Date of aid allocation
	1					
	2					
	3					
In the year (current year ¹)	Aid provider	Legal grounds for allocation of aid	Purpose/aim (justified costs) for which aid is approved	Category/type of state aid (regional, horizontal, vertical, <i>de minimis</i> aid)	Amount of state aid - <i>de minimis</i> aid	Date of aid allocation
	1					
	2					
	3					
In the year (current year)	Aid provider	Legal grounds for allocation of aid	Purpose/aim (justified costs) for which aid is approved	Category/type of state aid (regional, horizontal, vertical, <i>de minimis</i> aid)	Amount of state aid - <i>de minimis</i> aid	Date of aid allocation
	1					
	2					
	3					

¹Current fiscal year and two previous years

²If aid was approved for more different goals (justified costs), please state the amounts for each aim separately

I hereby declare under penalty of perjury that the above provided information is true and correct.

Place and date:

L.S.

(place of the seal)

Applicant

Signature of the authorised representative