

Statutes of the Czech Film Fund

I. General Provisions

- 1.1 The Czech Film Fund (hereinafter the “Fund”) is a legal entity with its registered office in Prague.
- 1.2 The Fund was established by Act No. 496/2012 Coll. on Audiovisual Works and Film Support and on the Amendment to Certain Laws (hereinafter the “Act”). The Fund is the legal successor of the Czech Republic State Fund for Support and Development of Czech Film.
- 1.3 Pursuant to Section 9(3) of the Act, these Statutes of the Fund (hereinafter the “Statutes”) define the details of the Fund's activities, internal organisation, financial management, the provision of film support and of production incentives and matters indicated by the Act.
- 1.4 Terms defined in the Act have the same meanings in these Statutes.

II. Fund's activities

- 2.1 The Fund manages audiovisual fees and administrative fees relating to applications submitted to the Fund in accordance with the Act.
- 2.2 The Fund keeps film support registers pursuant to Section 30 of the Act.
- 2.3 The Fund provides film support (hereinafter “support”).
- 2.4 The Fund grants production incentives.
- 2.5 The Fund grants co-production status under the Convention or under any other international agreement no film co-production.
- 2.6 The Fund exercises property rights (copyright) to audiovisual works inherited or to be inherited by the State or devolved or to be devolved upon the State, which the Fund is entitled to exercise in accordance with Act No. 121/2000 Coll. on Copyright, Rights Related to Copyright and on the Amendment to Certain Laws (Copyright Act), as amended (hereinafter the “Copyright Act”).
- 2.7 The Fund exercises copyright to audiovisual works, as well as other rights resulting from legal obligations, which passed to its legal predecessor upon merger with the state-owned organisations Barrandov Film Studio – Copyright and Zlín Film Studio – Copyright under Section 14 of Act No. 273/1993 Coll. on Certain Conditions of Production, Dissemination and Archiving of Audiovisual Works, as amended, as well as the rights of producers of audiovisual recordings which belong to the Fund under Section 106(4) of the Copyright Act.
- 2.8 The Fund carries out methodological, publicity and strategic activities in the film industry.
- 2.9 The Fund exercises public control of applicants or recipients of film support and production incentives under a special law¹.

¹ Act No. 320/2001 Coll. on Financial Control in Public Administration and on the Amendment to Certain Laws (Financial Control Act).

III. Internal Organisation of the Fund

3.1 Director of the Fund

- 3.1.1 The Director of the Fund (hereinafter the "Director") is appointed and recalled by the Minister of Culture (hereinafter the "Minister"). For the purpose of selection of a suitable candidate for the Director's office, the Minister shall announce a public tender at least six months before the expiration of the previous Director's office term, or within two weeks after termination of the Director's office for reasons other than the expiration of the office term. The advisory body to the Minister in the public tender shall be a commission consisting of five members, i.e. the Director of the National Film Archive, the chairman of the Council, the dean of the Film and Television Faculty of the Academy of Performing Arts in Prague and two persons appointed by the Minister from among long-term professionals involved in the field of Czech cinema.
- 3.1.2 The Director is the head of the Fund and its statutory body, and performs, as a part of the exercise of his office, particularly the following activities:
- a) ensures the Fund's operation;
 - b) is responsible for the Fund's management, particularly for bookkeeping;
 - c) is the supervisor of the Fund's employees, determines the number of the Fund's employees in accordance with the Fund's budget and the job description of each employee, and performs legal acts vis-à-vis the employees on behalf of the Fund;
 - d) determines the organisation of the Fund's office, the competences of individual departments and relations among them and powers of their heads and other employees authorised to act in the Fund's name, which are regulated by the rules of organisation of the Fund's office;
 - e) executes Council's decisions on film support;
 - f) issues decisions on production incentives and incentivised projects;
 - g) issues decisions on the granting of co-production status;
 - h) represents the Czech Republic in international organisations involved in the field of audiovision, cinema, and film industry, such as EFAD - The European Film Agency Directors and EFARN - European Film Agency Research Network;
 - i) informs the Council and the Committee at least once per calendar quarter and at any time upon request of the Council's chairman about the financial situation of the Fund,
 - j) decides on matters not reserved for other bodies of the Fund.
- 3.1.3 Representation of the Director in his absence is governed by an internal policy of the Fund.

3.2 Fund's Council

3.2.1 Nomination of candidates for the Council's membership

- 3.2.1.1 Professional organisations nominate candidates for the Council's membership through the Fund. The Director shall ask professional organisations to nominate candidates for the Council's membership by a call published via the Fund's website at the address www.fondkinematografie.cz (hereinafter the "Website"). Each such call must define the period within which the professional organisations may nominate candidates. The Director shall publish the call not later than three months before the expiration of the office term of the Council's member(s) (unless extended pursuant to the second sentence of Section 14(3) of the Act) or without undue delay after premature termination of the office term of the Council's member(s).
- 3.2.1.2 The nomination of a candidate for the Council's membership shall include:
- a) the candidate's name and surname, date of birth, permanent residence address, contact address, e-mail and telephone number;
 - b) a detailed professional CV of the candidate nominated from among persons involved in the field of cinema;
 - c) the candidate's written consent with his membership in the Council, accompanied with a statutory declaration that the candidate meets all prerequisites of membership in the Council in accordance with the law, signed by the candidate;
 - d) the candidate's ideas and proposals regarding the Council's and the Fund's activities;

- e) the candidate's excerpt from the Criminal Register not older than three months;
- f) the candidate's excerpt from criminal records or an equivalent document issued by the relevant court or administrative authority of a state other than the Czech Republic whose citizenship the candidate holds or in whose territory the candidate has stayed continuously for at least 6 months within the last 3 years; if such state does not issue such excerpt from criminal records, it shall be replaced by the candidate's statutory declaration of integrity. The integrity of a candidate who used to be or is a citizen of, or resided or still resides in another Member State of the European Union, can be documented instead of the excerpt referred to in the previous sentence by an excerpt from the Criminal Register with an annex containing information recorded in criminal records of such other Member State of the European Union. The documents referred to in this clause f) may not be older than three months;
- g) the name, registered office and identification number of the professional organisation which has nominated the candidate, the name and surname, position and signature of the person representing the professional organisation and the contact data of the person presenting the nomination (telephone, e-mail address);
- h) reasoning of the nomination by the professional organisation.

3.2.1.3 Not later than within two weeks after the expiration of the time limit for submission of the nominations, the Director shall eliminate:

- a) nominations submitted by persons who are not authorised to nominate Council members,
- b) nominations that do not meet the particulars listed in clause 3.2.1.2, and
- c) nominations delivered to the Fund after the expiration of the time limit for their submission.

All other received nominations shall be delivered by the Director to the Minister together with information about the number of Council members who are to be appointed, as of what date, and which Council members whose membership will terminate or has terminated they shall replace. While proposing the candidates to the Chamber of Deputies, the Minister shall see, if possible, that various film professions are represented equally in the Council, taking into account at the same time the profession of the Council members whose membership will terminate or has terminated.

3.2.1.4 The Fund shall publish the Council nominations which were not eliminated by the Director under clause 3.2.1.3 via the Website, i.e. the candidate's name and surname, the identification of his nominator and materials referred to in clause 3.2.1.2(b) and (d).

3.2.2 Election of chairman and vice-chairman of the Council

3.2.2.1 The Council shall elect its chairman and vice-chairman from among its ranks. The election of the chairman and vice-chairman shall be always held in accordance with the first sentence of Section 14(4) of the Act, or otherwise without delay after termination of the Council member's office of the chairman and vice-chairman or after the chairman or vice-chairman has been recalled from his office by a decision of the Council. The Council may only elect or recall the chairman or vice-chairman of the Council if the agenda of the relevant meeting which has been sent in time to the Council members includes the election or recalling of the chairman or vice-chairman or otherwise only in the case that all Council members are present at such meeting. The restriction under the previous sentence shall not apply to the election of the chairman and vice-chairman held in accordance with the first sentence of Section 14(4) of the Act.

3.2.2.2 The right to nominate candidates for the office of the chairman and vice-chairman of the Council belongs to all Council members. Each candidate must grant consent with his nomination not later than at the meeting where the election is held.

3.2.2.3 The election is held by ballot; the chairman and vice-chairman of the Council vote separately. The candidate who has got the majority of votes of the present Council members shall be elected. If no candidate gets a majority of votes, the voting on the same candidates shall be repeated. If even then none of the candidates gets a majority of votes of the present Council members, the Council shall elect in a new election the chairman or vice-chairman out of two candidates who got most votes in the first election. If there are more candidates who placed the first in the first voting round with the same number of votes, only all candidates holding the first place shall be put to vote in the new election.

3.2.3 Rights and obligations of Council members

3.2.3.1 Each Council member is obliged:

- a) to attend Council meetings; each member participates in the meetings and decision-making of the Council in person, substitution is not permitted;
- b) to participate actively in the Council's activities and to fulfil tasks arising from the Council's decisions;
- c) to notify the Director without delay after learning that he has lost or will lose a prerequisite for the Council membership under Section 15 of the Act, or in case of the occurrence of a reason for termination of the Council member's office under Section 16(1)(b) through (f) of the Act;
- d) to excuse himself in advance from a Council meeting if he is prevented from the attendance by an impediment without delay after learning about such impediment.

3.2.3.2 Each Council member is entitled:

- a) to present to the Council conceptual proposals for review, but is obliged to do so at all times in writing through e-mail sufficiently in advance in accordance with clause 3.2.5.3, so that the relevant item may be included in the agenda of the Council's meeting and the Council members can prepare for its review;
- b) to send to the other Council members his opinions on matters that will be included in the agenda of a Council's meeting where he cannot participate;
- c) to inspect all materials of the Fund relating to the provision of film support.

3.2.4 Motion to recall a Council member

3.2.4.1 Anyone is entitled to submit to the Fund a motion to recall a Council member from his office if he has a justified suspicion that there is a reason to recall such Council member pursuant to Section 16(2) of the Act. Each such motion shall contain the Council member's name and surname, the name, surname, date of birth and permanent residence address of the natural person, or the name, identification number (if allocated) and the address of the registered office of the legal entity submitting such motion, the date and signature, as well as a detailed reasoning thereof.

3.2.4.2 Without delay after the delivery of the motion to the Fund, the Director shall ask the relevant Council member for response to such motion and shall provide to him for such purpose the motion and a time limit for the response.

3.2.4.3 The Director shall deliver each motion together with the relevant Council member's response to the Minister not later than within 14 days after the date when he has received the response of the relevant Council member, together with his recommendation to grant or not to grant the motion (with the exception of the Director's own motions). At the same time, the Director shall inform the chairman of the Council about such motion, unless the chairman is the Council member concerned by the motion. If the Minister decides that the motion is justified, he shall propose to the Chamber of Deputies to recall such Council member.

3.2.4.4 The Director is obliged to notify the Minister without delay of the occurrence of any reason to recall a Council member pursuant to Section 16(2)(e) of the Act, and the Minister shall propose to the Chamber of Deputies to recall such Council member.

3.2.5 Meetings of and adoption of decisions by the Council

3.2.5.1 Meetings of the Council shall be convened as needed, usually 12 times per calendar year but not less than 8 times per calendar year by the chairman of the Council or in his absence by the vice-chairman, by means of a written invitation containing the date and time when and the place where the meeting will be held, and the agenda of the meeting. Each such invitation shall be sent by electronic mail, data box or by registered mail to the contact addresses of the Council members at least 7 days in advance. A meeting may be also convened during any of the previous Council meeting. The chairman or, in his absence, the vice-chairman of the Council shall be obliged to convene a Council meeting if requested by at least five Council members or by the Director, not later than within 14 days after receipt of such request so that the Council meeting shall be held not later than one month after receipt of the request.

- 3.2.5.2 If the Council is not quorate or if it is evident, with regard to the excuses received by the Fund, that it will not be quorate, its meeting shall be dissolved by the person who has convened it and the chairman or vice-chairman shall convene without delay a new Council meeting.
- 3.2.5.3 The Fund shall provide to the Council members materials for the deliberations of the meeting in writing or electronically, including a possibility of remote access thereto, not later than seven days before the scheduled date of the meeting; however, this does not exclude the provision of other materials at a later date if they were not available before.
- 3.2.5.4 The Council meetings are not open to the public and are presided over by the chairman or, in his absence, by the vice-chairman of the Council, or in case of the absence of both the chairman and vice-chairman of the Council by another Council member who has been elected chairman of the meeting by the majority of votes of the present Council members. The participants of the meeting shall register themselves in the attendance list. The Director, the Minister or a person authorised by him, as well as the employees of the Fund's office may attend the meeting, and must be granted floor upon request. Any person may attend the Council meeting as a guest with the Council's consent. The Council meetings shall be attended to the extent designated by the Council by applicants for support for the purpose of presentation of their projects in accordance with Art. VII.
- 3.2.5.5 Minutes of the meeting shall be made and signed by the Council member who presided over the meeting and by two other Council members acting as verifiers of the minutes. The minutes shall contain the date and place of the Council meeting, a list of the present Council members and other persons attending the meeting, the approved agenda and a brief summary of the discussion on each item of the agenda, the decisions adopted by the Council and opinions of the Council members if they so request. A separate protocol shall be made on the Council's deliberations about each support application, which protocol shall include the record on voting indicating how each Council member evaluated the application and voted on it (by the allocation of point rating in the first decision-making round under clause 7.6.6 and by voting on the decision to grant support in the second round under clause 7.6.9). The protocols referred to in the previous sentence shall constitute parts of or appendices to the minutes of the relevant Council meeting. Verified minutes must be distributed electronically without delay to the Council members and to the Director. Each Council member who was present at the meeting on which the minutes were made may raise at the next Council meeting following the dispatch of the verified minutes his comments on the minutes and may propose to supplement or correct the minutes. The review of the verified minutes, including any supplement or correction thereof, shall be a part of the minutes of the Council meeting where the verified minutes were reviewed. Minutes of Council meeting shall be published through the Website. Council decisions issued in administrative proceedings shall be signed by the chairman of the Council or, if absent, by the vice-chairman of the Council.
- 3.2.5.6 All administrative acts related to the Council meetings are performed by an employee of the Fund authorised by the Director (hereinafter the "Council Secretary"); in particular, the Council Secretary provides for the organisational and technical aspects of the preparation of the meetings, materials for the Council meetings and the making of minutes thereof, for verification of the minutes and their publication on the Website. The Council Secretary attends the Council meetings.
- 3.2.5.7 Voting at a Council meeting is done by raise of hand, unless the Council decides otherwise in a specific case or unless the Statutes or the Council's rules of procedure stipulate otherwise. The Council passes decisions by a majority of votes of the present members, and a proposal shall be adopted if most of the present Council members vote for it. The proposed decision of the Council shall be presented for voting by the Council member who presides over the meeting, based on the approved agenda of the meeting and on prior discussion on the matter under review. Any other Council member is also entitled to present a proposal of a decision of the Council for voting provided that it is in accordance with the approved agenda of the Council's meeting and with the Council's rules of procedure and unless such proposal is in conflict with an already adopted decision of the Council on an applicant's application for support or for a change of a decision to provide support. If more than one proposed decisions have been presented with regard to the same matter, the proposal presented by the Council member who presides over the meeting shall be the first to be put to vote, followed by the other proposals, provided that they may be

voted on with regard to the previous sentence, in the order in which they have been presented by the Council members. A Council member who disagrees with a decision of the Council may exercise his right to have his dissenting opinion included in the minutes of the meeting, if he voted against the proposal. Such right must be exercised in the course of the Council meeting at which the decision was passed, and the wording of the dissenting opinion must be included in the relevant minutes of the meeting. The wording of the dissenting opinion must be stated in the relevant minutes of the Council meeting. The wording of the dissenting opinion must be presented to the Council Secretary, or the procedure stipulated in the sixth and the seventh sentence of clause 3.2.5.5 shall be applied.

- 3.2.5.8 If the personal attendance of the Council meeting is not necessary, the Council may adopt its decision in serious cases, particularly if the relevant matter cannot bear any delay, by correspondence (by roll-call), with the exception of decisions on film support, but including decisions on applications for a change of a decision on film support, based on reference materials distributed by the Fund's office upon an instruction of the chairman of the Council or, in his absence, of the vice-chairman, to all Council members in writing, by electronic mail, or made available through the Application. Reference materials sent by electronic mail or made available through the Application shall be deemed delivered upon the expiration of 24 hours after dispatch of the message or disclosure via the Application in accordance with the previous sentence; however, such procedure is inadmissible if any Council member expresses disagreement with it in writing within two working days after the delivery of the notice under the previous sentence. Such reference materials shall always include a draft of the specific decision which is to be adopted by the Council, as proposed by the chairman or in his absence by the vice-chairman of the Council, taking into account votes received by the Fund within the time limit specified in the call for voting, which may not be less than 7 days. The decision shall be passed only in the case that at least five Council members participated in voting (in accordance with Section 13(2) of the Act) and their votes were received by the Fund in time, and that the simple majority of members participating in the voting have voted for the decision.
- 3.2.5.9 The Council may decide to send representatives of the Council members to business trips in addition to business trips made for Council meeting purposes. Particularly while considering the dispatch of representatives of the Council members to business trips abroad, the Council shall take into account the purpose, economy and effectiveness of the reasons for such business trip abroad, the number of dispatched Council members and their tasks to be fulfilled in such business trip, and the reasoning of such dispatch shall be stated in the minutes of the Council meetings. The schedule for dispatch of representatives of the Council members to business trips abroad shall be reviewed by the Council with the Director in order to include the relevant requirements to the proposed budget of the Fund within the meaning of clause 4.1.
- 3.2.5.10 The Council may stipulate its detailed procedure, including the adoption of decisions under clause 3.2.5.8, in its rules or procedure, which shall be adopted by its decision. The Council's rules of procedure must comply with the Statutes.

3.2.6 Council's activities

- 3.2.6.1 In particular, the Council determines the film support policy and strategy, the project assessment criteria for film support purposes, defines goals and priorities of calls for applications for support in compliance with the short-term policy adopted in accordance with clause 7.1.4, and requirements regarding annexes to support applications, which are to be included in the calls for support applications, and decides on the granting of support and on the conditions under which the support shall be provided in accordance with the Act and with Art. VII.
- 3.2.6.2 The Council is entitled to ask experts who are not Council members for cooperation in the performance its activities, either in the form of consultations during their personal attendance at the Council meetings and/or by presentation of written expert opinions.

3.2.7 Conflict of interests of the Council numbers

A breach of the obligation of a Council member under Section 14(7) of the Act or Section 14(3) of Act No. 500/2004 Coll., the Administrative Procedure Code, as amended, is considered a conduct threatening trust in the Council member's independence or in his impartiality in the exercise of his office.

3.3 The Committee

3.3.1 Nomination of candidates for the Committee membership

3.3.1.1 Payers of and persons liable to pay audiovisual fees (hereinafter the "nominators") nominate through the Fund members of the Committee, who are to be appointed by the Minister. The Director shall invite the nominators via the Website to present their nominations of candidates for the Committee membership. Each such call must define the period within which candidates may be nominated. The Director shall publish the call not later than three months before the expiration of the office term of the Committee's member(s).

3.3.1.2 The nomination of a candidate for the Committee's membership shall include:

- a) the candidate's name and surname, date of birth, permanent residence address, contact address, e-mail and telephone number;
- b) the candidate's written consent with his membership in the Committee, accompanied with a statutory declaration that the candidate meets all prerequisites of membership in the Committee in accordance with the law, signed by the candidate;
- c) the candidate's excerpt from the Criminal Register not older than three months;
- d) the candidate's excerpt from criminal records or an equivalent document issued by the relevant court or administrative authority of a state other than the Czech Republic whose citizenship the candidate holds or in whose territory the candidate has stayed continuously for at least 6 months within the last 3 years; if such state does not issue such excerpt from criminal records, it shall be replaced by the candidate's statutory declaration of integrity. The integrity of a candidate who used to be or is a citizen of, or resided or resides in another Member State of the European Union, can be documented instead of the excerpt referred to in the previous sentence by an excerpt from the Criminal Register with an annex containing information recorded in criminal records of such other Member State of the European Union. The documents referred to in this clause d) may not be older than three months;
- e) the name, registered office and identification number of the professional organisation which has nominated the candidate, the name and surname, position and signature of the person representing the professional organisation and the contact data of the person presenting the nomination (telephone, e-mail address).

3.3.1.3 Not later than within two weeks after the expiration of the time limit for submission of nomination, the Director shall eliminate:

- a) nominations submitted by persons who are not authorised to nominate Committee members,
- b) nominations that do not meet the particulars listed in clause 3.2.1.2, and
- c) nominations delivered to the Fund after the expiration of the time limit for their submission.

3.3.1.4 The Fund shall publish the Committee nominations which were not eliminated by the Director under clause 3.3.1.3 via the Website, i.e. the candidate's name and surname and the identification of his nominator.

3.3.1.5 If the membership of a Committee member appointed by the Minister of Finance and the Minister not on the basis of a proposal by the nominators terminates, the person who has appointed such member shall appoint without delay a new Committee member. The Director shall notify the Minister or the Minister of Finance of the necessity to appoint such new Committee member not later than three months before the termination or without undue delay after premature termination of the office term of the existing Committee member. The Minister or the Minister of Finance shall deliver to the Director not later than with his decision on the appointment of the Committee member under this clause the materials referred to in clause 3.3.1.2(b) through (d) relating to the relevant newly appointed Committee member.

3.3.2 Election of chairman and vice-chairman of the Committee

3.3.2.1 The Committee shall elect its chairman and vice-chairman from among its ranks. The election of the chairman and vice-chairman shall be held in accordance Section 18(4) of the Act at all times at the first Committee meeting after the beginning of the calendar year, or otherwise without delay after termination of the Committee member's office of the chairman and vice-chairman or after the chairman or vice-chairman has been recalled from his office by a decision of the Committee.

3.3.2.2 Provisions of the third sentence of clause 3.2.2.1, clause 3.2.2.2 and 3.2.2.3 shall apply accordingly.

3.3.3 Rights and obligations of Committee members

3.3.3.1 Each Committee member is obliged:

- a) to attend the Committee meetings; each member participates in the meetings and decision-making of the Committee in person, substitution is not permitted;
- b) to participate actively in the Committee's activities and to fulfil tasks arising for the Committee from the Act, the Statutes and the Committee resolutions;
- c) to notify the Director without delay after learning that he has lost or will lose a prerequisite for the Council membership under Section 19 of the Act, or in case of the occurrence of a reason for termination of the Council member's office under Section 20(1)(b) through (g) of the Act;
- d) to excuse himself in advance from a Committee meeting if he is prevented from the attendance by an impediment without delay after learning about such impediment.

3.3.3.2 Each Committee member is entitled:

- a) to present to the Committee proposals for review;
- b) to send to the other Committee members his opinions on matters that shall be a part of the agenda of a Committee meeting in which he cannot participate.

3.3.4 Motion to recall a Committee member

3.3.4.1 A procedure similar to that stipulated in clause 3.2.4.1 to 3.2.4.3 shall apply in case of a suspicion that there is a reason to recall a Committee member under the Act; however, the Director shall hand over the received motion to the person who has appointed the relevant Committee member to the office (the Minister or the Minister of Finance) and the Minister or the Minister of Finance shall decide by himself on the recalling of the relevant Committee member on the basis of the reference materials obtained from the Director. The motions under Section 20(2)(f) of the Act shall be delivered through the Fund to the person who has appointed the relevant Committee member to the office.

3.3.4.2 The Director shall always notify the person who has appointed the Committee member without delay of the occurrence of a reason for recalling such Committee member pursuant to Section 20(2)(e) of the Act.

3.3.5 Meetings of and adoption of decisions by the Committee

3.3.5.1 The provisions of clause 3.2.5 shall apply accordingly to the meetings of and adoption of decisions by the Committee with the following deviations:

- a) the Committee meetings are usually held 6 times per calendar year but at least 3 times per calendar year;
- b) the chairman of the Committee or in his absence the vice-chairman of the Committee shall also convene a Committee meeting if so requested by the chairman of the Council;
- c) administrative tasks are performed instead of the Council Secretary by a Fund's employee charged with organising the Committee's activities (hereinafter the "Committee Secretary");
- d) the provision of the last sentence of clause 3.2.5.4 shall not be applied;
- e) the Director, the chairman or vice-chairman of the Council or another person authorised by the Council, as well as the Fund's employees may attend the meeting, and must be granted floor upon request;

- f) the minutes of the Committee meetings shall be delivered to the Committee members, to the Director and to the Council members and shall not be published.

3.3.5.2 During the performance of its activities, the Committee deals, in particular, with the following:

- a) reviews the budget proposal under clause 4.1;
- b) reviews results of controls of the Fund's activities and management;
- c) controls the management and activities of the Fund and its bodies, and the Director of the Fund presents to the Committee:
 - sufficiently in advance for information within the meaning of clause 4.2 the proposed financial statements and annual report of the Fund's activities; and
 - after the end of each calendar quarter for information within the meaning of clause 3.1.2 a summary of the drawdown of the approved budget of the Fund for the relevant calendar year.

3.3.5.3 The Committee may request from the Fund's Director information or explanations concerning the activities and management of the Fund and its bodies, and based on findings identified during the performance of its activities, the Committee is authorised, in particular:

- a) to propose to the Director the adoption of specific remedies;
- b) to propose to the Director the performance of control of the activities and management of the Fund and its bodies by third party experts, or to propose to the Director the conduct of an independent audit.

3.4 Experts

3.4.1 Nominations of candidates for experts and appointment of experts

3.4.1.1 The Director shall invite the professional organisations via the Website to present nominations for candidates for experts under individual subsidy headings. The call under the previous sentence must determine the time limit within which the professional organisations may propose the candidates. The Fund shall publish such call at any time when it will become necessary to appoint new experts; the call may be limited to nomination of candidates for experts only for some subsidy headings and/or to experts with a specific expertise within the meaning of clause 7.5.1 under the relevant subsidy heading.

3.4.1.2 The nomination of a candidate must include:

- a) the candidate's name and surname, date of birth, permanent residence address, contact address, e-mail and telephone number;
- b) a detailed professional CV of the candidate involved in the field of audiovision, particularly a description of the candidate's experience in activities that are supported under the relevant subsidy heading for which the candidate is nominated;
- c) the candidate's written consent with his appointment as an expert, accompanied with a statutory declaration that the candidate meets all prerequisites of the exercise of the expert's office in accordance with the Act, signed by the candidate;
- d) the specification of the subsidy heading for which the candidate has been nominated, with the differentiation of expertise under clause 7.5.1;
- e) the candidate's excerpt from the Criminal Register not older than three months;
- f) the candidate's excerpt from criminal records or an equivalent document issued by the relevant court or administrative authority of a state other than the Czech Republic whose citizenship the candidate holds or in whose territory the candidate has stayed continuously for at least 6 months within the last 3 years; if such state does not issue such excerpt from criminal records, it shall be replaced by the candidate's statutory declaration of integrity. The integrity of a candidate who used to be or is a citizen of, or resided or resides in another Member State of the European Union, can be documented instead of the excerpt referred to in the previous sentence by an excerpt from the Criminal Register with an annex containing information recorded in criminal records of such other Member State of the European Union. The documents referred to in this clause f) may not be older than three months;
- g) the name, registered office and identification number and contact data (telephone, electronic mail address) of the professional organisation which is the nominator, the name and surname, position and signature of the person representing the professional organisation.

All other nominations shall be delivered by the Fund's office within the same time limit to the Council members, and the Council shall adopt at its next meeting a resolution as to which nominated candidate it shall recommend to the Minister for appointment. Without undue delay after the adoption of such decision, the Director shall hand over to the Minister all nominations of candidates received by the Council with a recommendation of the Council, information about the required number of experts and the subsidy headings for which it is necessary to appoint experts for the purpose of effective elaboration of expert analyses of support applications.

- 3.4.1.3 Not later than within one month after the expiration of the time limit for submission of nominations, the Fund's office shall eliminate
- a) nominations of candidates who do not evidently meet the prerequisites for being appointed experts under the Act,
 - b) nominations submitted by persons who are not authorised to nominate Council members,
 - c) nominations that do not meet the particulars listed in clause 3.4.1.2, and
 - d) nominations delivered to the Fund after the expiration of the time limit for their submission.
- 3.4.1.4 The Fund shall publish the nominations of experts which were not eliminated by the Director under clause 3.4.1.3 via the Website, i.e. the candidate's name and surname, the identification of his nominator and materials referred to in clause 3.4.1.2(b) and (d)..
- 3.4.1.5 Without delay after his appointment, each expert shall notify the Fund of all entities involved in audiovision to which it has a long-term relationship resulting from employment or other similar relation, where he is a member or to which it has a similar relation due to which there may be doubts under the law about his impartiality with respect to the evaluation of a support application filed by such entity. Each expert shall notify the Fund without undue delay during the exercise of his office of the dissolution or establishment of any relation under the previous sentence. Each expert is obliged to notify the Director without delay of the occurrence of any reasons for termination of his office in accordance with Section 22(2) of the Act.

3.4.2 Motion to recall the expert

- 3.4.2.1 Anyone is entitled to submit to the Fund a motion to recall an expert from his office if he has a justified suspicion that there is a reason to recall such Council member pursuant to Section 22(3) of the Act. Each such motion shall contain the expert's name and surname, the name, surname, date of birth and permanent residence address of the natural person, or the name, identification number (if allocated) and the address of the registered office of the legal entity submitting such motion, the date and signature, as well as a detailed reasoning thereof.
- 3.4.2.2 Without delay after the delivery of the motion to the Fund, the Director shall ask the relevant expert for response to such motion and shall provide to him for such purpose the motion and a time limit for the response.
- 3.4.2.3 The Director shall deliver each motion together with the relevant expert's response to the Council not later than within 14 days after the date when he has received the response of the expert. The Council shall decide at its next meeting by means of a resolution whether it shall propose the recalling of the relevant expert, and the Director shall the deliver to the Minister the relevant motion for recalling the expert which the Council has approved. This procedure shall not apply in cases where the reason for recalling the expert is the Council's resolution under Section 22(3)(e) of the Act.

3.4.3 Expert's remuneration

The expert shall be entitled to a fee in the amount of CZK 2,000 for the elaboration of his expert analysis. Experts are not employees of the Fund and shall prepare their expert analyses under a contract for work or another contract. The fee amount is final.

3.5 Fund's office

- 3.5.1 The Fund's office consists of the Fund's employees in the structure and with the job descriptions determined by the Director.
- 3.5.2 In particular, the Fund's office:
- a) ensures organisational, administrative, economic and technical activities of the Fund;
 - b) based on the Council's short-term policy and reference materials listed in clause 3.2.6.1, the Fund's office prepares calls for support applications and publishes such calls through the Website upon receipt of the Council's consent with the text of the call for support applications;
 - c) performs administrative activities associated with the provision of support by the Fund upon the Council's decisions, including all activities relating to experts and expert analyses;
 - d) checks the fulfilment of the conditions under which the Fund has provided the support or production incentives and of the prerequisites that have to be met by recipients of the support and production incentives under the Act;
 - e) performs administrative activities associated with granting of the co-production status;
 - f) provides for the organisation, administrative and technical aspects of the activities of the Commission, the Council and the Committee, including, but not limited to the reference materials for their deliberations and decision-making;
 - g) implements decisions and resolutions of the Fund's bodies and arranges for the publication of the Fund's documents and information via the Website in accordance with the Act, other laws, the Statutes, the Fund's internal policies, and decisions of the Council, the Committee, the Commission or the Director;
 - h) ensures keeping of film support records under Section 30 of the Act;
 - i) keeps records of payers and persons liable to pay audiovisual fees;
 - j) ensure the operation of the Website and the contents of the Fund's web presentation, as well as of the Applications operated for the purpose of submission of applications to the Fund under the Act;
 - k) as regards the Fund's methodological activities, the Fund's office organises training of applicants in the submission of applications under the Act, settlement of support or other areas associated with the Fund's activities;
 - l) as regards the Fund's promotional activities, the Fund's office ensures support to Czech cinema and Czech film industry abroad;
 - m) as regards the Fund's conceptual activities, the Fund's office arranges for the elaboration of research and analyses for support of the Council's activities relating to the adoption of decisions under clause 7.1;
 - n) performs public control of application and recipients of film support and production incentives.

IV. Fund's management

- 4.1 The Fund shall prepare a draft budget for each calendar year and shall present it to the Ministry not later than by 31 May of the previous calendar year for the purpose of presentation thereof to the Government under Section 9(5) of the Act. The responsibility for the draft budget rests with the Director, who shall review it with the Council and the Committee before presenting it to the Ministry.
- 4.2 For each calendar year, the Fund shall prepare draft financial statements and the draft annual report on the Fund's activities. The responsibility for their preparation rests with the Director, who shall acquaint the Council and the Committee with them and shall present them upon the audit of the annual financial statements through the Minister by the deadline specified in Section 9(7) of the Act to the Government for review and to the Chamber of Deputies for subsequent approval. Annual reports of the Fund shall also include an assessment of the exercise of the long-term and short-term policy of provision of support by the Fund and an assessment of the controlling activities performed by the Committee. The approved annual report of the Fund shall be published by the Website.
- 4.3 The Fund shall see that the financial funds are spent with due care in accordance with the Fund's budget. The Fund shall purchase or lease things only to the extent necessary for the performance of its activities. The annual expenses incurred by the Fund for purposes other than (i) provision of film support, (ii) provision of production incentives, (iii) payment of compensation to holders of copyright and rights relating to copyright, and (iv) payment of costs of services provided by agencies or trade representatives in connection with the activities described in Art. X. may not exceed 7% of the total expenses of the Fund incurred under

the Fund's budget for the relevant year. Expenses relating to the purchase of immovable property and to the purchase, lease or operating lease of motor vehicles cannot be paid out of the budget. Notwithstanding the foregoing, the Fund's receipts from audiovisual fees may only be used for provision of film support.

V. Audiovisual Fees and Administrative Fees

- 5.1 The form and structure of audiovisual fee statements, as well as the bank accounts for payment of audiovisual fees and administrative fees associated with the submission of applications under the Act, shall be published by the Fund via the Website.
- 5.2 Instructions for identification of payment of audiovisual fees and administrative fees by variable symbols shall be published by the Fund via the Website.

VI. Keeping of Records of Film Support and Publication under Section 38 of the Act

- 6.1 The Fund keeps records of applicants for support. Those records shall be open to the public via the Website and the following data of each applicant shall be published:
 - a) the corporate name, name or first name and surname,
 - b) the address of the registered office or principal place of business,
 - c) the identification number and tax identification number, if allocated.
- 6.2 Records pertaining to each applicant shall include:
 - a) each support application to the extent specified in Section 34(3) of the Act submitted by such applicant;
 - b) each application for a change of the decision on provision of support submitted by him;
 - c) expert analyses relating to the applications under letter a);
 - d) a protocol on review of / voting on the applications under letter a) and b), respectively;
 - e) the information specified in Section 38(1)(c) of the Act.
- 6.3 The Fund shall publish materials and information under clause 6.2 (with the exceptions referred to in Section 38(2) of the Act) not later than within 30 days after the meeting of the Council where such decision was adopted.

VII. Provision of Film Support

7.1 Policy of provision of the support

- 7.1.1 The Council determines a long-term policy of provision of support with an outlook for six calendar years and based on such policy a short-term policy of provision of support with the outlook for each calendar year.
- 7.1.2 The Council shall present the short-term policy not later than by 31 January of each relevant calendar year. Without undue delay after obtaining the relevant information based on the National Budget Bill and on the estimated income of the Fund that should be allocated to the provision of support, the Director shall inform the Council for such purpose about the anticipated amount of financial funds to be allocated to the provision of support in the relevant calendar year. The Director shall provide to the Council without undue delay upon the Council's request updated information referred to in the previous sentence. The updated short-term and the long-term policy shall be published through the Website.
- 7.1.3 In the creation and update of these policies, the Council may cooperate with the professional public by means of consultations.
- 7.1.4 The short-term policy shall contain, in accordance with the Fund's budget for the relevant calendar year:
 - a) the anticipated distribution of the Fund's monies allocated to the provision of support among individual subsidy headings and among individual calls for support applications under each heading and each call and the reasoning of such distribution,
 - b) the anticipated number of calls for support applications under each subsidy heading and their preliminary deadlines, as well as the anticipated narrower focus of the calls for support applications under individual subsidy headings, with the description of changes of the long-term policy,

- c) requirements for the preparation of reference materials under clause 3.5.2(m), upon consultation with the Director, and
- d) the data referred to in Section 31(3) of the Act.

7.1.5 The Council shall be entitled to update the short-term policy in the course of a calendar year, particularly on the basis of an update of the anticipated distribution of the Fund's monies allocated to the provision of support within the meaning of clause 7.1.4(a) and based on preliminary deadlines for the announcement of call for support applications under clause 7.1.4(b). In exceptional cases, the Council shall be entitled to update the principal issues of the long-term policy, but provided always that such update shall be proposed by at least six Council members.

7.2 General provisions on granting of support

7.2.1 Support is granted in accordance with Section 31(1) of the Act under the following ten subsidy headings:

- a) development of a Czech cinematographic work;
The development of a Czech cinematographic works means, in particular, all activities directed at the creation of literary or other works (particularly scripts) based on which the cinematographic work will be created and its recording will be made, and obtaining rights to use such work, including pre-existing works, activities focused on procurement of sources of funding of the production of a cinematographic work and on the establishment of a co-production structure, and activities focused on the basic preparation of the production of a cinematographic work, such as casting of characters and/or selection of crew members, technological tests, location scouting and other similar activities whose performance is necessary for making the decision to commence the production of a cinematographic work;
- b) production of a Czech cinematographic work;
The production of a Czech cinematographic work means activities including preparatory works, shooting (or computer animation works) and finishing works (audio, video, trick or other) of the cinematographic work; if the Fund did not provide support for the project of the relevant cinematographic work under the subsidy heading referred to in (a) above, the activities considered as the development of a cinematographic work may be included in its production;
- c) distribution of a cinematographic work;
The distribution of a cinematographic work means activities directed at making public a cinematographic work notwithstanding the form and technology of such publication, including technological works, promotion and public relations;
- d) project in the field of technical development and innovation in the field of cinema;
A project in the field of technical development and innovation in the field of cinema means, in particular, activities directed at the development, acquisition, installation, putting into operation and operation of a technology or equipment, or activities focused on the development and application of procedures to ensure technological standards;
- e) promotion of a Czech cinematographic work;
The promotion of a Czech cinematographic work means, in particular, activities directed at the promotion of a Czech cinematographic work or works, including their publication, promotion and increase of awareness of the Czech and of the foreign public about Czech film;
- f) publishing activities in the field of cinema and film studies:
Publishing activities in the field of cinema and film studies mean, in particular, activities directed at the preparation, issue and distribution of periodical and non-periodical publications and activities focused on the performance of scientific research in the field of film studies, and presentation of its results;
- g) preserving the national film heritage and making it accessible to the public;
The preservation of the national film heritage and making it accessible to the public means, in particular, activities focused on digital transcript, restoring, long-term preservation and making public of the national film heritage, including its promotion;
- h) education and training in the field of cinema;
The education and training in the field of cinema means, in particular, activities focused on the creation of education and training policies, of methodological and promotional materials directed at the implementation of educational and training projects in the field of film;
- i) film festivals and film shows;

A film festival and film show means activities directed at the organisation of a festival or a show, including their dramaturgical preparation, obtaining licences, technical and organisational aspects and promotion;

- j) protection of rights to cinematographic works and their recordings;
The protection of rights to cinematographic works and their recordings means, in particular, the research, development, implementation and promotion of projects in the field of protection of copyright and related rights, including collection of data and elaboration of analyses, educational and public awareness campaigns, enforcement of rights, support and promotion of projects aimed at the reduction of negative piracy-related phenomena.

7.2.2 The support is provided in the form of subsidies or subsidies with a share in profit in accordance with the terms and conditions contained in the relevant call for support applications and in the decisions on provision of support. If the relevant call for support applications allows for the provision of both support forms, the applicant shall designate in his application the support which he prefers, or that he is not interested in either form. If the applicant indicates that he is not interested at all in one of the facultative support forms, such form of subsidy cannot be provided to him.

7.2.3 The Fund shall provide support for each project in the following maximum amount; this shall not affect any other limitation of the support amount arising from the Act, other laws or the Statutes:

- a) development of a Czech cinematographic work: 6,000,000 CZK
- b) production of a Czech cinematographic work: 40,000,000 CZK
- c) distribution of a cinematographic work: 5,000,000 CZK
- d) project in the field of technical development and innovation in the field of cinema: 10,000,000 CZK
- e) promotion of a Czech cinematographic work: 6,000,000 CZK
- f) publishing activities in film industry and film studies activities: 6,000,000 CZK
- g) preserving the national film heritage and making it accessible to the public: 30,000,000 CZK
- h) education and training in the field of cinema: 8,000,000 CZK
- i) film festivals and film shows: 8,000,000 CZK
- j) protection of rights to cinematographic works and their recordings: 6,000,000 CZK

7.2.4 The sum of support amount which shall be allocated by the Council in one calendar year may not exceed 500,000,000 CZK and the sums referred to below for individual subsidy headings, as well as the percentage shares in the total volume of support allocated by the Council in the relevant calendar year:

Heading	Maximum % share	Maximum amount
development of a Czech cinematographic work	15%	50,000,000 CZK
production of a Czech cinematographic work	90%	450,000,000 CZK
distribution of a cinematographic work	10%	50,000,000 CZK
project in the field of technical development and innovation in the field of cinema	20%	100,000,000 CZK
promotion of a Czech cinematographic work	10%	50,000,000 CZK
publishing activities in the field of cinema and film studies	10%	50,000,000 CZK
preserving the national film heritage and making it accessible to the public	20%	100,000,000 CZK
education and training in the field of cinema	10%	50,000,000 CZK
film festivals and film shows	10%	50,000,000 CZK
protection of rights to cinematographic works and their recordings	10%	50,000,000 CZK

7.3 Calls for support applications

7.3.1 The Fund announces calls for support applications (hereinafter referred to as “calls” in this clause 7.3) and publishes them via the Website. Each call is usually related to a single subsidy heading; whereas calls for some subsidy headings are announced several times a year by the Fund, other ones are published only once a year and some other even less frequently.

7.3.2 Each call shall include:

- a) a specification of the subsidy heading(s) to which it relates,
- b) the beginning and the end of the time limit for submission of the support applications, which may not be shorter than one month,
- c) the time schedule for assessment of the application submitted in response to the calls,
- d) the Council criteria for the assessment of the support applications submitted under Section 13(1)(b) of the Act,
- e) the determination of the volume of financial funds within the scope of which the Council shall decide on the granting of support to the applicants, and
- f) drawn sequences of the experts in accordance with clauses 7.5.2, 7.5.3 and 7.5.5.

7.3.3 The call may specify some mandatory annexes to the support applications whose types are characteristic for the specific call in each subsidy heading, or may specify in detail the mandatory annexes to the support applications, as defined by the Statutes.

7.3.4 In particular, the call may further:

- a) restrict the particulars of projects in respect of which an application for subsidy under the relevant subsidy heading may be submitted, e.g. by defining the artistic, technological, production timing and other parameters of the projects;
- b) determine the form of support if only one support type is provided to applicants under the call in accordance with clause 7.2.2;
- c) determine whether an oral presentation of the projects by the applicants shall be allowed during review of the applications by the Council, and define the scope and form of such presentation.

7.4 Support application

7.4.1 The Application through which the applications for support and other applications submitted to the Fund under the Act are filed may also serve, in relation to the applicant for and recipient of support within the scope of his user account, for administration of the applications, decisions and time limits relating to supported projects and for other purposes associated with the granted support.

7.4.2 The following annexes shall be attached to the support application:

- a) a detailed description of the project containing the scope of information and structure determined by the Fund for each subsidy heading and/or each call for support applications, published via the Website;
- b) an itemised budget containing detailed definition of planned costs of the project, prepared on a form published via the Website;
- c) a financing plan containing the definition of the planned sources of covering of the project costs, designating the sources of funding originating from foreign entities which participate in the implementation of the project, and processed with the use of a form published via the Website; if the applicant states that some sources of covering of the project costs have already been procured, he shall also present documents proving the commitment to provide them, which corresponds to the nature of the relevant source (a decision, contract or preliminary agreement on the contents of the future contract [(the “deal memo”)]);
- d) a detailed implementing schedule of the project;
- e) a statutory declaration that the applicant meets the requirements specified in Section 39(1)(b) through (f) of the Act, written on a form published via the Website (unless such statutory declaration is a part of the application);
- f) the applicant's statutory declaration under Section 39(4) of the Act not older than three months if the applicant documents his integrity by means of such declaration (unless such statutory declaration is a part of the application);

- g) the documents under Section 39(3) of the Act not older than three months if the applicant documents his integrity by means of them;
- h) the data required for the verification of integrity of persons under Section 39(1)(a) and (2) of the Act on a form published by the Fund via the Website;
- i) the applicant's statutory declaration about facts evidencing that a Council member or a Fund's employee known to the applicant or a person registered in the list of experts in respect of the relevant subsidy heading is excluded from deciding on the applications and from the performance of acts relating to the application (unless such statutory declaration is a part of the application);
- j) presentation of the applicant's activities carried on to date in the field of cinema and film industry, with regard to activities associated with the relevant subsidy heading;
- k) a written agreement on keeping the applicant's bank account or a written confirmation of the bank on keeping the applicant's bank account, as regards the bank account on which the support is to be paid;
- l) evidence of payment of the administrative fee upon submission of the application;
- m) professional CVs of core implementing team members who will participate in the implementation of the project.

7.4.3 Furthermore, the following annexes shall be attached to the support application:

- a) development of a Czech cinematographic work:
 - the synopsis;
 - the script or treatment;
 - in case of an animated cinematographic work, the shape of the basic idea on the artistic processing;
 - a writer's/director's note;
 - a written contract or contracts documenting that the applicant has obtained at least for the entire implementing period of the project the right to use any existing and protected literary and artistic author's works which he intends to use for the development of the cinematographic work in accordance with the definition of the project, such as a literary basis, theme, script, treatment, artistic designs, etc. (with the exception of the text component of musical works with text, audiovisual archival, archive photographs, and with the exception of works that are not essential for the implementation of the project, such as parts of the artistic components or literary works that are to be used to a limited extent only, e.g. the use of passages from them in dialogues), or that the applicant has agreed with third parties under a contract on their commitment to grant such licences to the applicant upon his request, or that he has agreed with third parties on any other form of a binding and legally enforceable reservation of such licences for the application for a period that may not be less than the implementing period of the development project (the "option");
 - in lieu of the documents referred to under the previous bullet, a statutory declaration on authorship or co-authorship of the works, if the applicant, as a natural person, is the author or co-author of such works (unless such statutory declaration is a part of the application).
- b) production of a Czech cinematographic work:
 - the synopsis;
 - the treatment in case of a documentary and experimental cinematographic work;
 - the script in case of other types of cinematographic works than those listed under the previous bullet;
 - a director's note;
 - in case of an animated cinematographic work, artistic designs;
 - in case of a cinematographic work with the participation of one or more foreign co-producers (i) a written co-production agreement executed with the applicant's participation, which shall contain at least the particulars listed in the last sentence of clause 7.6.10.6, arrangements indicating the planned share of each co-producer who has the registered office, principal place of business or permanent residence in the territory of the Czech Republic in the financing of the total production costs of the cinematographic work, and information about an international agreement on film co-production under Section 2(1)(e) of the Act, if the co-production is governed by such agreement, or a written preliminary agreement on the content of the future co-production agreement (the "deal memo") containing the aforementioned particulars and executed with the applicant's participation;
 - a written contract or contracts documenting that the applicant has obtained the right to use any existing and protected literary and artistic author's works which he intends to use for the development of the cinematographic work, such as a script, including the works by the adaptation

- whereof it has been created, the treatment and artistic designs, with the exception of the text component of musical works with text, audiovisual archivals, archive photographs, and with the exception of works that are not essential for the implementation of the project, such as parts of the artistic component or of the scene or literary works that are to be used to a limited extent only, e.g. the use of passages from them in dialogues;
- in lieu of the documents listed in the previous bullet (1) it is possible to attach a statutory declaration of another co-producer of the cinematographic work to the effect that the licence to the aforementioned extent has already been obtained by such other co-producer, unless such statutory declaration is a part of the document presented under the sixth bullet of this letter (b); (2) the applicant who is a natural person and the author or a co-author of the works referred to in the previous bullet shall attach a statutory declaration on his (co-)authorship (unless such statutory declaration is a part of the application).
- c) distribution of a cinematographic work:
- if the applicant for support is the distributor of the cinematographic work: a written contract by which the applicant shall prove that he has obtained the licence for use of the cinematographic work to the extent of the distribution in respect of which he applies for the provision of support;
 - if the applicant for support is the producer or co-producer of the cinematographic work: either (a) the applicant's statutory declaration that he himself shall be the distributor of the cinematographic work, or (b) a written contract by which the applicant shall prove that he has obtained the licence for use of the cinematographic work (to the extent of the distribution in respect of which he applies for the provision of support) for a third party – the distributor, and the presentation of the current activities carried on by such distributor in the field of distribution of the cinematographic works if the distributor of the cinematographic work is a third party – distributor;
 - if the contract under the previous two bullets has not yet been executed, it is possible to present instead of it a preliminary written agreement of the parties on its content (the “deal memo”);
 - a contract or a deal memo referred to in the previous bullets must contain at least the name of the cinematographic work, the scope of the granted or obtained right of use thereof, defined by the scope of its use, the territory and time, and an agreement on the amount of fee for granting such right or on the method of determination of such fee;
- d) publishing activities in the field of cinema and film studies:
- in case of issue of a non-periodical publication within the project, an excerpt from its text;
- e) preserving the national film heritage and making it accessible to the public:
- a technological specification of the project, including a description of the implementing procedure of the project and of the technological equipment of facilities where the restoration will be made.

7.4.4 In the relevant call for support applications, the Fund may:

- a) further specify the requirements regarding the content, scope and form of the annexes referred to in clauses 7.4.2 and 7.4.3,
- b) determine that some annexes referred to in clause 7.4.3 are not mandatory for the support applications submitted on the basis of such call for support applications.

7.5 Selection of experts and expert analyses

7.5.1 According to the Council's requirements, the Fund may divide experts by their professions for the purpose of elaboration of expert analyses of support applications filed under the subsidy headings “development of a Czech cinematographic work” and “production of a Czech cinematographic work” into the following categories:

- a) experts for live, animated, documentary and experimental cinematographic works;
- b) whether the relevant expert is an expert on the economic aspects of the development or production of the cinematographic work (hereinafter the “economic expert”).

If such classification is not made at the time of nomination of experts under clause 3.4.1.1 et seq., it shall be made by the Council with the appointed experts after consultations with them.

7.5.2 In connection with each call for applications for support, the Fund's office shall determine by a draw, before the publication of the calls for support applications, two sequences of experts appointed for the relevant subsidy heading (hereinafter the “first drawn sequence” and the “second drawn sequence”). For each draw,

ballots with names of all experts for the relevant subsidy heading shall be inserted in the drawing drum so that they cannot be distinguished, the drum shall be shaken and the relevant drawn sequence shall be put together in the order in which the names of the experts shall be taken out of the drum. Each draw shall be attended by three employees of the Fund's office, one of whom shall be usually the Council Secretary; a record shall be made on the draw, which shall be signed by the present employees of the Fund's office.

- 7.5.3 If the Council asks the Fund's office not later than one month before the announcement of an call for support applications (hereinafter referred to in this clause 7.5.3 as the "call") relating to the subsidy heading "development of a Czech cinematographic work" or "production of a Czech cinematographic work" that:
- a) the experts elaborating the expert analyses of support applications submitted under the relevant call are differentiated by their professions under clause 5.1(a), only names of experts on the relevant type of the cinematographic works to which the call relates shall be included in the draw under clause 7.5.2. If the call relates to more types of cinematographic works, as regards the differentiation of the professions of the experts under clause 7.5.1(a), the sequences drawn under clause 7.5.2 shall be composed separately for experts on each type of cinematographic works under clause 7.5.1(a), to whom the support applications filed under the relevant call shall be allocated under clause 7.5.4 in relation to the relevant type of cinematographic works.
 - b) the analyses of economic experts are also prepared in relation to applications for support filed under the relevant call within the meaning of the second sentence of clause 7.5.5, the names of economic experts shall not be included in the draw under clause 7.5.2 and a separate sequence shall be drawn by the procedure described in clause 7.5.2 from among the economic experts appointed for the relevant subsidy heading (hereinafter the "economic drawn sequence").
- 7.5.4 Two experts shall be selected under the following rules for the elaboration of two expert analyses of each support application delivered to the Fund upon the relevant call for support applications:
- a) the support applications shall be allocated to experts in the order in which they will be delivered to the Fund and will be allocated registration numbers gradually in accordance with the first drawn sequence of experts (for the purpose of the first expert analysis) and separately in accordance with the second drawn sequence (for the purpose of the second expert analysis);
 - b) if a support application is allocated under letter (a) above to an expert who is excluded on legal grounds from the elaboration of the expert analysis due to circumstances associated with his relation to the applicant or the matter under review, which have been known to the Fund's office from the information provided by the expert and/or from the data included in the support application (hereinafter the "already known circumstances"), such application shall be allocated to the following expert in the relevant drawn sequence and the expert who is excluded shall be transferred to the end of the relevant drawn sequence for the purpose of allocation of other support applications;
 - c) if a support application is allocated by the procedure referred to in letter (a) and (b) to the same expert in the first and in the second drawn sequence, such application shall be allocated instead to the following expert in the second drawn sequence and the expert to whom it has been allocated in the first drawn sequence shall be transferred to the end of the second drawn sequence for the purpose of allocation of other support applications;
 - d) if a support application is allocated under letter (c) above in the second drawn sequence to an expert who is excluded on legal grounds from the elaboration of the expert analysis due to any already known circumstances, the procedure described under letter (b) shall be reapplied in the second drawn sequence;
 - e) if the end of the relevant drawn sequence is reached during the allocation of support applications to the experts, the procedure shall be resumed from the beginning;
 - f) after the allocation of a support application under letters (a) through (e) to an expert in the first and in the second drawn sequence, the following support application delivered to the Fund shall be allocated to two experts by the same procedure.
- 7.5.5 If the Council requests the elaboration of a third expert analysis under the second sentence of Section 23(2) of the Act, such request must be presented to the Fund's office not later than one month before the announcement of the relevant call for support applications. If the Council states that it requests the elaboration of separate analyses of economic experts pursuant to the second sentence of Section 23(2) of the Act in relation to support applications filed upon the relevant call for support applications, the procedure described in clause 7.5.3(b) shall be applied and all support applications submitted under the relevant call

for support applications shall be gradually allocated to economic experts for the purpose of the elaboration of such expert analyses based on the economic drawn sequence by the procedure described in clause 7.5.4(a), (b) and (e). In all other cases when the Council proceeds in accordance with the first sentence, the support applications shall be allocated gradually to experts for the relevant subsidy heading similarly under clause 7.5.4, using the third drawn sequence under clause 7.5.2.

7.5.6 The Fund's office shall send to each expert to whom a support application has been allocated under clauses 7.5.4 and 7.5.5, reference materials required for the elaboration of the expert analysis, including the support application and the relevant annexes attached to it. If the relevant expert is aware of any reasons for which he is excluded from the expert analysis under the Act or if he is prevented from the timely elaboration of the expert analysis by force majeure or other serious impediment, he shall notify the Fund thereof within five days after the delivery of the reference materials required for the elaboration of the expert analysis.

7.5.7 In the event that the expert provides to the Fund the information referred to in the second sentence of clause 7.5.6, the relevant support application shall be allocated in the relevant drawn sequence to an expert who has the lowest serial number of those experts who have not yet been allocated any support application, and if the support applications have already been allocated to all experts in the relevant drawn sequence, such application shall be allocated to an expert who has the lowest serial number of those experts who have been allocated the smallest number of support applications. If a support application is allocated by the procedure described in the previous sentence to an expert to whom it has been allocated in another drawn sequence, it shall be allocated to the next expert in the relevant drawn sequence.

7.5.8 If an expert prepares an expert analysis of a support application from the assessment of which he is excluded and it cannot be presumed that he did not know about the grounds for exclusion, such conduct shall be considered as a threat to the trust in his independence and impartiality during the exercise of his office.

7.5.9 An expert who has no knowledge of the reasons for which he would be excluded from the elaboration of the expert analysis and who is not prevented by force majeure or other serious impediment of which he notified the Fund in time under clause 7.5.6, shall be obliged to prepare within 21 days after receipt of the reference materials required for the elaboration of the expert analysis a written expert analysis of the relevant support application and deliver it within such time limit to the Fund.

7.5.10 Each expert analysis shall contain:

- a) the project name and number,
- b) the applicant's identification,
- c) the definition of the subsidy heading and the name and number of the call for support applications,
- d) the elaboration date,
- e) the expert's name and surname,

and its content shall be divided into two parts. In the first part, the expert shall provide a general evaluation of the application, taking care that such part of the expert analysis does not contain any data that are not disclosed by the Fund pursuant to Section 38(2) of the Act. In the second part, the expert shall provide a details of the evaluation from the first part, using the data that may not be contained in the first part of the analysis in accordance with the previous sentence. In the expert analysis, the expert shall recommend whether the support should or should not be granted, and shall provide a verbal evaluation how the application meets, in his opinion, the evaluation criteria under which the Council shall assess the application in accordance with clauses 7.6.7 and 7.6.8, and with the relevant call for support applications. The expert is obliged to use the form of expert analysis published by the Fund via the Website.

7.5.11 The experts are obliged to keep confidential all facts learned by them in connection with the exercise of their office, as well as the content of the support applications assessed by them.

7.5.12 The Fund shall deliver to the applicant for support copies of expert analyses of the support application submitted by him without delay after receipt thereof from the experts. The applicant shall be entitled to respond to the expert analyses and if he submits his response before the meeting of the Council where his

application will be assessed, the Fund's office shall arrange for the delivery of such response to the Council.

- 7.5.13 The Fund shall deliver to the experts the reference materials (or data required for access to them via the Application or a data repository) by electronic mail to the address made available by the expert. The reference materials shall be deemed delivered upon the expiration of 24 hours after dispatch of the message under the previous sentence.

7.6 Assessment of support applications

- 7.6.1 The Council shall assess support applications and shall decide which applicant shall be granted support and in which amount, and the support may only be granted in the maximum amount resulting from the support application, from the Act, the call for support applications and from the Statutes; the Council is not bound in any way by the requested support amount.
- 7.6.2 In its decision to grant support, the Council shall determine the conditions for provision and use of the support, particularly the conditions of the implementing schedule of the project, the project staffing, whether the granted support is paid in the lump-sum form or by instalments, and the conditions for payment, eligibility or non-eligibility of costs paid out of the support, the intensity of public aid if designated under Section 57a(2) of the Act, and the maximum possible share of the support in the total actual project costs, as well as the conditions under which the entitlement to draw the allocated film support shall expire. In its decision, the Council shall take into account expert analyses prepared by the drawn experts for the purpose of assessment of the support application; however, such analyses are not binding for the Council; this shall not affect the Council's duty to deal with the expert analyses in the reasoning of the decision under the second sentence of Section 35(4) of the Act. If the applicants are to be allowed to provide oral presentations of the project at the Council's meeting, each applicant shall be asked by a call sent by the Council at least one week in advance to present orally his project at the time and place determined by the Council. The applicant may be represented by an attorney at the oral presentation. The applicant shall not be obliged to attend the oral presentation of the project. A record of the oral presentation shall be made.
- 7.6.3 During the evaluation of support applications, the Council shall assess the criteria defined in Section 35(2) of the Act and the criteria under clauses 7.6.7 and 7.6.8, as well as other criteria determined and published by it under Section 13(1)(b) of the Act, and shall proceed in such assessment in accordance with the following provisions of this Article.
- 7.6.4 Before the start of the assessment of support applications filed upon every call for support applications, the Council shall consider whether some of its members are excluded for the review of the applications, based on notifications filed by the Council members or on objections of the applicants or of the Fund's office. If it is found out only after the elaboration of an expert analysis that it has been elaborated by an expert who was excluded under the law, such expert analysis shall be disregarded.
- 7.6.5 The Council shall assess the applications at a meeting, provided that it is quorate, and the evaluation under this and the following clauses shall only be made by those Council members who are present at the Council meeting, with the exception of members who are excluded from such review.
- 7.6.6 In the first round, the Council shall assess support applications by means of point rating under the criteria referred to in clauses 7.6.7 and 7.6.8, whereas each Council member shall allocate to each support application his point rating in the relevant form, usually through the Application designated for such purpose. Each criterion has a maximum number of points ascribed to it and an application may be rated at least by zero points and up to such determined maximum number of points; if a Council member allocated in the course of rating a higher number of points than the number permitted by such maximum limit, the maximum limit under clause 7.6.7 or clause 7.6.8 shall be allocated. Under the rule applicable to the rating, the more points are allocated by a Council member, the better the project meets, in his opinion, the relevant rated criterion. After the allocation of the point score, the sum of the point values allocated to each support application shall be divided by the number of the Council members who have rated the application, determining the average rating of the support application. The protocol on rating by individual Council members shall constitute a part of the voting protocol under Section 38(1)(b) of the Act. The support

applications which shall receive in this manner 70 and more points, shall pass to the second voting round, which shall proceed in accordance with clause 7.6.9.

7.6.7 The following generally defined criteria shall be rated under the subsidy headings “development of a Czech cinematographic work” and “production of a Czech cinematographic work”; such criteria may be further specified by the Council in a specific call for support applications, using the procedure described in Section 13(1)(b) of the Act, and may be allocated the following maximum point rating:

A. Quality and creative arrangement of the project:

- 1) artistic quality of the project (40 points)
- 2) staffing of the project (15 points)
- 3) contribution and importance of the project for Czech and European cinema (15 points)

B. Organisation and funding of the project and the applicant's credit:

- 1) comprehensibility and completeness of the submitted application, including annexes, taking into account whether the application including the annexes was filed as complete, without the Fund having to ask the applicant to supplement any mandatory particulars (5 points)
- 2) economic parameters of the project, particularly the cost budget and the financing plan (10 points)
- 3) implementing strategy, including a reasonable time schedule (10 points)
- 4) the applicant's credit with regard to his current activities in the field in respect of which the support application has been filed, to the results of such activities and to any awards, and with regard to the fulfilment of the applicant's obligations, including obligations towards the Fund (5 points).

7.6.8 At the rating of applications under the other subsidy headings, the Council shall determine by the procedure defined in Section 13(1)(b) of the Act seven criteria and their maximum point rating, which shall be published by the Fund as a part of the relevant call for support applications. In this respect, the Council shall proceed so as to ensure that:

- a) the sum of all maximum point scores reaches 100 points;
- b) the criteria focused on the content and/or creative quality of the project correspond to the following generally defined structure, including the maximum point rating:
 - the artistic, program, technical or other defined project quality in accordance with the nature of the subsidy heading and of the call for support applications (40 points)
 - the project staffing (15 points)
 - the contribution and importance of the project for Czech and European cinema (15 points)
- c) the criteria focused on the organisational and/or economic quality of the project correspond to the following generally defined structure, including the maximum point rating:
 - comprehensibility and completeness of the submitted application, including annexes, taking into account whether the application including the annexes was filed as complete, without the Fund having to ask the applicant to supplement any mandatory particulars (5 points)
 - economic parameters of the project, particularly the cost budget and the financing plan (10 points)
 - implementing strategy, including a reasonable time schedule (10 points)
 - the applicant's credit with regard to his current activities in the field in respect of which the support application has been filed, to the results of such activities and to any awards, and with regard to the fulfilment of the applicant's obligations, including obligations towards the Fund (5 points).

7.6.9 In the second round, the Council shall decide, with regard to the results of point rating in the first round, to the rating of the support applications after the first round, to the support amount required by the applicant and to the funds available to the Council for granting of support in the relevant subsidy heading based on the relevant call for support applications, on the granting of support on the basis of submitted support applications, whereas the support need not be granted to all support applications which have advanced to the second round. The Council may decide to grant support in a lower than the requested amount. While deciding on support applications filed on the basis of one call for support applications, the Council need not use up the full volume of financial means stated in the relevant call for support applications. The support applications to which the Council did not grant support in the second round shall be dismissed by the Council. The amount, form of provision of the financial funds to the applicant and the conditions under which such funds shall be provided shall be decided by voting of the Council in accordance with clause 3.2.5.7.

7.6.10 The Council shall include the following in the conditions of provision and use of support:

- 7.6.10.1 If the support is provided under the subsidy heading “development or production of a Czech cinematographic work”, the recipient of the support shall ensure that at least 50% of the provided support shall be spent on the purchase of service or goods associated with the implementation to the project from persons who have their principal place of business, permanent residence or registered office in the territory of the Czech Republic and who are registered in the Czech Republic for income tax purposes. The limit specified in the previous sentence may be reduced in case of the development or production of a work where the artistic or technical solution requires the purchase of services abroad which was mentioned and substantiated by the applicants in the support application. If the applicant is a natural person and keeps the support or a part thereof as his own royalty in accordance with the budget which was attached to the support application, such royalty shall be considered an expense for the purchase of services for the purposes of assessment whether the condition laid down in the first sentence has been met.
- 7.6.10.2 If the support is provided under the subsidy heading “production of a Czech cinematographic work”, the recipient is obliged to ensure that the completed cinematographic work shall be made public by means of cinematographic performances to the extent stipulated in the decision to grant support. The fulfilment of this condition of provision of support shall be documented by the support recipient to the Fund in the manner and within the time limit stipulated in the decision to grant support.
- 7.6.10.3 If the support is provided under the subsidy heading “technical development and innovation in the field of cinema” and such project consists in the installation of a technology allowing digital projections in a movie theatre, the support recipient shall ensure that, during the five calendar years following the year of completion of the project, at least 20% of cinematographic works shown in the relevant movie theatre every calendar year shall be comprised of the cinematographic works considered as national films at least in one Member State of the Council of Europe. The fulfilment of this condition of provision of support shall be documented by the support recipient to the Fund not later than within one month after the end of each calendar year of the period stipulated in the previous sentence by means of a statutory declaration or via the Application.
- 7.6.10.4 If the implementation of the supported project is cancelled, the recipient of the support shall be obliged to return to the Fund the support drawn by him without undue delay after learning or deciding that he shall not implement the supported project but not later than within the time limit for completion of the project.
- 7.6.10.5 The recipient of the support is obliged to identify the Fund as the provider of such support, in connection with the implementation of the project for which the support has been provided, in the form of the Fund's logo and a text explaining that the project has been implemented with the Fund's support, all of the foregoing in the form and shape determined in the decision to provide support.
- 7.6.10.6 If the support is provided under the subsidy heading “production of a Czech cinematographic work”, the support recipient who is not the sole producer of the cinematographic work shall be obliged to present to the Fund before drawdown of the support, for the purpose of documenting (i) the procurement of sources of funding of the production of the cinematographic work in the amount equal to at least 70% of costs of production of the cinematographic work, and (ii) the share of co-producers of the cinematographic work who have their principal place of business, permanent residence or registered office in the territory of the Czech Republic, all contracts executed in relation to the funding, production and use of the cinematographic work executed between the support recipient and other co-producers of the cinematographic work, with the exception of the contracts that were presented by him together with the film support application. The support recipient shall also submit any amendments to the already presented contracts, unless they were included in the support application. The contracts referred to in the previous sentence must be executed in writing and must contain at least the name of the cinematographic work, the specification of its total production costs, the manner by which the parties participate in the funding of such costs and in the rights to use the cinematographic work and/or the revenues generated by it.

7.7 Change of a decision on support

- 7.7.1 A decision of the Council to change a support decision upon the recipient's request may consist in:
- a) a change of the support amount,
 - b) a change of the time limit stipulated for the completion of the project and for presentation of documents referred to Section 40 of the Act,
 - c) a change of the conditions concerning the intensity of public aid, or
 - d) a change of other conditions of the provision and utilisation of the support.

An application for a change of the decision shall contain an identification and description of the changes of circumstances due to which the applicant asks for such change, otherwise it shall be dismissed by the Council

- 7.7.2 In case of a change requested under clause 7.7.1(a), the applicant may determine the amount of the requested increase of the provided support by stating the minimum and the maximum requested amount, and the Council shall be then bound pursuant to Section 36(1) of the Act by such range of the requested increase of the support.

7.8 Intensity of public aid

- 7.8.1 A culturally ambitious project or a culturally ambitious audiovisual work which is developed, produced, distributed or promoted in a project means a project or work with limited chance for commercial success due to its experimental nature, highly artistic or advanced technological solution, or an artistically ambitious nature, whereas the creation and recording of such work or the implementation of the project is desirable due to its cultural value, while its culturally ambitious nature makes it difficult to procure its funding from other sources; due to the difficulties in the procurement of funding, such projects are usually low budget projects. A low budget audiovisual work means a work whose realisation costs do not exceed the average costs of production of a similar type of a Czech audiovisual work (particularly as regards its production technology and duration) incurred in the relevant year, as determined by the Council in its decision based on the statistical data identified by the Fund.
- 7.8.2 The Fund shall assess the intensity of public aid on the basis of facts stated by the applicant for support or for a production incentive in the relevant applications and other documents delivered to the Fund in connection with the granting of support and production incentives in accordance with the Act, the Statutes and the decisions issued by the Fund, particularly on the basis of the settlement of the project under clause 7.9.
- 7.8.3 If the project settlement indicates that the total public aid, not including the Fund's support, has exceeded the permitted limit of intensity of the public aid, such fact represents a breach of the condition under which the support has been provided. If the situation described in the previous sentence does not occur and the total public aid of the project, including the Fund's support, exceeds the permitted public aid limit, as indicated by the project settlement, the support shall be paid to the recipient in a reduced amount so that it does not exceed, together with the other public aid sources provided for the realisation of the project, the permitted limit of intensity of the public aid; if the applicant has already drawn the support in the amount exceeding such limit, such fact represents to such extent a breach of the condition under which the support has been provided. If the sources of funding of a project under the subsidy heading "production of a Czech cinematographic work" include, beside the support, also a production incentive in respect of which the Fund has not yet issued a decision on provision of a production incentive, such production incentive shall not be considered as public aid during the procedure described in the first two sentences of this clause and the intensity of the public aid shall be assessed thereafter in the calculation of the production incentive in the Fund's decision under Section 49(2) of the Act.
- 7.8.4 In the event that the Fund grants support to more phases of the realisation of the same cinematographic work (such as the development – production – distribution), such projects shall be considered separate and their costs and revenues shall not be added up, unless specified otherwise below. Nevertheless, it does not preclude the possibility to include the costs incurred earlier in the development project in the budget of production in the submitted co-production and other contracts – however, such costs may not be a part of

the production project. If the Fund grants support for production of a cinematographic work without granting an earlier support for its development, the development costs may be included in the costs of production.

7.9 Settlement and eligible costs

- 7.9.1 The final settlement account of the provided financial funds under Section 40(2) of the Act (hereinafter the "settlement account") shall be submitted by the recipient of the support on a form available via the Website or the Application. Such settlement account shall include:
- a) an itemised summary of the total costs of the project,
 - b) an itemised summary of eligible project costs covered by the support, whereas:
 - as regards costs of goods or services paid to third parties, it is required to identify the payee (his name and surname, corporate name or name, address of the registered office, principal place of business or permanent residence, identification number and tax identification number; in case of a natural person who was not allocated an identification number, the date of birth of such person shall be stated instead), the subject-matter of the payment, i.e. the specification of the provided services or goods, the payment date and method and the number of the accounting document under which the document is carried on in the recipient's records or accounts;
 - as regards wage costs, it is required to provide a list of names of the employees, a description of their activities performed in the realisation of the project, the amount of paid wages and evidence of payment of wages and levies; and
 - in cases specified in Section 40(3) of the Act, the settlement account shall be accompanied with an auditor's report;
 - c) a final summary of all sources of funding of the realisation costs of the project, particularly for the purpose of assessment of the intensity of public aid granted to the project under Section 57a of the Act, and
 - d) the recipient's statutory declaration to the effect that the data stated by him are true and correspond to reality, and the recipient's accounts, which shall further include:
 - in the event that the recipient has retained the support or a part thereof as his own royalty within the meaning of clause 7.9.2(b), a declaration where he shall specify the amount kept by him as his own royalty;
 - in case of overhead costs, the declaration referred to in clause 7.9.2(d).
- 7.9.2 The eligible costs for the purpose of the settlement of the provided support under clause 7.9.1(b) shall only include:
- a) the costs spent by the recipient for the purchase of goods or services from third parties between the submission date of the support application and the completion date of the project set forth in the decision to provide support, in accordance with the specified purpose, i.e. for the implementation of the project for which the Fund granted the support;
 - b) the royalty of the recipient who is a natural person, but up to the maximum amount specified in the budget attached to the application for support;
 - c) the wage costs incurred by the recipient in the period between the submission date of the support application and the completion date of the project set forth in the decision to provide support, provided that they are associated solely with the implementation of the project for which the Fund granted the support;
 - d) overhead costs incurred by the recipient in connection with the implementation of the project for which the Fund granted the support, in the amount not exceeding 7% of the granted support but up to the maximum amount specified in the budget attached to the application for support.
- 7.9.3 The following costs are not eligible for the purpose of the settlement of the provided support under clause 7.9.1(b):
- a) material performance provided for the purpose of implementation of the project by a third party who is a co-producer or co-organiser of the project, where the recipient did not pay the price for such performance;
 - b) material performance provided by the recipient for the purpose of implementation of the project, particularly the exploitation of the recipient's own production capacities [however, without prejudice to the provisions of clause 7.9.2(b) and (d)];
 - c) reserves for losses or contingent liabilities;

- d) interest on loans and borrowings;
- e) costs of purchase of receivables;
- f) bank charges;
- g) value added tax, with the exception of justified cases where the recipient of the support is not entitled to a deduction of, or is not a payer of, the value added tax;
- h) contractual fines, default interest and late charges, severance pay, compensation of material and immaterial loss;
- i) costs of the auditor's service, if the recipient is not obliged to present to the Fund an auditor's report under the Act;
- j) the purchase price of real estate;
- k) the income tax, road tax, real estate tax, real estate acquisition tax, excise tax and customs duty;
- l) arbitration and litigation costs, including court and other fees and attorney's fees associated with the arbitration and litigation;
- m) staff costs which are not mandatory for employers under the law (such as contributions to additional pension insurance, life insurance, gifts for jubilees, contributions for recreation, etc.);
- n) leasing instalments;
- o) scholarships or other similar payments;
- p) costs of prizes, medals, awards, diplomas and souvenirs for winners or participants of competitions;
- q) costs of donation SMS and MMS and public transport fare;
- r) costs of alcoholic beverages and tobacco products;
- s) costs of the preparation of the support application;
- t) costs of advertising for the recipient's benefit, which is not directly associated with the project (presentation items, brand promotion, the company website, etc.);
- u) the recipient's membership fees in registered associations or other legal entities;
- v) emoluments paid to the statutory body or to members of the statutory or supervisory body of the legal entity which is the recipient of the support for the exercise of their office; and
- w) administrative fees.

7.9.4 The Council may stipulate in its decision further conditions for the determination of eligibility of costs either by determining the type(s) of costs that are the only ones to be paid from the provided support, or by determining the maximum percentage of eligible costs that may be paid from the provided support, or by determining beyond the scope of clause 7.9.3 other type(s) of costs that cannot be paid from the provided support. However, the costs that are not eligible under clauses 7.9.2 and 7.9.3, cannot be designated as eligible by this procedure.

7.9.5 The recipient of the support shall document upon the Fund's request that he has incurred the costs included in the settlement account by submitting accounting and/or contract documents, specifying the received performance for which he has spent such costs, and its relation to the project, and by other means specified in the decision to grant support.

VIII. Provision of Production Incentives

8.1 Commission for Production Incentives

8.1.1 The Commission:

- a) issues in accordance with the Act and based on applications for registration of incentivised projects its opinions whether the incentivised projects meet the content prerequisites for the provision of production incentives, i.e. whether they comply with the provision of Section 42(1)(c) of the Act.
- b) issues opinions under Section 57a(3) of the Act in accordance with the criteria specified in clause 7.8.1.
- c) acts as an advisory body of the Director and of the Fund's office in the assessment of applications for registration of incentivised projects and applications for production incentives, unless it is impeded by an obstacle specified in Section 51(3) of the Act.

8.1.2 Professional organisations nominate candidates for the Commission's membership through the Fund. The Director shall ask professional organisations to nominate candidates for the Commission's membership by a call published via the Website. Each such call must define the period within which the professional

organisations may nominate candidates. The Director shall publish the call not later than three months before the expiration of the office term of the Commission's member(s) or without undue delay after premature termination of the office term of the Commission's member(s).

- 8.1.3 The nomination of a candidate for the Commission's membership shall include:
- a) the candidate's name and surname, date of birth, permanent residence address, contact address, e-mail and telephone number;
 - b) a detailed professional CV of the candidate involved the audiovision sphere;
 - c) the candidate's written consent with his membership in the Commission, accompanied with a statutory declaration that the candidate meets all prerequisites of membership in the Commission in accordance with the law, signed by the candidate;
 - d) the candidate's excerpt from the Criminal Register not older than three months;
 - e) the candidate's excerpt from criminal records or an equivalent document issued by the relevant court or administrative authority of a state other than the Czech Republic whose citizenship the candidate holds or in whose territory the candidate has stayed continuously for at least 6 months within the last 3 years; if such state does not issue such excerpt from criminal records, it shall be replaced by the candidate's statutory declaration of integrity. The integrity of a candidate who used to be or is a citizen of, or resided or still resides in another Member State of the European Union, can be documented instead of the excerpt referred to in the previous sentence by an excerpt from the Criminal Register with an annex containing information recorded in criminal records of such other Member State of the European Union. The documents referred to in this clause (e) may not be older than three months;
 - f) the name, registered office and identification number of the professional organisation which has nominated the candidate, the name and surname, position and signature of the person representing the professional organisation and the contact data of the person presenting the nomination (telephone, e-mail address).
- 8.1.4 Not later than within one month after the expiration of the time limit for submission of the nominations, the Director shall eliminate nominations submitted by persons who are not authorised to nominate Commission members, nominations that do not meet the particulars listed in clause 8.1.3, and nominations delivered to the Fund after the expiration of the time limit for their submission. All other received nominations shall be delivered by the Director to the Minister together with information about the number of Commission members who are to be appointed, as of what date, and about the Commission members they shall replace.
- 8.1.5 The Fund shall publish the Commission nominations which were not eliminated by the Director under clause 8.1.4 via the Website, i.e. the candidate's name and surname, the identification of his nominator and materials referred to in clause 8.1.3(b).
- 8.1.6 Members of the Commission are obliged to attend the Commission meetings and to participate actively in the Commission's activities in accordance with the Act and with the Statutes. If a Commission member is prevented from attending a Commission meeting due to reasons deserving a special merit, he shall sent to the Fund an excuse without undue delay after learning of such impediment. The Commission members are obliged to attend Commission meetings in person, substitution is not permitted. Each Commission member shall notify the Director without delay of all facts indicating that an impediment has arisen or will arise which shall prevent him from exercising the office of a Commission member pursuant to Section 52(1) through (4) of the Act.
- 8.1.7 Meetings of the Commission shall be convened by the Fund's office by means of a written invitation containing the date and time when and the place where the meeting will be held, and the agenda of the meeting. Each such invitation shall be sent by electronic mail, data box or by register mail to the contact addresses of the Commission members at least one week in advance. A meeting may be also convened during any of the previous Commission meetings. If the Commission is not quorate or if it is evident that it will not be quorate, its meeting shall be dissolved and the Fund's office shall convene without delay a new Commission meeting. Commission meetings shall be usually held in the seat of the Fund.
- 8.1.8 The provisions of the third sentence of clause 3.2.2.1 and of clauses 3.2.2.2 and 3.2.2.3 shall be applied *mutatis mutandis* to the election of the chairman and vice-chairman of the Commission. The office term of

the chairman and the vice-chairman of the Commission shall last until the expiration of the office term of the Commission member who is the chairman or vice-chairman, or until the chairman or vice-chairman is recalled from his office by the Commission; in such case, the Commission shall elect its chairman or vice-chairman at the meeting during which the office term of the existing chairman or vice-chairman has terminated or at the next meeting following the termination of the office term of the existing chairman or vice-chairman. Notwithstanding the foregoing, the Commission shall always elect a new chairman and vice-chairman at the next meeting after the time when three persons who had not been members of the Commission at the time of the previous election of the chairman and/or vice-chairman have become new members of the Commission.

- 8.1.9 The Fund shall provide to members of the Commission in advance reference materials for the Commission meetings, either in writing or by electronic mail or via the Application allowing for remote access.
- 8.1.10 The Commission meetings are not open to the public and are presided over by the chairman or, in his absence, by the vice-chairman of the Commission, or in case of the absence of both the chairman and vice-chairman of the Commission by another Commission member who has been elected chairman of the meeting by the majority of votes of the present Commission members. The participants of the meeting shall register themselves in the attendance list. The Director, the Minister or a person authorised by him, as well as the employees of the Fund's office may attend the meeting, and must be granted floor upon request. Each member of the Commission is obliged to announce without undue delay that he is excluded from the review of a specific application for registration of an incentivised project pursuant to Section 51(3) of the Act, and may not participate in such review.
- 8.1.11 The Commission adopts its decisions in the form of opinions.
- 8.1.12 Each opinion issued under clause 8.1.1(a) shall include the evaluation of the cultural test of the relevant incentivised project by allocation of point values to each of the criteria contained in the cultural test. The complete cultural test constitutes a mandatory annex to the application for registration of an incentivised project. The cultural test is divided into two parts called "cultural criteria" and "production criteria". The maximum of 16 points can be allocated in the part "cultural criteria", and the maximum of 30 points can be allocated in the part "production criteria". The incentivised project meets the content-related prerequisites for provision of a production incentive in accordance with the criterion defined in Section 42(1)(c)(1) of the Act, if it receives from the Commission at least 23 out of the total 46 points and at the same time at least 4 points in the part "cultural criteria".
- 8.1.13 The Commission shall allocate point ratings to individual criteria of the cultural test as follows:
- a) where the point rating is based on objective data, it shall be allocated in accordance with the data stated by the applicant;
 - b) where the point rating is based on the subjective assessment by the Commission, it shall be allocated in such manner that each Commission member present at the meeting shall allocate his individual point rating within the range permitted by the cultural test and the resulting point rating of the relevant criterion allocated by the Commission shall correspond to the point rating allocated by the majority of the present Commission members; in case of equality of two or more ratings with the highest equal number of votes, it shall be decided by the person presiding over the Commission meeting under clause 8.1.10.
- 8.1.14 The opinion referred to in clause 8.1.1(a) shall also include the Commission's resolution as to whether the incentivised project meets the content-related prerequisites for provision of the production incentives in accordance with the criteria set forth in Section 42(1)(c)(2) and (3) of the Act, which is voted on by the procedure described in clause 8.1.16.
- 8.1.15 The incentivised project meets the content-related prerequisites for provision of the production incentive in the case that it meets such prerequisites in accordance with the point rating of the cultural test under clause 8.1.12 and in accordance with the Commission's resolution under clause 8.1.14.
- 8.1.16 Voting at the Commission meeting is done by raise of hand for or against the proposal that is put to vote (abstaining is not permitted), unless decided otherwise by the Commission in a specific case or unless

stipulated otherwise in the Statutes. The Commission passes decisions by a majority of votes of the present members, and the proposal shall be adopted if most of the present Council members vote for it. The provision of clause 8.1.13 shall not be affected.

- 8.1.17 The Commission may set a detailed procedure of its deliberations on the basis of its opinion within the meaning of clause 8.1.11 in its rules of procedure. The Commission's rules of procedure must comply with the Statutes.
- 8.1.18 All administrative acts related to the Commission meetings are performed by an employee of the Fund authorised by the Director (hereinafter the "Commission Secretary"); in particular, the Commission Secretary provides for the organisational and technical aspects of the preparation of the meetings, materials for the Council meetings and the making of minutes thereof. The Commission Secretary attends the Commission meetings.
- 8.1.19 Anyone is entitled to submit to the Fund a motion to recall a Commission member from his office if he has a justified suspicion that there is a reason to recall such Commission member pursuant to Section 52(6) of the Act. Each such motion shall contain the Commission member's name and surname, the name, surname, date of birth and permanent residence address of the natural person, or the name, identification number (if allocated) and the address of the registered office of the legal entity submitting such motion, the date and signature, as well as a detailed reasoning thereof. The provision of clauses 3.2.4.2 and 3.2.4.3 shall apply accordingly, but the Minister shall decide by himself on the recalling of the relevant Commission member on the basis of motions received from the Director.

8.2 List of incentivised projects

- 8.2.1 The Fund keeps a list of incentivised projects in respect of which it has issued a registration certificate and shall publish it through the Website (hereinafter the "List"). The List shall contain data published under Section 45(4), 47(9) and 49(6) of the Act, to the extent of information referred to in clause 8.2.2.
- 8.2.2 The following data relating to each incentivised project shall be registered in the List:
- a) the incentivised project's name and registration number allocated by the Fund;
 - b) the name and surname (and, if applicable, an addendum distinguishing the individual entrepreneur or the business relating to such person or to the type of business activity performed by him), the name or corporate name of the applicant and his tax identification number;
 - c) the submission date of the application for registration of the incentivised project;
 - d) the date of issue of the incentivised project registration certificate;
 - e) the date of issue of the incentivised project listing certificate, indicating the envisaged amount of the production incentive and stipulating the time limits resulting for the applicant from the incentivised project listing certificate;
 - f) the date of issue of a decision on a change of the incentivised project listing certificate, indicating the new envisaged amount of the production incentive;
 - g) the date of issue of a decision on the cancellation of the incentivised project listing certificate;
 - h) the date of issue of a decision on provision of a production incentive, indicating the amount of the production incentive.

8.3 Application for registration of an incentivised project

The applicant shall attach the following annexes to the application of registration for an incentivised project:

- a) in case of a fiction or animated audiovisual series, the script; if the incentivised project consists of the production of more episodes of a live or animated audiovisual series, the applicant shall present the script of only one episode;
- b) in case of a fiction or animated audiovisual work, a synopsis consisting of at least 1 standard page. If the incentivised project consists of production more episodes of a fiction or animated audiovisual series, the applicant shall present the synopses of all such episodes;
- c) in case of a documentary audiovisual work, the treatment;
- d) the applicant's written contract with a domestic person authorised to provide payment services on keeping each of the applicant's accounts that shall be the project bank account within the meaning of clause 8.7.4, or a

written certificate of the payment service provider on keeping of such account for the applicant, including the identification of the currency in which such account is kept;

- e) the completed cultural test, using its text, which is separate for each type of audiovisual works and constitutes an annex to the Statutes, including the reasoning of each criterion and a detailed list of reference materials for the evaluation of each criterion and the proposed point rating of each criterion.

8.4 Incentivised project listing application

The applicant shall attach the following annexes to the incentivised project listing application:

- a) the time schedule of the realisation of the incentivised project, including the period of realisation of each of its phases;
- b) the budget of eligible costs of the incentivised project in Czech crowns (excluding VAT), with the differentiation of the three categories of eligible costs under Section 42(4) of the Act, prepared on the basis of a form that is a part of the Application or is published via the Website;
- c) the budget of total costs of production of the audiovisual work (excluding VAT), whose production is a part of the incentivised project, in Czech crowns or in another currency (in the latter case, its sum shall be converted to Czech crowns for the purposes of proceedings on the incentivised project listing application at the exchange rate published by the Czech National Bank thirty days before the submission of the incentivised project listing application to the Fund, or later), the budget may be also presented in the English language;
- d) a financing plan containing the envisaged sources of funding of the production costs of the audiovisual work whose production is a part of the incentivised project, including the designation of the funding sources having the nature of public aid and material performance, prepared on the basis of a form that is a part of the Application or is published via the Website;
- e) a statutory declaration to the effect that the applicant meets the requirements of Section 39(1)(b) through (f) of the Act, the applicant's statutory declaration that it is not an undertaking against which a collection order has been issued under a decision of the Commission and such order is outstanding, that it is not an undertaking in difficulty, written on the form published via the Website (unless such statutory declaration is already a part of the application)²;
- f) the applicant's statutory declaration under Section 39(4) of the Act not older than 3 months if it evidences the applicant's integrity (unless such statutory declaration is already a part of the application);
- g) the documents under Section 39(3) of the Act not older than three months if they evidence the applicant's integrity;
- h) data required for the verification of integrity of persons referred to in Section 39(1)(a) and (2) of the Act, presented on a form published by the Fund via the Website.

8.5 Application for a change of the incentivised project listing certificate

The applicant shall attach the following annexes to the application for a change of the incentivised project listing certificate:

- a) a new budget of eligible costs of the incentivised project in Czech crowns (excluding VAT), with the recognition of the three categories of eligible costs under Section 42(4) of the Act, prepared on the basis of a form that is a part of the Application or is published via the Website, including a comparison with the budget which was originally attached to the incentivised project listing application;
- b) the annexes referred to in clause 8.4(a), (c) and (d), if they have changed in comparison with the annexes attached to the incentivised project listing application, including a comparison with the annexes that were originally attached to the incentivised project listing application.

8.6 Application for a production incentive

The applicant shall attach the following annexes to the application for a production incentive:

- a) the settlement of eligible costs of the incentivised project, prepared on the basis of the form which is a part of the Application or is published via the Website;

² Commission Regulation (EU) 651/2014.

- b) a financing plan of all sources of funding of the production costs of the audiovisual work, including the designation of the funding sources having the nature of public aid and material performance, prepared on the basis of a form that is a part of the Application or is published via the Website;
- c) an auditor's report with the particulars laid down by the Fund's guidelines in accordance with Section 48(6) of the Act;
- d) a written insurance policy or insurance certificate of the auditor under Section 48(6) of the Act;
- e) the documents referred to in clause 8.4(e) through g);
- f) a notification of the payer of income tax collected by withholding in case of eligible costs referred to in Section 42(4)(b) of the Act, and a proof of payment of such tax;
- g) a separate accounting document concerning the applicant's remuneration in case of eligible costs referred to in Section 42(4)(c) of the Act;
- h) all co-production agreements which have been executed by the applicant who is the producer or a co-producer of the audiovisual work produced as a part of the incentivised project with the other co-producers, including all existing amendments to such contracts; the contracts executed under this letter (h) and all amendments thereto must be in writing;
- i) the contract under which the applicant who is not the producer or a co-producer of the audiovisual work produced as a part of the incentivised project ensures the production of such audiovisual work, including all existing amendments to such contract; the contract executed under this letter (i) and all amendments thereto must be in writing;
- j) the applicant's written contract with a domestic person authorised to provide payment services, concerning the keeping of the applicant's account in Czech crowns to which the Fund shall remit the production incentive, or a written certificate of the payment service provider on keeping of such account for the applicant, unless it is a project bank account under clause 8.7.4, in respect of which the applicant has already delivered to the Fund the relevant documentation.

8.7 Eligible costs of an incentivised project

8.7.1 The following is included in the production of an audiovisual work for production incentive purposes:

- a) preparatory works, particularly casting of characters, creative and production crew, location scouting, design and realisation of the artistic component of the audiovisual work, such as costumes, scene and setting, rehearsals, preparation of the next production phases, creation of author's works which are to be used in the production of the audiovisual work and obtaining licence for their use,
- b) making of an audio and video recording of the audiovisual work during shooting or in the form of animation, including the procurement of all required performance, such as the lease of shooting locations, participation of actors and of the creative and other production crew, procurement of all technology, energies, conveniences, transport, accommodation, etc., and
- c) finishing works, including, without limitation, the editing of the filmed material, trick and other adjustments of the visual component of the audiovisual work, treatment or creation of the audio component of the audiovisual work, including recordings of post-synchronic sounds, creation and making of the musical recording and the final mix,

all of the foregoing with the exception of activities whose costs are not eligible under clause 8.7.5(l).

8.7.2 The following costs are eligible:

- a) the costs referred to in Section 42(4)(a) and (b) of the Act, provided that they have been incurred reasonably and in the usual amount with regard to the provided performance, taking into account all circumstances;
- b) specific costs under Section 42(4)(a) and (b) of the Act, stated in the settlement account referred to in clause 8.6(a), only if the applicant presents within 15 days after the Fund's request (i) documents evidencing their relation to the incentivised project in the manner determined by the Fund and (ii) explanations requested by the Fund and the documentation evidencing that such costs have been actually spent, and their amount;
- c) remuneration to the actors and crew members under Section 42(4)(b) of the Act, i.e. only such part of their total remuneration for their cooperation in the production of the audiovisual work that corresponds to the scope of their performance provided in connection with the realisation of the incentivised project in the territory of the Czech Republic;

- d) the applicant's revenue having the nature of his remuneration under Section 42(4)(c) of the Act only if it has been invoiced to the person for which the applicant procures the production of the audiovisual work or a part of such production within the scope of the incentivised project, evidenced by a separate accounting document.

8.7.3 Notwithstanding the other provisions of the Act and the Statutes, the eligible costs of an incentivised project are only the costs settled by the applicant:

- a) by means of cashless payments made from the project bank account; if such project bank account differs from the project bank account identified by the applicant to the Fund at the time of submission of the application for registration of the incentivised project under clause 8.3(d), only costs paid from such project bank account after its identification by the applicant to the Fund in the manner stated in the incentivised project registration certificate shall be deemed eligible costs;
- b) in cash in compliance with the legal limits applying to cash payments;
- c) by set-off but only if (i) the applicant's receivable from a third party that is the subject-matter of such set-off is related to the realisation of the incentivised project, and (ii) the set-off shall be documented by a written declaration of the applicant or of his creditor on unilateral set-off or by a written set-off agreement.

8.7.4 The project bank account means an account kept in the applicant's name by a domestic person licensed to provide payment services, which was identified by the applicant to the Fund at the time of submission of the application for registration of the incentivised project under clause 8.3(d), or at a later time in the manner stated in the incentivised project registration certificate, in both cases subject to the condition that such account was used from the date of its identification to the Fund until the submission date of the application for the production incentive (or the latter of the two submission dates if the applicant proceeds in accordance with Section 48(3) of the Act) solely for the settlement of production costs of the audiovisual work whose production is the subject-matter of the incentivised project.

8.7.5 Notwithstanding the other provisions of the Act and the Statute, the following costs are not eligible:

- a) material performance provided for the purpose of implementation of the project by a third party who is a co-producer or co-organiser of the project, where the applicant did not pay the price for such performance;
- b) material performance provided by the applicant for the purpose of implementation of the project, particularly the exploitation of the applicant's own production capacities;
- c) interest on loans and borrowings;
- d) costs of purchase of receivables;
- e) bank charges, with the exception of charges associated with the keeping of project bank accounts;
- f) value added tax, with the exception of justified cases where the applicant is not entitled to a deduction of, or is not a payer of, the value added tax;
- g) contractual fines, default interest and late charges, severance pay, compensation of material and immaterial loss;
- h) the purchase price of real estate;
- i) acquisition costs of tangible assets which are depreciated by the applicant in accordance with Act No. 586/1992 Coll. on Income Taxes, as amended;
- j) acquisition costs of movable tangible assets and sets thereof with the useful life longer than one year, if they are not accounted for as assets within the meaning of Section 9(1)(g) of the Decree of the Ministry of Finance No. 500/2002 Coll., as amended;
- k) depreciation of tangible and amortisation of intangible assets and the residual price of such assets;
- l) costs of the development of the incentivised project to the extent of remuneration for the creation of the script and procurement of the funding of production of the audiovisual work;
- m) the applicant's operating expenses not associated solely with the incentivised project;
- n) distribution and selling costs, costs of promotion, marketing and public relations;
- o) litigation and arbitration costs, including court and other fees and attorney's fees associated with litigation and arbitration;
- p) costs of the reimbursement of travelling expenses of the crew and actors during their stay outside the territory of the Czech Republic;
- q) staff costs which are not mandatory for employers under the law (such as contributions to additional pension insurance, life insurance, gift to jubilees, contributions for recreation, etc.);

- r) the income tax, road tax, real estate tax, real estate acquisition tax, excise tax and customs duty;
- s) costs incurred by the applicant in connection with payment of smart money, compensation for a work injuries, of lost earnings, etc.;
- t) scholarships or other similar payments;
- u) costs of donation SMS and MMS;
- v) costs of alcoholic beverages and tobacco products;
- w) the applicant's membership fees in registered associations or other legal entities;
- x) emoluments paid to the applicant's statutory body or to members of its statutory or supervisory body for the exercise of their office;
- y) reserves for exceeding the budget or reserves created for other purposes;
- z) paid advances for supply of goods and services;
- aa) exchange rate losses; and
- bb) any costs associated with the shooting of the audiovisual work whose realisation is the subject-matter of the incentivised project if the applicant notifies the Fund at the time of submission of the incentivised project listing application, or at a later time within the period during which he is obliged to realise, in accordance with the incentivised project listing certificate, the minimum number of shooting days specified in such certificate, that the shooting is not a part of the incentivised project.

8.7.6 The eligible costs shall be documented:

- a) by means of annexes to the application for a production incentive;
- b) by conclusive accounting records under Section 33a of Act No. 563/1991 Coll. on Accounting, as amended;
- c) upon request of the Fund by submitting statements of the project bank accounts or other accounting and contract documents and explanations required by the Fund within 15 days after the delivery of such request to the applicant.

IX. Co-production status

- 9.1 An application for granting a co-production status shall be submitted with the use of the form available on the Website and shall indicate whether it is an application for granting the co-production status under the Convention or under any other specific international agreement on film co-production which is binding for the Czech Republic.
- 9.2 If the producer or a co-producer of a Czech cinematographic work for the production of which the Fund has provided support under the subsidy heading "production of a Czech cinematographic work" applies to the Fund for the issue of a certificate evidencing that the relevant cinematographic work is a Czech cinematographic work under the Act, the Fund shall issue such certificate on the basis of the information and materials which were made available to it by the recipient of the support in connection with the financing of the production costs of such cinematographic work.

X. Further Activities of the Fund

- 10.1 In connection with its activities described in clause 2.6, the Fund carries out, in particular, the following:
 - a) grants licences for use of audiovisual works, whether directly or through the collective administrator or another third party, and collects licence fees;
 - b) keeps records of authors and their works in respect of which it exercises copyright, as well as records of executed licensing agreement;
 - c) maintains records of author's works under letter (b) held with collective administrators for the purpose of collection of fees on mandatory collective administration, and collects such fees.
- 10.2 In connection with its activities described in clause 2.7, the Fund carries out, in particular, the following:
 - a) grants licences for use of author's works, audiovisual recordings and other objects of intellectual property rights and collects fees for the granted licences;
 - b) fulfils the obligations vis-à-vis holders of copyright and the related rights which have passed to it under Section 14 of Act No. 273/1993 Coll., as amended; in particular, the Fund pays fees for the use of the object of copyrights and the related rights to the extent of licences provided by the Fund or its legal predecessor; keeps records of audiovisual works in respect of which it has been entrusted by the law

with the exercise of copyright, of their authors and of the authors of works used in them in an audiovisual form, as well as audiovisually used artistic performances and other objects of intellectual property rights;

- c) takes care of the archives of audiovisual works in respect of which it has been entrusted with the exercise of copyright (unless such care is provided by the National Film Archive), including the procurement of their digitalisation and restoration.

XI. Transitory provisions

- 11.1 Until the appointment of the Director selected in the first tender after the effective date of the Statutes, the Director's office shall be executed by the Fund's Director appointed by the Minister outside the tender, who shall not be subject to the provisions of the second sentence of clause 3.1.1 of the Statutes.
- 11.2 The chairman and vice-chairman of the Council the membership whereof is stipulated by Section 59(1) of the Act shall exercise the office of the chairman and vice-chairman during the office term of the Council under the first sentence of Section 59(1) of the Act, unless a new election of the chairman and/or vice-chairman is to be held during such period upon the proposal of the majority of the Council members; in such case, the procedure described in clause 3.2.2 of the Statutes shall apply.
- 11.3 The first short-term and long-term policy shall be determined by the Council until 31 December 2013. If the Council has already published a short-term and/or long-term policy before the adoption of the Statutes, it shall harmonise the policy with the Statutes until 31 December 2013.
- 11.4 Until launching of the Application, applications for film support shall be submitted to the Fund in writing only, using the form published via the Website, and some annexes to the applications where the call so specifies shall be also filed in the electronic form on a data carrier attached to the application.
- 11.5 Experts and Committee members appointed before the adoption of these Statutes shall be deemed duly appointed if they were appointed in compliance with the procedure set out in the Act despite non-compliance with the procedure set out in the Statutes.
- 11.6 As regards projects where the application for support was submitted by the applicant after the adoption of these Statutes but not later than by 31 December 2013, the commencement date of eligibility of the project costs under the first sentence of clause 7.9.2 shall be 1 January 2013 in lieu of the submission date of the support application.
- 11.7 As regards projects registered under Art. VIII. for the first time in accordance with these Statutes in the course of the first registration period pursuant to clause 8.3.1, the eligible project costs shall be the costs incurred since 1 January 2013 notwithstanding the submission date of the application for registration of the project, subject to the fulfilment of the other conditions of eligibility of costs. In case of projects referred to in the previous sentence, the period set out in clause 8.7.1 of the Statutes shall also run from 1 January 2013.

XII. Joint and Final Provisions

- 12.1 The Fund shall publish the Statutes via the Website.
- 12.2 Any changes of mandatory forms used under the Statutes for submission of applications under the Act fall within the competence of the Director.
- 12.3 Attached as an annex to the Statutes is the cultural test form referred to in Section 44(3) of the Act containing variants for fiction and animated audiovisual works or series and for documentary audiovisual works.
- 12.4 Amendments to the Statutes are subject to the approval of the Government of the Czech Republic.

Transitory provisions of the amendment to the Statutes of the Czech Film Fund approved by the Government Resolution No. 341 of 3 May 2017

1. Calls for support applications announced by the Fund until 30 June 2017, applications for support filed on the basis of such calls and the assessment and documenting of eligibility of the costs of projects supported by the Fund upon such applications (the announcement of calls for support applications, submission of the applications, draw of experts and expert analysis, assessment of applications for support and conditions of eligibility of costs in relation to the support) shall be assessed in accordance with the wording of the Statutes approved by the Government Resolution No. 671 of 28 August 2013, as amended by the Government Resolution No. 397 of 28 May 2014.
2. The differentiation of experts who have already been appointed shall be made by the Council after consultation with them.
3. Until the Fund launches the Application for submission of applications for registration of incentivised projects, application for listing of incentivised projects, applications for a change of listing of an incentivised project and applications for a production incentive, such applications shall be filed with the use of forms published by the Fund via the Website, with their annexes submitted on a data carrier in the pdf, xls or doc format.
4. In case of adoption of a decision on an application for registration of an incentivised project, an application for listing of the same incentivised project and on an application for a production incentive in relation to the same incentivised project in accordance with Act No. 496/2012 Coll., as amended before the effective date of Act No. 139/2016 Coll., such decision shall be adopted in accordance with the existing wording of the Statutes. Such applications shall be submitted in the manner set out in Act No. 496/2012 Coll., as amended before the effective date of Act No. 139/2016 Coll. and under the existing wording of the Statutes.
5. In case of an incentivised project in relation to which the applicant filed an application for registration of an incentivised project in the period from 6 May 2016 until **3 May 2017**, the material performance provided for the purpose of production of the audiovisual work by the applicant or by co-producers having their registered office or principal place of business in the territory of the Czech Republic shall be deemed an eligible cost of the incentivised project for the purpose of assessment of the eligible costs limit under Section 42(1)(d) of the Act, but not for the purpose of calculation of the production incentive.
6. Provisions of clauses 8.7.3 and 8.7.4. shall not apply to incentivised projects in relation to which the applicants submitted applications for registration of an incentivised project from 6 May 2016 until **3 May 2017**.

Cultural Test Fiction Audiovisual Work / Fiction Audiovisual Series (hereinafter the “AVD”)

Project name <i>(the name stated in the Application for Registration of an Incentivised Project; the project shall be recorded under such name for the purpose of provision of the production incentive and the eligible costs within the meaning of the Act and the Statutes of the Czech Film Fund shall be assessed in relation to such name)</i>	
Alternative project name <input type="checkbox"/> no	<input type="checkbox"/> yes
Corporate name or name of the applicant - a legal entity / Name and surname of the applicant - a natural person	
Project type	<input type="checkbox"/> feature AVD <input type="checkbox"/> AVD series – number of episodes
Script writer	
Director	
Project type (to be completed by the Fund)	

In the Cultural Test, the applicant

- a) shall fill in his own proposed number of points and
- b) shall complete at the same time the reasoning of his proposal and details enabling the assessment of the criteria by the Commission.

Part I – Cultural criteria

	number of points
<p>1) The AVD's story / script / central theme is based on an event that is a part of the Czech or European culture / history / mythology / religion <i>This criterion is interpreted with reference to projects based on events constituting a part of the traditional Czech or European culture / history / mythology/ religion</i></p> <p style="text-align: right;">max. 2 points</p>	
Reasoning:	
<p>2) The AVD is based on a character / person belonging to the Czech / European culture / history / mythology / religion <i>This criterion is interpreted with reference to projects based on a character / person who must be generally known. Characters / persons of a religious or mythological origin must be documented by a literary or other model.</i></p> <p style="text-align: right;">max. 2 points</p>	
Reasoning:	
<p>3) The AVD's story takes place in or relates to a European environment / place / location / architectural or cultural environment</p> <p style="text-align: right;">max. 2 points</p>	
Reasoning:	
<p>4) The AVD's story / script / central theme is based on, inspired by or has been created upon motives of a literary work or by adaptation of other fields of art (fine arts, music, etc.) having a cultural value</p> <p style="text-align: right;">max. 2 points</p>	
Reasoning:	
<p>5) The AVD's story / script / central theme is focused on current cultural / sociological / political topic of the Czech or European society</p> <p style="text-align: right;">max. 2 points</p>	
Reasoning:	

<p>6) The AVD reflects an important Czech or European value, such as cultural diversity / solidarity / equality / protection of minorities or human rights / tolerance / environmental protection/ respecting cultural or family traditions</p> <p style="text-align: right;">max. 2 points</p>	
Reasoning:	
<p>7) The AVD is focused on Czech / European culture / identity on Czech / European customs and traditions</p> <p style="text-align: right;">max. 2 points</p>	
Reasoning:	
<p>8) The AVD's story / script / central theme is based on current or historical world events with an impact on the European / Czech society</p> <p><i>This criterion is interpreted with reference to projects based on current or historical world events with a current impact on the European / Czech society</i></p> <p style="text-align: right;">max. 2 points</p>	
Reasoning:	
<p>Total (At least 4 points have to be obtained under the Cultural Criteria)</p>	

Part II – Production criteria

	number of points
<p>9) The AVD is a cinematographic work which contributes to the development of the relevant genre. Please define the type of the genre and explain the way by which the AVD develops it (e.g. does not follow certain stereotypes of the given genre but deals with it innovatively and further develops it).</p> <p style="text-align: right;">max. 3 points</p>	
Reasoning:	
<p>10) The AVD creators are Czech citizens or citizens of EEA states:</p> <ul style="list-style-type: none"> • director • producer / co-producer • director of photography • script writer • actor / actress in the leading role • actor / actress the supporting role • author of original music • architect / artist • costume designer 	

<ul style="list-style-type: none"> • make-up artist • editor • sound engineer • production manager • post-production or VFX supervisor <p style="text-align: right;">½ point per item, maximum 7 points</p>	
Reasoning:	
<p>11) The final version of the AVD is in any EEA language</p> <ul style="list-style-type: none"> • <i>at least 10% of the dialogue from the total duration of the final film version – 1 point</i> • <i>at least 25% of the dialogue from the total duration of the final film version – 2 points</i> • <i>at least 50% of the dialogue from the total duration of the final film version – 3 points</i> • <i>at least 75% of the dialogue from the total duration of the final film version – 4 points</i> <p style="text-align: right;">max. 4 points</p>	
Reasoning:	
<p>12) At least 51% of the crew members (not included in clause 10) are EEA citizens</p> <p style="text-align: right;">0 or 4 points</p>	
Reasoning:	
<p>13) Shooting at locations or in studios in the Czech Republic</p> <p><i>If the shooting at locations or in studios in the Czech Republic lasts:</i></p> <ul style="list-style-type: none"> • <i>at least 1 day - 1 point</i> • <i>at least 10% of the total number of shooting days - 2 points</i> • <i>at least 25% of the total number of shooting days - 3 points</i> • <i>at least 50% of the total number of shooting days - 4 points</i> <p style="text-align: right;">max. 4 points</p>	
Reasoning:	

<p>14) Use of Czech supplier services in the territory of the Czech Republic <i>This criterion only applies to pre-production (preparatory works). The term "Czech service provider" means persons who have their principal place of business, permanent residence or registered office in the territory of the Czech Republic and who are registered in the Czech Republic for income tax purposes. In the interpretation of this category, no points shall be granted for service providers whose services are directly connected with the production procedures which are rated in category 13 or 15. This means that, in case of shooting at the locations or in the studios in the Czech Republic, points shall be granted in category 14 only for service providers who directly participate in the pre-production (preparatory works).</i> <i>Use of Czech service providers in the territory of the Czech Republic during pre-production:</i></p> <ul style="list-style-type: none"> • <i>at least 1 den of the total pre-production period - 1 point</i> • <i>at least 10% of the total pre-production period - 2 points</i> • <i>at least 25% of the total pre-production period - 3 points</i> • <i>at least 50% of the total pre-production period - 4 points</i> <p style="text-align: right;">max. 4 points</p>	
Reasoning:	
<p>15) Use of post-production in the Czech Republic (includes audio and visual post-production, laboratories, fil music recording, etc.) <i>If, out of the total post-production period, the post-production in the Czech Republic lasts:</i></p> <ul style="list-style-type: none"> • <i>at least 1 day - 1 point</i> • <i>at least 10% - 2 points</i> • <i>at least 25% - 3 points</i> • <i>at least 50% - 4 points</i> <p style="text-align: right;">max. 4 points</p>	
Reasoning:	
Total	

Part III – Summary of points

	minimum number of points/ total number of points	actually achieved number of points
Total	23 / 46	

The project must obtain at least the minimum number (23) out of the total number of points (46) and at the same time at least 4 points in the Cultural Criteria.

Date:

Applicant's signature:

Annex to the Application for Registration of an Incentivised Project

Cultural Test - Animated Audiovisual Work / Animated Audiovisual Series (hereinafter the “AVD”)

<p>Project name <i>(the name stated in the Application for Registration of an Incentivised Project; the project shall be recorded under such name for the purpose of provision of the production incentive and the eligible costs within the meaning of the Act and the Statutes of the Czech Film Fund shall be assessed in relation to such name)</i></p> <p>Alternative project name</p> <p><input type="checkbox"/> no</p>	<p><input type="checkbox"/> yes</p>
<p>Corporate name or name of the applicant - a legal entity / Name and surname of the applicant - a natural person</p>	
<p>Project type</p>	<p><input type="checkbox"/> feature AVD</p> <p><input type="checkbox"/> AVD series – number of episodes</p>
<p>Script writer</p>	
<p>Director</p>	
<p>Project type (to be completed by the Fund)</p>	

In the Cultural Test, the applicant

- a) shall fill in his own proposed number of points, and
- b) shall complete at the same time the reasoning of his proposal and details enabling the assessment of the criteria by the Commission.

Part I – Cultural criteria

	number of points
<p>1) The story / script / central theme of the AVD is based on an event that is a part of the Czech or European culture / history / mythology / religion <i>This criterion is interpreted with reference to projects based on events constituting a part of the traditional Czech or European culture/ history / mythology/ religion</i></p> <p style="text-align: right;">max. 2 points</p>	
<p>Reasoning:</p>	

<p>2) The AVD is based on a character / person belonging to the Czech / European culture / history / mythology / religion <i>This criterion is interpreted with reference to projects based on a character / person who must be generally known. Characters / persons of a religious or mythological origin must be documented by a literary or other model.</i></p> <p style="text-align: right;">max. 2 points</p>	
Reasoning:	
<p>3) The AVD's story takes place in or relates to a European environment / place / location / architectural or cultural environment</p> <p style="text-align: right;">max. 2 points</p>	
Reasoning:	
<p>4) The AVD's story / script / central theme is based on, inspired by or has been created upon motives of a literary work or by adaptation of other fields of art (fine arts, music, etc.) having a cultural value</p> <p style="text-align: right;">max. 2 points</p>	
Reasoning:	
<p>5) The AVD's story / script / central theme is focused on current cultural / sociological / political topic of the Czech or European society</p> <p style="text-align: right;">max. 2 points</p>	
Reasoning:	
<p>6) The AVD reflects an important Czech or European value, such as cultural diversity / solidarity / equality / protection of minorities or human rights / tolerance / environmental protection/ respecting cultural or family traditions</p> <p style="text-align: right;">max. 2 points</p>	
Reasoning:	
<p>7) The AVD is focused on Czech / European culture / identity on Czech / European customs and traditions</p> <p style="text-align: right;">max. 2 points</p>	
Reasoning:	

<p>8) The AVD's story / script / central theme is based on current or historical world events with an impact on the European / Czech society <i>This criterion is interpreted with reference to projects based on current or historical world events with a current impact on the European / Czech society</i></p> <p style="text-align: right;">max. 2 points</p>	
Reasoning:	
<p>Total at least 4 points must be obtained in the Cultural Criteria)</p>	

Part II – Production criteria

	number of points
<p>9) The AVD is a cinematographic work which contributes to the development of the relevant genre. Please define the type of the genre and explain the way by which the AVD develops it (e.g. does not follow certain stereotypes of the given genre but deals with it innovatively and further develops it).</p> <p style="text-align: right;">max. 3 points</p>	
Reasoning:	
<p>10) The AVD creators are Czech citizens or citizens of EEA states:</p> <ul style="list-style-type: none"> • director • producer / co-producer • director of photography / image composer • script writer • animator • storyboard writer/ animatic artist • author of original music • artist • puppet producer • editor • sound engineer • production manager • post-production or VFX supervisor • speaker / voiceover <p style="text-align: right;">½ point per item, maximum 7 points</p>	
Reasoning:	

<p>11) The final version of the AVD is in any EEA language</p> <ul style="list-style-type: none"> • at least 10% of the dialogue from the total duration of the final film version – 1 point • at least 25% of the dialogue from the total duration of the final film version – 2 points • at least 50% of the dialogue from the total duration of the final film version – 3 points • at least 75% of the dialogue from the total duration of the final film version – 4 points <p style="text-align: right;">max. 4 points</p>	
Reasoning:	
<p>12) At least 51% of the crew members (not included in clause 10) are EEA citizens</p> <p style="text-align: right;">0 or 4 points</p>	
Reasoning:	
<p>13) Shooting at locations or in studios in the Czech Republic <i>If the shooting at locations or in studios in the Czech Republic lasts:</i></p> <ul style="list-style-type: none"> • at least 1 day - 1 point • at least 10% of the total number of shooting days - 2 points • at least 25% of the total number of shooting days - 3 points • at least 50% of the total number of shooting days - 4 points <p style="text-align: right;">max. 4 points</p>	
Reasoning:	
<p>14) Use of Czech supplier services in the territory of the Czech Republic <i>This criterion only applies to pre-production (preparatory works). The term “Czech service provider” means persons who have their principal place of business, permanent residence or registered office in the territory of the Czech Republic and who are registered in the Czech Republic for income tax purposes. In the interpretation of this category, no points shall be granted for service providers whose services are directly connected with the production procedures which are rated in category 13 or 15. This means that, in case of shooting at the locations or in the studios in the Czech Republic, points shall be granted in category 14 only for service providers who directly participate in the pre-production (preparatory works).</i> <i>Use of Czech service providers in the territory of the Czech Republic during pre-production:</i></p> <ul style="list-style-type: none"> • at least 1 day of the total pre-production period - 1 point • at least 10% of the total pre-production period - 2 points • at least 25% of the total pre-production period - 3 points • at least 50% of the total pre-production period - 4 points <p style="text-align: right;">max. 4 points</p>	
Reasoning:	

<p>15) Use of post-production in the Czech Republic (includes audio and visual post-production, laboratories, film music recording, etc.) <i>If, out of the total post-production period, the post-production in the Czech Republic lasts</i></p> <ul style="list-style-type: none"> • <i>at least 1 day - 1 point</i> • <i>at least 10% - 2 points</i> • <i>at least 25% - 3 points</i> • <i>at least 50% - 4 points</i> <p style="text-align: right;">max. 4 points</p>	
Reasoning:	
Total	

Part III – Summary of points

	minimum number of points/ total number of points	actually achieved number of points
Total	23 / 46	

The project must obtain at least the minimum number (23) out of the total number of points (46) and at the same time at least 4 points in the Cultural Criteria.

Date:

Applicant's signature:

Cultural Test – Documentary Audiovisual Work (hereinafter the “AVD”)

<p>Project name <i>(the name stated in the Application for Registration of an Incentivised Project; the project shall be recorded under such name for the purpose of provision of the production incentive and the eligible costs within the meaning of the Act and the Statutes of the Czech Film Fund shall be assessed in relation to such name)</i></p> <p>Alternative project name</p> <p><input type="checkbox"/> no</p>	<p><input type="checkbox"/> yes</p>
<p>Corporate name or name of the applicant - a legal entity / Name and surname of the applicant - a natural person</p>	
<p>Script writer</p>	
<p>Director</p>	
<p>Project type (to be completed by the Fund)</p>	

In the Cultural Test, the applicant

- a) shall fill in his own proposed number of points and
- b) shall complete at the same time the reasoning of his proposal and details enabling the assessment of the criteria by the Commission.

Part I – Cultural criteria

	number of points
<p>1) The AVD's story / script / central theme is based on an event that is a part of the Czech or European culture / history / mythology / religion <i>This criterion is interpreted with reference to projects based on events constituting a part of the traditional Czech or European culture / history / mythology/ religion</i></p> <p style="text-align: right;">max. 2 points</p>	
<p>Reasoning:</p>	

<p>2) The AVD is based on a character / person belonging to the Czech / European culture / history / mythology / religion <i>This criterion is interpreted with reference to projects based on a character / person who must be generally known. Characters / persons of a religious or mythological origin must be documented by a literary or other model.</i></p> <p style="text-align: right;">max. 2 points</p>	
<p>Reasoning:</p>	
<p>3) The AVD's story takes place in or relates to a European environment / place / location / architectural or cultural environment</p> <p style="text-align: right;">max. 2 points</p>	
<p>Reasoning:</p>	
<p>4) The AVD's story / script / central theme is based on, inspired by or has been created upon motives of a literary work or by adaptation of other fields of art (fine arts, music, etc.) having a cultural value</p> <p style="text-align: right;">max. 2 points</p>	
<p>Reasoning:</p>	
<p>5) The AVD's story / script / central theme is focused on current cultural / sociological / political topic of the Czech or European society</p> <p style="text-align: right;">max. 2 points</p>	
<p>Reasoning:</p>	
<p>6) The AVD reflects an important Czech or European value, such as cultural diversity / solidarity / equality / Protection of minorities or human rights / tolerance / environmental protection/ respecting cultural or family traditions</p> <p style="text-align: right;">max. 2 points</p>	
<p>Reasoning:</p>	
<p>7) The AVD is focused on Czech / European culture / identity on Czech / European customs and traditions</p> <p style="text-align: right;">max. 2 points</p>	
<p>Reasoning:</p>	

<p>8) The AVD's story / script / central theme is based on current or historical world events with an impact on the European / Czech society <i>This criterion is interpreted with reference to projects based on current or historical world events with a current impact on the European / Czech society</i></p> <p style="text-align: right;">max. 2 points</p>	
Reasoning:	
<p>Total (at least 4 points have to be obtained in the Cultural Criteria)</p>	

Part II – Production criteria

	number of points
<p>9) The AVD is a cinematographic work which contributes to the development of the relevant genre. Please define the type of the genre and explain the way by which the AVD develops it (e.g. does not follow certain stereotypes of the given genre but deals with it innovatively and further develops it).</p> <p style="text-align: right;">max. 3 points</p>	
Reasoning:	
<p>10) The AVD's creators are Czech citizens or citizens of EEA states:</p> <ul style="list-style-type: none"> • director • producer / co-producer • director of photography • script writer • leading character • supporting character • author of original music • editor • sound engineer • production manager • post-production or VFX supervisor • 2nd unit director of photography • researcher • other (please specify)..... <p style="text-align: right;">½ point per item, maximum 7 points</p>	
Reasoning:	

<p>11) The final version of the AVD is in any EEA language</p> <ul style="list-style-type: none"> • at least 10% of the dialogue from the total duration of the final film version – 1 point • at least 25% of the dialogue from the total duration of the final film version – 2 points • at least 50% of the dialogue from the total duration of the final film version – 3 points • at least 75% of the dialogue from the total duration of the final film version – 4 points <p style="text-align: right;">max. 4 points</p>	
Reasoning:	
<p>12) At least 51% of the crew members (not included in clause 10) are EEA citizens</p> <p style="text-align: right;">0 or 4 points</p>	
Reasoning:	
<p>13) Shooting at locations or in studios in the Czech Republic <i>If the shooting at locations or in studios in the Czech Republic lasts:</i></p> <ul style="list-style-type: none"> • at least 1 day - 1 point • at least 10% of the total number of shooting days - 2 points • at least 25% of the total number of shooting days - 3 points • at least 50% of the total number of shooting days - 4 points <p style="text-align: right;">max. 4 points</p>	
Reasoning:	
<p>14) Use of Czech supplier services in the territory of the Czech Republic <i>This criterion only applies to pre-production (preparatory works). The term “Czech service provider” means persons who have their principal place of business, permanent residence or registered office in the territory of the Czech Republic and who are registered in the Czech Republic for income tax purposes. In the interpretation of this category, no points shall be granted for service providers whose services are directly connected with the production procedures which are rated in category 13 or 15. This means that, in case of shooting at the locations or in the studios in the Czech Republic, points shall be granted in category 14 only for service providers who directly participate in the pre-production (preparatory works). Use of Czech service providers in the territory of the Czech Republic during pre-production:</i></p> <ul style="list-style-type: none"> • at least 1 day of the total pre-production period - 1 point • at least 10% of the total pre-production period - 2 points • at least 25% of the total pre-production period - 3 points • at least 50% of the total pre-production period - 4 points <p style="text-align: right;">max. 4 points</p>	
Reasoning:	

<p>15) Use of post-production in the Czech Republic (includes audio and visual post-production, laboratories, film music recording, etc.) <i>If, out of the total post-production period, the post-production in the Czech Republic lasts</i></p> <ul style="list-style-type: none"> • <i>at least 1 day - 1 point</i> • <i>at least 10% - 2 points</i> • <i>at least 25% - 3 points</i> • <i>at least 50% - 4 points</i> <p style="text-align: right;">max. 4 points</p>	
Reasoning:	
Total	

Part III – Summary of points

	minimum number of points/ total number of points	actually achieved number of points
Total	23 / 46	

The project must obtain at least the minimum number (23) out of the total number of points (46) and at the same time at least 4 points in the Cultural Criteria.

Date:

Applicant's signature: