

ACT
of 2012,

**on Audiovisual Works and Support for Cinematography and on Amendment to
Certain Acts (Audio/Video Act)**

The Parliament has passed the following Act of the Czech Republic:

PART ONE
AUDIO/VIDEO

Title I
Introductory Provisions

Section 1
Subject Matter

(1) This Act shall govern:

- a) the obligations arising in connection with the production and public presentation of cinematographic and other audiovisual works,
- b) the status and activities of the National Film Archive, and
- c) the status and activities of the State Cinematography Fund, its financing, provision of support to projects in the sphere of cinematography (hereinafter referred to as “support for cinematography”) and provision of incentives to the film industry (hereinafter referred to as “film incentives”).

(2) This Act shall not apply to audiovisual works that are not intended to be released to the public against payment.

Section 2
Basic Concepts

(1) For the purposes of this Act, the following terms shall have the following meanings:

- a) cinematographic performance shall mean public theatrical presentation, or other similar form of release, of an audiovisual work¹⁾,
- b) cinematographic work shall mean an audiovisual work intended for public performances; audiovisual works having the nature of advertising shall not be considered cinematographic work²⁾,
- c) producer shall mean a person who is the holder, or one of the holders, of an authorisation to use³⁾ an audiovisual work, including any copyright works and artistic performances used audiovisually in it, and who possesses at the same time the audio/video recording producer rights⁴⁾ in relation to the recording of the audiovisual work, or a share of such rights,
- d) co-producer shall mean any producer, if there are more than one producer of an audiovisual work,

¹⁾ Section 62 of Act No. 121/2000 on Copyright, Rights Related to Copyright, and Amending Certain Acts (the Copyright Act).

²⁾ Act No. 40/1995 on Advertising Regulation, and Amending Act No. 468/1991 on Radio and Television Broadcasting, as amended, and Amending Certain Acts.

³⁾ Section 12 of Act No. 121/2000, as amended by Act No. 216/2006

⁴⁾ Section 79 of Act No. 121/2000

- e) Czech audiovisual work shall mean an audiovisual work,
 - 1. produced with a contribution of a producer or co-producer with his place of business, permanent residence or registered office in the Czech Republic, such contribution covering at least 20% of the total production costs, or
 - 2. produced with a contribution of a co-producer with his place of business, permanent residence or registered office in the Czech Republic, combined with the contribution of a co-producer not having its place of business, permanent residence or registered office in the Czech Republic, provided that such an audiovisual work meets the conditions of the European Convention on Cinematographic Co-production (hereinafter referred to as the “Convention”)⁵⁾ or any other international agreement binding on the Czech Republic (hereinafter referred to as the “international cinematographic co-production agreement”), irrespective of how such a co-producer contributed to the financing of the production costs,
- f) Czech cinematographic work shall mean a Czech audiovisual work which is also a cinematographic work,
- g) distributor shall mean a person who, within his business,
 - 1. makes copies, or has copies made, for the purpose of the distribution, leasing or lending thereof⁶⁾, and distributes, leases or lends such copies in the Czech Republic,
 - 2. provides an authorisation to third parties to use an audiovisual work on the territory of the Czech Republic through cinematographic performances, through an on-demand audiovisual media service⁷⁾ or by television broadcasting⁸⁾, and as a rule also provides a recording of the audiovisual work for this purpose to the beneficiary of the authorisation, doing so to the extent of the authorisation from the owners of the rights to use the audiovisual work and the recording thereof
- h) cinematographic performance organiser shall mean a person who at his own cost and his own responsibility organises a cinematographic performance.

(2) If the activities referred to in Subsection 1(g) are carried out by the producer or one of the co-producers of a Czech audiovisual work, such a producer or co-producer shall be considered distributor in accordance to this Act.

Title II

Obligations in the Production of Audiovisual Works and the Release Thereof to the Public

Section 3

Captions for the Deaf and the Hard of Hearing

(1) Captions for the deaf and the hard of hearing shall be understood to mean a visually recorded and optionally adjustable text in the Czech language, which is synchronised with the sound track of the audiovisual work and which transcribes or describes spoken words and other sounds contained in the audiovisual work, doing so in a manner enabling the deaf and the hard of hearing to follow the dialogue and the action in the audiovisual work.

⁵⁾ Communication of the Ministry of Foreign Affairs No. 26/2000 on the adoption of the European Convention on Cinematographic Co-production.

⁶⁾ Section 14 to 16 of Act No. 121/2000

⁷⁾ Act No. 132/2010, on On-demand Audiovisual Media Services, and Amending Certain Acts (the On-demand Audiovisual Media Services Act), as amended by Act No. 302/2011

⁸⁾ Section 21 of Act No. 121/2000, as amended by Act No. 216/2006

(2) The distributor of a Czech audiovisual work shall provide the copies of such a work, distributed to the public in the Czech Republic, with captions for the deaf and the hard of hearing as referred to in Subsection 1 above and shall ensure that the inscription “Captioned for the Deaf and the Hard of Hearing” is printed on the packages of such copies.

Section 4 **Classification of Cinematographic Works**

(1) Before first presentation on the territory of the Czech Republic, each cinematographic work must be labelled to indicate its classification as to the suitability of its content for minors. The purpose of the classification is to restrict access to cinematographic works whose content may affect mental or moral development of minors.

(2) From the viewpoint of content suitability for minors, cinematographic works shall be classified as follows:

- a) unrestricted,
- b) unsuitable for minors under 12 years of age,
- c) unsuitable for minors under 15 years of age, or
- d) unsuitable for minors under 18 years of age.

Section 5 **Obligations in the Classification of Cinematographic Works**

(1) A producer or co-producer with his place of business, permanent residence or registered office in the Czech Republic shall classify the Czech cinematographic work and shall notify the distributor about the classification.

(2) As to cinematographic works other than Czech cinematographic works, the distributor shall classify any such work distributed by him on the territory of the Czech Republic.

(3) The distributor shall notify the classification based on Subsections 1 and 2 above to each cinematographic performance organiser, on-demand audiovisual media service provider⁹⁾ and any other persons to whom he (the distributor) grants authorisation to use the work on the territory of the Czech Republic.

(4) The distributor defined in Section 2(1)(g)(1) above shall provide the packages for the copies of a cinematographic work with a classification label. Should such a copy contain more than one cinematographic work, the classification of the cinematographic work with the strictest restriction as indicated in Section 4(2) above shall be used for the labelling of such copies.

(5) The cinematographic performance organiser shall ensure that the cinematographic work classification indicated by the distributor is made public together with the announcement of the cinematographic performance. During the cinematographic performance, the organiser shall ensure that the presence of persons to whom the restriction, if any, of access to the work applies in accordance with Section 4(2)(c) or (d) above is excluded.

⁹⁾ Section 2(1)(d) of Act No. 132/2010, as amended by Act No. 216/2006

(6) Any person that sells, leases¹⁰⁾ or lends¹¹⁾ copies of a cinematographic work classified and labelled in accordance with Section 4(2)(c) or (d) shall not sell, lease or lend it to any person to whom the restriction of access to such a work applies in accordance with the classification.

(7) The distributor of a cinematographic work classified as indicated in Section 4(2)(c) or (d) shall ensure that the audiovisual trailers or other forms of advertising the cinematographic work distributed by him contain the designation of such a work's classification.

(8) Before, during and immediately after a cinematographic performance, the cinematographic performance organiser shall not present to the public any of the trailers referred to in Subsection 7 above if they have a stricter restriction label than the cinematographic work shown as the main feature of the cinematographic performance.

Section 6 The Offer Obligation

(1) The producer of a Czech cinematographic work, or its co-producer with his registered office, permanent residence or place of business in the Czech Republic, shall offer to the National Film Archive two undamaged copies of the work at the quality required for a copy intended for cinematographic performances, a copy of the script and the publicity material about the work, and shall do so in writing in the form of a proposed contract within 60 days of the date of making such a work public.

(2) If there are more than one technologically different type of copies used for the cinematographic performance of a work, all these types shall be indicated in the written offer referred to in Subsection 1 above. The selection of the type of copies for whose transfer the National Film Archive accepts a proposal referred to in Subsection 4 below shall be made by the National Film Archive.

(3) The producer or co-producer, referred to in Subsection 1 above, shall also offer to the National Film Archive, in the form of a proposed contract, an undamaged copy of a Czech cinematographic work at the quality required for the production of copies intended for presentation to the public through theatrical performances, if the National Film Archive expresses its interest in obtaining such a copy; the provisions of Subsection 2 above shall apply *mutatis mutandis*.

(4) The period for accepting the proposal to conclude a contract under Subsection 1 above shall be 6 months of the date of delivery of such a proposal.

(5) Upon concluding the contract under Subsection 4 above, the producer or co-producer referred to in Subsection 1 above shall not be obliged to deliver to the National Film Archive unencoded digital copies of the Czech cinematographic work subject to the contract sooner than 12 months after the date of the first public presentation of the Czech cinematographic work. If such copies are delivered to the National Film Archive in encoded digital form sooner than at the end of the above period, the producer or co-producer shall not be obliged to make access codes thereto available sooner than at the end of the period.

(6) A producer or co-producer referred to in Subsection 1 above, who is at the same time a recipient of support for cinematography from the State Cinematography Fund, intended for

¹⁰⁾ Section 15 of Act No. 121/2000, as amended by Act No. 216/2006

¹¹⁾ Section 16 of Act No. 121/2000, as amended by Act No. 216/2006

the production of a Czech cinematographic work in accordance with Section 31(1)(b), shall make a written offer to the National Film Archive in the form of a proposed contract on transfer for nil consideration in favour of the Czech Republic of one undamaged copy of such a work at the quality required for a copy intended for cinematographic performances, a copy of the script and the publicity material about the work, and shall do so within 60 days from the date of the first public presentation of such a work or, in the case of a copy in digital form, within 12 months from the first public presentation of such a work. The offer obligation based on Subsection 1 above shall apply to only one copy of the Czech cinematographic work in this case. Once such an offer is accepted such items shall become the property of the Czech Republic to be administered by the National Film Archive¹²⁾.

(7) The transfer of the ownership of the copies of Czech cinematographic works according to Subsections 1 to 6 does not give the National Film Archive the right to use such cinematographic works in any manner whatsoever, unless it obtains an authorisation to do so from the holders of the copyright or rights related to copyright.

(8) If the National Film Archive learns that any person has breached his obligations referred to in Subsections 1, 3 or 6 above, the National Film Institute shall forthwith notify in writing the relevant regional authority about such persons. The notification shall contain information about who, when and how has breached the obligation.

Section 7

Notification Obligation in Respect of Cinematographic Work Registration

(1) The producer of a Czech cinematographic work, or its co-producer with his registered office, permanent residence or place of business in the Czech Republic, shall notify any such work to the National Film Archive no later than by 31 January following after the calendar year in which the work was released to the public in the Czech Republic.

(2) The distributor shall notify the National Film Archive about any cinematographic work presented within his distribution to the public in the Czech Republic through cinematographic performances, and shall do so no later than by 31 January following after the calendar year in which the work was released to the public in the Czech Republic.

(3) Any notification referred to in Subsections 1 and 2 shall contain:

- a) the name of the cinematographic work or, in the case of a cinematographic work other than Czech, its name in the original language version as well as the name under which the cinematographic work is released to the public in the Czech Republic, if it differs from the name in the original language version,
- b) the first name(s) and last name(s) of the author(s) of the main works used audiovisually¹³⁾, if known and unless the author expressed his wish to make his work public without indicating the name¹⁴⁾; if the author expressed his wish to be designated by a pseudonym, such a pseudonym shall be indicated instead of the author's first and last name,

¹²⁾ Section 55(1) of Act No. 219/2000 on the Property of the Czech Republic and its Representation in Legal Relationships, as amended

¹³⁾ Section 64 of Act No. 121/2000, as amended by Act No. 216/2006

¹⁴⁾ Section 7 of Act No. 121/2000

- c) the first name(s) and last name(s), or pseudonym(s) instead of the names, of the performing artists in leading roles, if known and unless the performing artist expressed his wish to make his performance public without indicating the name¹⁴⁾,
- d) in the case of a Czech cinematographic work: the company name, or the first name(s) and last name(s), registered office, address of the place of business or permanent residence, of the producer or all co-producers who have their registered office, permanent residence or place of business on the territory of the Czech Republic,
- e) year of public release of the audiovisual work,
- f) classification of the cinematographic work in accordance with Section 4,
- g) information about the original language version of the cinematographic work,
- h) length of the cinematographic work in metres and in the case of a digital work its length in minutes,
- i) in the case of a Czech cinematographic work produced with the participation of foreign co-producers: the percentage contribution of the co-producer, or all co-producers together, with registered office, permanent residence or place of business in the Czech Republic, to the financing of the costs of the production of the Czech cinematographic work, and the percentage contribution of the co-producer, or all co-producers together, with registered office or place of business on the territory of any other state, to the financing of the costs of the production of the Czech cinematographic work; this information shall only be indicated in the case that the co-producer, or any of co-producers with registered office, permanent residence or place of business in the Czech Republic received support for cinematography from the State Cinematography Fund, intended for the production of a Czech cinematographic work in accordance with Section 31(1)(b), and
- j) information about all types of copies of the cinematographic work used for cinematographic performances in the Czech Republic, and information about the visual and sound format of such types of copies.

(4) The obligation referred to in Subsection 2 above shall not apply to cinematographic works presented to the public in the Czech Republic in the calendar year through not more than 10 cinematographic performances.

(5) The Ministry of Culture (hereinafter referred to as the “Ministry”) shall make public in a manner allowing for remote access a specimen notification form for the purpose of fulfilling the obligations referred to in Subsections 1 and 2 above.

(6) If a notification referred to in Subsections 1 and 2 above fails to contain the complete information specified in Subsection 3 above, the National Film Archive shall invite the obliged person to complement the notification within 15 days from the date of delivery of the invitation. Should the obliged person fail to do so within 15 days from the date of delivery of the invitation, the obligation referred to in Subsections 1 and 2 above shall be deemed unfulfilled.

(7) If the National Film Archive learns that any person has breached his obligations referred to in Subsections 1, or 2 above, the National Film Institute shall forthwith notify in writing the relevant regional authority about such persons. The notification shall contain information about who, when and how has breached the obligation.

Title III
National Film Archive

Section 8

(1) The National Film Archive (hereinafter referred to as the “Archive”) with registered office in Prague, established by the Ministry as an organisation partly financed from public budgets¹⁵⁾, is a specialised archive¹⁶⁾ for audiovisual archival materials. Its mission is to develop, restore, scientifically process, make accessible and use the national film heritage, audiovisual archival materials, including collections of written archival documents, literature and the Archive’s library collection, to cooperate with Czech and foreign film and cultural institutions in developing and disseminating film culture, including by means of new technologies, to develop research and educational cooperation with film-industry secondary and post-secondary vocational schools and film universities, and to publish specialised literature.

(2) National film heritage means audiovisual works and the carriers that contain them, including, but not limited to, original negatives, copying materials and emergency reserve materials, duplication copies, duplicate negatives and other audiovisual archival materials connected with the production, distribution and retrieval of audiovisual works, which document the history of cinematography, culture and the society and are administered by the Archive as the property of the Czech Republic¹²⁾; national film heritage also means the producer’s rights and obligations in relation to the audio/video recordings belonging to the Archive in accordance with another legal regulation¹⁷⁾ and the rights towards the objects of intellectual property rights or the rights of use thereof acquired by the Archive for the Czech Republic on a contractual basis and exercised by the Archive.

(3) Recordings of the audiovisual works, in respect of which the Archive is authorised to make the work available to the public, shall be provided by the Archive for educational purposes to film-industry secondary and post-secondary vocational schools¹⁸⁾, to film universities¹⁹⁾, and to civic associations²⁰⁾ or public benefit organisations²¹⁾ organising cinematographic performances, provided that the Archive or the applicant has acquired the right holders’ consent. The Archive may only require reimbursement for the costs reasonably incurred in this context. If such reimbursement is requested by the Archive, it shall be paid by the person who applied for the provision of an audiovisual work recording.

(4) The audio/video recordings of Czech audiovisual works produced by the state in the period between 28 August 1945 and 31 December 1991, whose audiovisual recording producer’s rights expire on the effective date of this Act or after the effective date of this Act, may only be used on the basis of their original carriers, if they are owned by the state and administered by the Archive, or with the written consent of the Archive. This shall be without prejudice to the rights of the authors of the audiovisual work or the audiovisually used works. In providing the original carriers to persons interested in using the audiovisual works, the Archive shall ensure that no legal barrier is created that impedes the provision of the carriers to other applicants. Any arrangement to the contrary with an applicant shall be invalid.

(5) The Archive shall not assign the rights of ownership of the national film heritage or any part thereof to any third party, and shall not encumber it with any third party rights, with the exception of copies of audiovisual works or audiovisual archival materials made by the Archive

¹⁵⁾ Section 53 of Act No. 218/2000 on Budgetary Rules and Amending Certain Related Acts (the Budgetary Rules), as amended, and Section 54 of Act No. 219/2000, as amended.

¹⁶⁾ Act No. 499/2004 on Archives and Record Management Services and Amending Certain Acts, as amended.

¹⁷⁾ Section 106(4) of Act No. 121/2000

¹⁸⁾ Act No. 561/2004 on Pre-school, Elementary, Secondary, Post-secondary Vocational and Other Education (the “School Act”), as amended.

¹⁹⁾ Act No. 111/1998 on Universities and Amending Other Acts (the University Act), as amended.

²⁰⁾ Act No. 83/199 on Association of Citizens, as amended.

²¹⁾ Act No. 248/1995 on Public Benefit Organisations and Amending Certain Acts, as amended.

against an order from third parties to be used for those parties' purposes and with the exception of copies of publications and recordings made by the Archive for publishing purposes²².

(6) Any legal action in contravention of the provisions of Subsection 5 above shall be invalid.

(7) Licences to use audiovisual recordings of Czech audiovisual works shall be issued by the Archive under equal conditions to interested applicants within the scope of the rights pertaining to the Archive under other legal regulations or under agreements with the holders of the rights, and transcripts of audiovisual works or parts thereof, or documentation materials, shall be provided by the Archive, together with the consent to use them in accordance with Subsection 5 above, unless the intended use contravenes good morals or legal regulations or serves to support or promote illegal activities. Proceeds from contracts involving a consideration under this Subsection shall be used for the financing of the Archive's activities.

(8) The Archive shall keep records of the audiovisual works in accordance with Section 7 and make the records accessible to the public by a method allowing for remote access.

Title IV

The State Cinematography Fund and the Provision of Support for Cinematography

Volume 1

State Cinematography Fund

Part 1

Status of the State Cinematography Fund

Section 9

(1) The State Cinematography Fund (hereinafter referred to as the "Fund") shall be established with its registered seat in Prague.

(2) The Fund is a state-owned fund²³, which is entitled to administer the property of the Czech Republic.

(3) Details of the Fund's activities, internal organisation, financial management, the provision of support for cinematography and provision of film incentives shall be defined in the Fund's statutes. The Fund's statutes shall also define the details of matters indicated herein to be so defined. A draft version of the Fund's statutes shall be submitted by the Fund's Council (hereinafter referred to as the "Council") to the Minister of Culture (hereinafter referred to as the "Minister"). Provisions concerning film incentives, submitted to the Council by the Fund's Director, shall be included by the Council in the Fund's draft statutes. The Fund's statutes shall be approved by the government upon the Minister's proposal.

(4) The Fund falls within the competence of the Ministry. The Ministry shall be the Fund's supervisory administrative authority.

²²) Section 4 of Act No. 121/2000

²³) Section 28 of Act No. 218/2000 and Section 54 of Act No. 219/2000, as amended

(5) The Ministry shall submit the draft budget to the government by 31 August of each year. The government may make changes to the draft budget and shall submit it, simultaneously with the draft national budget of the Czech Republic, for approval to the Chamber of Deputies of the Parliament of the Czech Republic.

(6) If the Chamber of Deputies fails to approve the Fund's budget for a budgetary year before the first day of the budgetary year concerned, the budgetary receipt and expenditure volumes for the period from the first day of the budgetary year to the date of approval of the budget for that year shall be as approved for the preceding budgetary year.

(7) The Fund shall maintain accounts in accordance with another legal regulation²⁴. After the end of the budgetary year, the Fund shall prepare draft financial statements and annual report on the Fund's activities and shall submit them through the Minister to the government for consideration and to the Chamber of Deputies for approval within 3 months from the end of the budgetary year. The Fund's annual financial statements shall be audited by an auditor before they are submitted to the Chamber of Deputies.

Part 2 Activities of the Fund

Section 10 Responsibilities and Activities of the Fund

(1) The Fund shall, in particular:

- a) administer audiovisual charges, charges for broadcast advertising²⁵ and administrative fees in accordance with this Act,
- b) maintain records in the audio/video sphere,
- c) provide support for cinematography,
- d) exercise ownership rights, including copyright and the ownership rights of performing artists, which pass to the state in accordance with another legal regulation²⁶,
- e) exercise the audiovisual work producer rights that have passed to its legal predecessor in accordance with another legal regulation²⁷ and the audio/video recording producer rights, pertaining to it in accordance with another legal regulation¹⁷,
- f) grant the co-producer status in accordance with the Convention or under any other international agreement on film co-production,
- g) provide film incentives,
- h) perform activities defined by other legal regulations²⁸.

(2) The Fund shall make public its approved annual report in a manner allowing for remote access.

Part 3 The Bodies of the Fund

Section 11

²⁴ Act No. 563/1991 on Accounting, as amended.

²⁵ Section 32a of Act No. 231/2001 on Radio and Television Broadcasting, and Amending Certain Acts, as amended by Act No. 302/2011.

²⁶ For example, Section 26(2) to (4) and Section 74 of Act No. 121/2000, as amended

²⁷ Section 14 of Act No. 273/1993 on Certain Conditions of the Production, Distribution and Archiving of Audiovisual Works, and Amending Certain Acts and Other Regulations.

²⁸ For example, Section 26(2) to (4) of Act No. 121/2000, as amended by Act No. 216/2006

The Fund's Bodies and the Confidentiality Obligation

(1) The Fund's bodies include the Director of the Fund, the Council, and the Supervisory Committee (hereinafter referred to as the "Committee").

(2) The members of the Council and the Committee, and the Fund's employees, shall respect the confidentiality of the information they have learned in connection with their work for the Fund.

(3) The tasks connected with the organisational and technical support to the Fund's activities shall be performed by the Fund's Office.

(4) The costs connected with the operation of the Fund's Office and the costs of the Fund's employees shall be funded from the Ministry's chapter of the national budget.

Section 12 Director of the Fund

(1) The Director of the Fund shall be appointed and dismissed by the Minister.

(2) The Director of the Fund shall be the head of the Fund, its governing body and its employee. The Director shall be responsible for the management of the Fund's finance.

(3) The Director of the Fund shall, in particular:

- a) ensure that the Council's decisions on the support for cinematography are carried out,
- b) inspect the final account in respect of the support for cinematography,
- c) decide on film incentives,
- d) issue decisions on granting the co-producer status under Section 42,
- e) examine the Committee's findings and suspicions that the cinematography support funds have been used in contravention of the purpose defined in the decision on support for cinematography or in a wasteful manner, and inform the Council accordingly, and
- f) decide on matters not reserved for other bodies of the Fund.

Section 13 The Council

(1) The Council shall:

- a) determine the policy and strategy of support for cinematography,
- b) define and publish the criteria for the evaluation of projects on the basis of the film production support policy,
- c) decide on the form of support for cinematography, on support for projects and the amounts thereof with respect to expert analysis, and
- d) perform other activities entrusted to the Council by law or by the Fund's statutes.

(2) The Council shall be quorate if at least 5 members are present at its meeting. The Council's decisions shall be passed by the majority of votes, unless otherwise provided below. The voting shall be repeated not more than twice in the case of equality of votes, and the proposal shall be deemed unaccepted if no decision is reached after such repeated voting.

(3) A Council member shall be excluded from deciding on support for cinematography in cases specified in the Rules of Administrative Procedure or on the basis that he is personally interested in the decision or that personal advantage may be gained by him either directly or through a relative or friend. For the quorum purposes, the excluded member of the Council shall be deemed to be absent from the Council's meeting.

Section 14

Council Composition and Meetings

(1) The Council shall have 9 members.

(2) Council members shall be elected and dismissed by the Chamber of Deputies upon the proposal of the Minister, and shall be chosen from among recognised and experienced practitioners in the cinematography sphere, who have been proposed to the Minister by civic associations, public benefit organisations and special-interest associations of legal persons operating in the cinematography sphere, secondary and post-secondary vocational schools with focus on film, and film universities (hereinafter referred to as "professional organisations"), with the exception of collective administrators of copyright and rights related to copyright.

(3) The Council members' term of office shall be 3 years. One-third of Council members shall be elected by the Chamber of Deputies each year. Re-election is possible. The term of office of a previous Council member shall be extended until a new member is elected but the extension shall not exceed 12 months.

(4) At the nearest meeting following the election of a third of Council members as referred to in Subsection 3, the Council shall elect from among its members the Chairperson and Vice-chairperson. The Chairperson shall direct the activities of the Council and convene its meetings. The Vice-chairperson shall substitute for the Chairperson in the Chairperson's absence.

(5) Being a member of the Council is a public office and the exercise thereof shall be regarded as obstacle to work for reasons of public interest²⁹⁾.

(6) For exercising his office, a Council member shall be entitled to remuneration determined upon the Minister's proposal by government resolution. A Council member shall also be entitled to reimbursement for travel expenses related to exercising his office to the same extent as employees, the place of his permanent residence being regarded as his regular place of work for the purposes of travel expense reimbursement.

(7) During Council meetings, a Council member who takes active part in the debate or submits a proposal, or is authorised to vote, shall inform the members present at the meeting about his relation to the matter at hand if a personal advantage or damage may arise for him with respect to the results of the debate on the matter, or if he is otherwise interested in the matter. This information shall be given orally during the meeting but not later than before the Council begins to vote. This information shall always be included in the minutes of the meeting.

(8) The details of the meetings of the Council shall be determined in the Fund's statutes.

Section 15

Requirements for Council Membership

(1) A natural person may be eligible to become a member of the Council if he has:

²⁹⁾ Section 201(3) of Act No. 262/2006 – the Labour Code, as amended

- a) legal capacity,
- b) integrity; an individual convicted with finality of a premeditated criminal act shall not be considered to have integrity, unless he is looked upon as if he were not convicted.

A Council member may not hold an office in any political party or political movement, nor may he act in favour of any political party or movement in connection with exercising his position as Council member.

(2) Council membership shall be incompatible with the office of the President of the Republic, member of the Chamber of Deputies, Senator, member and deputy member of the government, head and deputy head of a central state administration authority, President of the Supreme Audit Office or member of his Advisory Board, member of the Council of the Czech Telecommunication Office, member of the Bank Council of the Czech National Bank, member of the Council for Radio and Television Broadcasting and member of the Czech Television Council.

(3) Council membership shall be incompatible with a basic employment relationship to the Fund.

Section 16

Termination of Council Membership

(1) Council membership shall terminate:

- a) by the expiry of the term of office,
- b) on the date of delivery of the Council member's written announcement of resignation to the Chairperson of the Chamber of Deputies,
- c) on the date of delivery to the Council member of the decision to dismiss him from office,
- d) on the date of finality of a court decision to divest the Council member of his legal capacity,
- e) on the date of finality of a court decision convicting the Council member of a premeditated criminal act, or
- f) on the date when the Council member has acquired a position as indicated in Section 15(2) or (3) or has become an employee of the Fund.

(2) The Chamber of Deputies shall dismiss a Council member from his office upon the Minister's proposal if he:

- a) has ceased to meet the requirements for exercising his office,
- b) has committed conduct threatening to affect the confidence in his independence or impartiality in exercising his office,
- c) has seriously damaged the dignity of the office exercised by him,
- d) has acted in favour of political parties or political movements in connection with exercising his office as a Council member, or
- e) has not taken part in Council meetings for longer than 6 months.

(3) A new member, substituting for a Council member whose membership terminated before expiry of his term, may be elected only for the period remaining of the term of office of the member whose membership has terminated.

Section 17

The Committee

(1) The Committee shall:

- a) supervise whether the funds provided as support for cinematography have been used in compliance with the purpose indicated in the decision on the provision of support,
- b) in the case of finding that the funds intended for support for cinematography have been used unreasonably or uneconomically, or in the case of suspicion of such use of these funds, immediately submit the findings or suspicion, together with available evidence, to the Director of the Fund for investigation,
- c) supervise how other tasks and activities of the Fund under this Act were performed in the preceding calendar year, and
- d) execute other tasks laid down in this Act.

(2) Members of the Committee shall be entitled to inspect, after the end of a project for which support for cinematography was provided, all documents and records of the Fund, which are held by the Fund and which are related to the use of the funds intended for support for cinematography by the beneficiaries of the support, such inspection being without prejudice to the rights under other legal regulation³⁰).

Section 18

Composition of the Committee and the Manner in which Decisions are Made

(1) The Committee shall have 9 members.

(2) Committee members shall be appointed and dismissed by the Minister and shall be chosen from among the representatives of payers of charges for broadcast advertising and administrative fee payers under this Act upon proposal of such payers.

(3) The Committee members' term of office shall be 3 years. One-third of Committee members shall be appointed by the Minister each year. Re-election is possible.

(4) The Committee shall elect from among its members the Chairperson and Vice-chairperson.

(5) The Chairperson shall direct the activities of the Committee and convene its meetings. The Vice-chairperson shall substitute for the Chairperson in the Chairperson's absence.

(6) For exercising his office, a Committee member shall be entitled to remuneration.

(7) The Committee shall be quorate if at least 5 members are present at its meeting. The Committee's decisions shall be passed by the majority of votes, unless otherwise provided. The voting shall be repeated not more than twice in the case of equality of votes, and the proposal shall be deemed unaccepted if no decision is reached after such repeated voting.

³⁰⁾ Section 51 of Act No. 513/1991, the Commercial Code

(8) During Committee meetings, a Committee member who takes active part in the debate or submits a proposal, or is authorised to vote, shall inform the members present at the meeting about his relation to the matter at hand if a personal advantage or damage may arise for him with respect to the results of considering the matter, or if he is otherwise interested in the matter. This information shall be given orally during the meeting but not later than before the Committee begins to vote. This information shall always be included in the minutes of the meeting.

(9) Details of the course of Committee meetings shall be specified in the Fund's statutes.

Section 19

Requirements for Committee Membership

(1) A natural person may be eligible to become a member of the Committee if he has:

- a) legal capacity,
- b) integrity; an individual convicted with finality of a premeditated criminal act shall not be considered to have integrity, unless he is looked upon as if he were not convicted.

(2) A Committee member may not hold any office in any political party or political movements, nor may he act in favour of any political party or movement in connection with exercising his office as Committee member.

(3) Committee membership shall be incompatible with the office of the President of the Republic, member of the Chamber of Deputies, Senator, member and deputy member of the government, head and deputy head of a central state administration authority, President of the Supreme Audit Office or member of his Advisory Board, member of the Council of the Czech Telecommunication Office, member of the Bank Council of the Czech National Bank, member of the Council for Radio and Television Broadcasting and member of the Czech Television Council.

(4) Committee membership shall be incompatible with a basic employment relationship to the Fund.

Section 20

Termination of Committee Membership

(1) Committee membership shall terminate:

- a) by the expiry of the term of office,
- b) on the date of delivery of the Committee member's written announcement of resignation to the Chairperson of the Chamber of Deputies,
- c) on the date of delivery to the Committee member of the decision to dismiss him from office,
- d) on the date of finality of a court decision to divest the Committee member of his legal capacity,
- e) on the date of finality of a court decision convicting the Committee member of a premeditated criminal act, or
- f) on the date when the Committee member acquires a position indicated in Section 19(2) or (3) or becomes an employee of the Fund.

(2) The Minister shall dismiss a Committee member from his office if the Committee member:

- a) has ceased to meet the requirements for exercising his office,

- b) has committed conduct threatening to affect the confidence in his independence or impartiality in exercising his office,
- c) has seriously damaged the dignity of the office exercised by him,
- d) has acted in favour of political parties or political movements in connection with exercising his office as a Committee member, or
- e) has not taken part in Committee meetings for longer than 6 months.

(3) A new member, substituting for a Committee member whose membership terminated before expiry of his term, may be elected only for the period remaining of the term of office of the member whose membership has terminated.

Part 4

Experts and Expert Analysis

Section 21

Appointment of Experts and Requirements for the Office of an Expert

(1) The Office of the Fund shall invite professional organisations to propose, for each organisation, content experts and economic experts for each individual subsidy heading, as indicated in Section 31 below.

(2) A natural person may be eligible to be an expert if he:

- a) has legal capacity,
- b) has integrity; an individual convicted with finality of a premeditated criminal act shall not be considered to have integrity, unless he is looked upon as if he were not convicted,
- c) is a recognised and experienced practitioners in the cinematography sphere, and
- d) has not be dismissed from the position of an expert during the last 3 years.

(3) The position of an expert shall be incompatible with membership in the Council of the Czech Telecommunication Office, membership in the Council for Radio and Television Broadcasting and the Council of the Czech Television.

(4) The position of an expert shall be incompatible with employment in the Fund.

(5) On the basis of proposals referred to in Subsection 1, and upon the Council's recommendation, the Minister shall appoint content experts and economic experts.

(6) An expert is a public officer in accordance with the Rules of Administrative Procedure³¹⁾.

Section 22

Activities of an Expert and the Termination of his Position

(1) The Fund's Office shall prepare a public list of appointed experts from among whom the Director of the Fund or an employee of the Fund authorised by the Director shall, in the presence of two Council members authorised for that purpose by the Council, choose by ballot those who will prepare expert analyses. This list shall be accessible in a manner allowing for remote access. Details of the ballot process and the method of its checking and making public its result shall be determined in the Fund's statutes.

(2) The position of an expert shall terminate:

- a) on the date of delivery of the expert's written announcement of resignation to the Minister,
- b) on the date of delivery to the expert of the decision to remove him from his position,

³¹⁾ Section 14(1) of Act No. 500/2004, Rules of Administrative Procedure.

- c) on the date of finality of a court decision to divest the expert of his legal capacity,
- d) on the date of finality of a court decision convicting the expert of a premeditated criminal act, or
- e) on the date when the expert has acquires a position as indicated in Section 21(3) or has become an employee of the Fund.

(3) The Minister shall dismiss an expert from his position upon the Council's proposal, if the expert:

- a) has ceased to meet the requirements for exercising his office,
- b) has committed conduct threatening to affect the confidence in his independence or impartiality in exercising his position,
- c) has seriously damaged the dignity of the office exercised by him,
- d) has acted in favour of political parties or political movements in connection with exercising his office as a Council member, or
- e) has repeatedly failed to properly discharge his duties under this Act or other legal regulations, or the Fund's statutes.

(4) If an expert's office has been terminated or the expert has been dismissed, the Office of the Fund shall cross his name from the list referred to in Subsection 1.

Section 23 Expert Analysis

(1) The purpose of the expert analysis is to create a qualified basis for a professional evaluation of the content and economic aspects of the project for which the support for cinematography is requested. Expert analysis serves as a non-binding basis for the Council's decision.

(2) The Fund's Office provides one expert analysis of content and one economic expert analysis for each application for support for cinematography. The Council may request an additional expert analysis.

(3) The details of the content analysis and economic analysis and the maximum amount of the expert's fee shall be determined in the Fund's statute.

Volume 2 The Fund's Resources and Expenses

Section 24 The Fund's Resources and Expenses

- (1) The Fund's financial resources include, without being limited to:
- a) charges for broadcast advertising²⁵⁾,
 - b) audiovisual charges,
 - c) administrative fees under this Act,
 - d) income from the Fund's agreed share of the profit generated by supported projects,
 - e) income from transactions with the property of the Czech Republic the Fund is entitled to manage,
 - f) interest on the Fund's cash at bank,
 - g) income from the investments of the Czech Republic in legal entities' businesses in the film industry,
 - h) income from public collections and lotteries for the benefit of the Fund and of support for cinematography,

- i) income from the use of cinematographic works, if transferred to the Fund,
- j) income from the use of cinematographic works, for which the Fund exercises the producer's copyright, which passed to it on the basis of another legal regulation and for which the Fund is treated as the producer¹⁷⁾,
- k) income from the securities acquired by the Fund from other persons and entities,
- l) gifts, legacies and devises for the Fund,
- m) penalty payments for breaches of budgetary discipline³²⁾, including fines,
- n) subsidy from the national budget,
- o) subsidy from the national budget, specifically intended for film incentives, and
- p) other sources as specified in other legal regulations³³⁾.

(2) The balance of the Fund's financial resources at the end of the calendar year shall be kept by the Fund to be transferred to the next calendar year; the balance of the Fund's resources under Subsection 1(n) and (o) can be used in the subsequent years in accordance with Subsection 3 below only for the purpose for which the subsidy was provided.

(3) The Fund's financial resources referred to in Subsection 1(a) to (n) and 1(p) are used to provide support for cinematography under the headings listed in Section 31 and to cover other expenditures, including those under Section 11(4), unless they are covered from the national budget. The Fund's financial resources referred to in Subsection 1(o) shall be used for the provision of film incentives.

Volume 3 **Audiovisual Charges**

Section 25 **Definition of Audiovisual Charges**

Audiovisual charges shall include:

- a) fee for cinematographic performance,
- b) fee for provision of on-demand audiovisual media services, and
- c) fee for television rebroadcasting.

Section 26 **Fee for Cinematographic Performance**

(1) The organiser of a cinematographic performance shall be the payer of the fee for cinematographic performance.

(2) The fee for cinematographic performance shall be charged on the admission fee for the public presentation of the cinematographic work. For the purposes of this Act, admission fee shall mean the amount of money paid by the participant of the event for the opportunity to take part in it.

(3) The base for calculating the fee for cinematographic performance shall be the admission fee (without the fee for cinematographic performance) paid for the presentation of the cinematographic work to the public. The payer of the fee for cinematographic performance shall include the fee for cinematographic performance into the admission fee.

³²⁾ Section 44 of Act No. 218/2000, as amended

³³⁾ E.g., Section 26(2) of Act No. 121/2000, as amended by Act No. 216/2006

(4) The rate of the fee for cinematographic performance shall be 1%.

(5) The fee period shall be a quarter of the calendar year.

(6) The payer of the fee for cinematographic performance shall maintain records for purposes related to the fee. These records shall comprise any data concerning the obligation to pay the fee, including, but not limited to:

- a) the date when the cinematographic performance takes place,
- b) the amount of admission fee collected for organising the cinematographic performance,
- c) how many times the cinematographic performance has been held.

Section 27

Fee for Provision of On-demand Audiovisual Media Services

(1) The on-demand audiovisual media service provider⁷⁾ shall be a payer of the fee for the provision of on-demand audiovisual media service.

(2) The fee for the provision of on-demand audiovisual media service shall be charged on the price paid by the end user to the on-demand audiovisual media service provider.

(3) The base for calculating the fee for the provision of on-demand audiovisual media service is the price (without the fee for the provision of on-demand audiovisual media service) paid by the end user to the on-demand audiovisual media service provider for one-time provision of the service, including the presentation of a cinematographic work, or for the on-demand audiovisual media service provided in a manner other than by one-time presentation of the work, irrespective of the technological nature of the service, including also all forms of prepayment, provided that the service includes the presentation of at least one cinematographic work. The payer of the fee for the provision of on-demand audiovisual media service shall include the fee for the provision of on-demand audiovisual media service into the price to be paid by the end user for these services.

(4) The rate of the fee for the provision of on-demand audiovisual media service shall be 0.5%.

(5) The fee period shall be the calendar year.

(6) The payer of the fee for the provision of on-demand audiovisual media service shall maintain records for purposes related to the fee. These records shall comprise any data concerning the obligation to pay the fee, including, but not limited to, the information about the number of persons to whom the on-demand audiovisual media service is provided and the amount of the price they have paid for the provision of the on-demand audiovisual media service.

Section 28

Fee for Television Rebroadcasting

(1) The operator that operates rebroadcasting on the basis of registration or in accordance with another legal regulation³⁴⁾ shall be a payer of the fee for television rebroadcasting.

³⁴⁾ Act No. 231/2001, as amended

(2) The fee for television rebroadcasting shall be charged on the price for the provision of television rebroadcasting.

(3) The base for calculating the fee for television rebroadcasting shall be the price (without the fee for television rebroadcasting) paid to the payer of the fee for television rebroadcasting for his provision of television rebroadcasting. The payer of the fee for television rebroadcasting shall include the fee for television rebroadcasting into the price for the provision of television rebroadcasting.

(4) The rate of the fee for television rebroadcasting shall be 1%.

(5) The fee period shall be the calendar year.

(6) The payer of the fee for television rebroadcasting shall maintain records for purposes related to the fee. These records shall comprise any data concerning the obligation to pay the fee, including, but not limited to, the information about the number of persons to whom television rebroadcasting is provided and the amount of the price they have paid for the provision of television rebroadcasting.

Section 29

Joint Provisions Concerning Audiovisual Charges

(1) The value added tax shall not be included in the base of the audiovisual charge.

(2) The base of the audiovisual charge shall be rounded upwards to whole crowns.

(3) The audiovisual charge shall be calculated as the product of the audiovisual charge base and the charge rate.

(4) The data to which the obligation to keep records applies shall be maintained by the payer until the expiry of the fee determination period to which the data are related.

(5) The audiovisual charge payer shall submit a fee declaration. The fee declaration period shall not be extended.

(6) The form and structure of the fee declaration, including any mandatory details, shall be made public by the Fund in a manner allowing for remote access.

(7) Proceeds from the audiovisual charge shall be an income to the Fund. The Fund shall be the administrator of this fee.

Volume 4

Registers in the Audio/Video Area

Section 30

Registers in the Audio/Video Area

(1) For the purposes of administration of the support provided to cinematography and for informing the public about the support provided, the Fund shall register:

- a) the applicants for support for cinematography,
- b) the applications for support for cinematography, and
- c) the support provided to cinematography.

(2) Registers referred to in Subsection 1 above shall be regarded as a public administration information system³⁵⁾. These registers shall be made public in a manner allowing for remote access.

(3) The data referred to in Subsection 1 above shall be maintained in the registers from the date of submission of the application for support for cinematography until expiry of 3 years from the finality of the decision on the support for cinematography.

(4) In maintaining the registers referred to in Subsection 1 above, the Fund shall use as a basis the applications for support for cinematography and the decisions on the support for cinematography.

Volume 5

Provision of Support for Cinematography

Part 1

General Provisions on Support for Cinematography

Section 31

Subsidy Headings and the Limits of the Funds Provided

(1) Support for cinematography from the Fund in accordance with Section 32 below may be provided for the implementation of projects under the following headings:

- a) development of a Czech cinematographic work,
- b) production of a Czech cinematographic work,
- c) distribution of a cinematographic work,
- d) project in the field of technical development and innovation in cinematography,
- e) promotion of a Czech cinematographic work,
- f) publishing activities in the field of cinematography and activities in film science,
- g) preserving the national film heritage and making it accessible to the public,
- h) education and training in the field of cinematography,
- i) film festival and film show in the field of cinematography, or
- j) protection of the rights related to cinematographic works and the recordings thereof.

(2) The Fund's statutes shall set out:

³⁵⁾ Act No. 365/2000, on Public Administration Information Systems and Amending Certain Other Acts, as amended

- a) the amount of funds provided by the Fund, including, but not limited to, an estimate of the total expenditures under all subsidy headings referred to in Subsection 1 above for a calendar year, expenditures under each subsidy heading for a calendar year, expenditures under each subsidy heading in relation to individual calls referred to in Subsection 33(1) below and the maximum amount of subsidy for a project in per cent or as a specific amount,
- b) eligibility of costs – list of eligible costs in respect of each of the subsidy headings or type of project, and a positive or negative enumeration of eligible costs,
- c) method of proving the costs and the eligibility thereof.

Section 32

Form of the Support for Cinematography

(1) The money from the Fund intended for support for cinematography shall be provided as subsidies or as profit-sharing subsidies.

(2) In the case of profit-sharing subsidies the money so provided shall be non-repayable but the agreement shall contain a provision about the Fund's share of the income, if any income is generated from the project.

Part 2

Application for Support for Cinematography

Section 33

Call for Submission of Applications for Support for Cinematography

(1) The Office of the Fund shall announce the Fund's call for submission of applications for support for cinematography under the individual subsidy headings referred to in Section 31 (hereinafter referred to as the "call") at least four times a year.

(2) The information to be contained in the call shall include the start date of the period for submission of applications for support for cinematography, the length of the period for submission of applications for support for cinematography, which shall not be shorter than one month from the announcement of the call, and the enumeration of the subsidy headings (from among those referred to in Section 3), to which the call applies.

(3) Detailed conditions of announcing the calls shall be specified in the Fund's statutes.

Section 34

Application for Support for Cinematography

(1) An application for support for cinematography shall be submitted in electronic form using an electronic registry application accessible in a manner allowing for remote access, and shall be so submitted within the period referred to in Section 33(2) above. The applicant shall enter his application for support for cinematography in electronic form into the Fund's system maintained in a manner allowing for remote access³⁶⁾.

³⁶⁾ Section 146 of Act No. 500/2004

(2) When submitting an application for support for cinematography, the applicant shall pay an administrative fee.

(3) In addition to the essentials based on the Rules of Administrative Procedure, an application for support for cinematography shall also contain the following:

- a) the name, characteristics and timetable of the project for which the applicant requests support,
- b) the anticipated level of costs and data about the financing of the project,
- c) information about international participation, if any, in the project,
- d) the form of support for cinematography preferred by the applicant, and the amount thereof; if the applicant requests only a certain specific form of support for cinematography, it shall be expressly stated in the application,
- e) consent with making the application public,
- f) number of the applicant's bank account.

(4) Documents proving that the applicant meets the requirements referred to in Section 39(1)(b) to (g) shall be an integral part of the application.

(5) Documents essential for the consideration of the application, as defined in the Fund's statutes for each subsidy title under Section 31 above, shall be attached to the application for support for cinematography.

Part 3

Making Decisions about Support for Cinematography

Section 35

Making Decisions about Support for Cinematography

(1) In deciding about support for cinematography, the Council is not obliged to respect the form of support for cinematography preferred by the applicant (unless the applicant requests only a specific form of support), nor is it obliged to respect the requested amount of support.

(2) When evaluating an application for support for cinematography, the Council shall take into account the expert analyses prepared for each project and shall consider, in particular:

- a) the quality of the project,
- b) the project's contribution to the development and diversity of Czech and European cinematography,
- c) the project's cultural importance for Czech cinematography,
- d) the project's economic feasibility,
- e) the creative and technical participation of young and beginner film professionals,
- f) the project's contribution to the economic viability of Czech cinematography and to strengthening its independence and identity,
- g) the artistic or documentary worth of addressing an ethnic theme, if the project is so focused, and
- h) previous works by the same author or producer in the case of a project referred to in Section 31(1)(a) or (b).

(3) In addition to the essentials based on the Rules of Administrative Procedure, a decision on support for cinematography shall contain information about:

- a) the form and amount of support for cinematography,

- b) the purpose for which the support for cinematography is being provided,
- c) conditions of the use of the support for cinematography,
- d) definition of the basic conditions for agreeing on the Fund's share of the profit, if any, to be generated from the project, as referred to in Section 32(2), including, but not limited to, the level of the Fund's share of the profit, if any, to be generated from the project,
- e) the period for submission of the documents referred to in Section 40,
- f) time when to report project income in accordance with Section 40(4), and
- g) the time period for the project to be completed.

(4) There is no legal entitlement for support for cinematography.

(5) There is no appeal against the Council's decision on the application for support for cinematography.

Section 36

Amendment to a Decision on Support for Cinematography

(1) Upon request of a recipient to whom support for cinematography has been lawfully provided, the Council may decide to change the conditions specified in the decision on support for cinematography on the basis of changed circumstances. In making its decision, it shall respect the proposal and the justification of the application for changing the conditions specified in the decision on support for cinematography.

(2) Changed circumstances, as referred to in Subsection 1 above, shall include factual changes that occurred during the preparation or implementation of the project and the recipient was unable to prevent or mitigate them in spite of exercising due care. Such changes include, without being limited to, changes in the project's time schedule, in the project's total budget, and in the contribution of each co-producer.

(3) When submitting an application for changing the conditions specified in the decision on support for cinematography, the applicant shall pay an administrative fee.

(4) There is no appeal against the Council's decision on the application for changing the conditions specified in the decision on support for cinematography.

Section 37

Procedure and Time Periods for Considering Applications for Support for Cinematography

(1) If the application for support for cinematography meets all formal requirements referred to in Section 34 above, the Fund's Office shall send it without undue delay to selected experts to prepare expert analyses. When the expert analyses are completed the Fund's Office shall refer the application for support for cinematography and the expert analyses to the Council without undue delay. The Council shall then evaluate the application for support for cinematography in accordance with Section 35(2) above and shall make its decision on the application for support for cinematography at its meeting.

(2) The Council shall make its decision on each application for support for cinematography within 90 days from the end of the period for submission of applications for support for cinematography.

Section 38

Information to be Made Public

(1) The Fund shall make public the following information in a manner allowing for remote access:

- a) application for support for cinematography and application for changing the conditions specified in the decision on support for cinematography,
- b) expert analyses and the protocol of the Council's meeting at which the application referred to under clause (a) above was considered,
- c) decision on support for cinematography, on rejection of the application for support for cinematography, on changing the conditions specified in the decision on support for cinematography, on rejection of the application for changing the conditions specified in the decision on support for cinematography.

(2) The following information shall not be made public:

- a) sensitive personal data³⁷⁾,
- b) trade secret,
- c) data concerning persons taking part in the project other than the recipient of the support,
- d) copyright works of art attached to applications referred to in Subsection 1(a) above,
- e) data whose non-disclosure is required by another legal regulation.

Section 39

Recipient of Support for Cinematography

(1) A recipient of support for cinematography shall meet certain requirements. He shall:

- a) be registered in a register in the audio/video area, as specified in Section 30,
- b) have integrity; an individual convicted with finality of property-related or economic criminal act shall not be considered to have integrity, unless he is looked upon as if he were not convicted; in the case of a legal person, this requirement shall be met by its governing body or each member of the governing body, and if a legal person is its governing body or a member of its governing body, this requirement shall be met by the governing body or each member of the governing body of such a legal person,
- c) not be subject to insolvency proceedings regarding the recipient's bankruptcy or imminent bankruptcy; or no decision has been made during the last 3 years regarding the recipient's bankruptcy; or no decision has been so made to dismiss an insolvency petition because of lack of assets to cover the costs of the proceedings; and no decision has been so made to terminate bankruptcy proceedings due to absolute lack of assets to satisfy the creditors; or no receivership has been imposed on the recipient in accordance with another legal regulation,
- d) not be in liquidation,
- e) have no arrears of public health insurance premiums and no past-due penalties in respect of public health insurance in the Czech Republic and in the State of his registered office, place of business or residence,
- f) have no registered arrears in the tax records maintained by the internal revenue authorities and the customs authorities of the Czech Republic and in the tax records maintained by the tax authorities and other such authorities of the State where he has his registered office, place of business or residence,
- g) have no arrears of social insurance premiums and contributions to the employment policy, and no past-due penalties in respect of such premiums and contributions in the Czech Republic and in the State of his registered office, place of business or residence, and
- h) have no past due liabilities payable to the Fund.

³⁷⁾ Section 4(b) of Act No. 101/2000 on the Protection of Personal Data and Amending Certain Acts, as amended.

(2) To satisfy itself of the integrity of the applicant, the Fund shall request a no-criminal-record certificate for the applicant. If a legal person is the applicant, the Fund shall request a no-criminal-record certificate for the applicant's governing body or each member of the governing body, and if a legal person is the governing body or a member of the governing body, the Fund shall request a no-criminal-record certificate for such a legal person's governing body or each member of the governing body.

(3) If the applicant is a citizen of a state other than the Czech Republic or a Czech national who has been in a state other than the Czech Republic for at least 6 months during the last three years, such an applicant shall, for the purposes of proving his integrity, also furnish a no-criminal-record certificate or an equivalent document issued by a relevant court or administrative body of such a state or of the state of his last residence (hereinafter referred to as the "no-criminal-record certificate"). If a legal person is the applicant, it shall, for the purposes of proving its integrity, furnish a no-criminal-record certificate for its governing body or each member of the governing body, and if a legal person is the governing body or a member of the governing body, it shall also furnish a no-criminal-record certificate for such a legal person's governing body or each member of the governing body.

(4) If the state referred to in Subsection 3 above does not issue no-criminal-record certificates, a natural person shall submit a statutory declaration of integrity made before a notary public or before an authority of the state whose citizen he is or before a notary public or an authority of the state of his last residence. These documents shall not be older than 3 months and may be replaced by a certificate of recognition of professional qualification, provided that such a certificate also proves that the integrity requirement is met.

Section 40

Joint Provisions Concerning the Support Provided to Cinematography

(1) The funds provided by the Fund may be used exclusively for the purposes defined in the decision on support for cinematography.

(2) The final settlement account in respect of the funds provided shall be submitted for inspection to the Fund by the recipient of support for cinematography within the period specified in the decision on support for cinematography.

(3) A recipient of an amount of more than CZK 3,000,000 from the Fund shall submit to the Fund the final settlement account as referred to in Subsection 2 above together with an auditor's review report in respect of the costs incurred. The auditor's report shall cover the entire project, including the project co-producers.

(4) A recipient of support for cinematography in the form of subsidy with the Fund's share of the income generated from the project shall submit to the Fund a statement of income by 31 March of each year for the preceding year until the time specified in the decision on support to cinematography.

Section 41

Joint Provisions on Administrative Fees

(1) Administrative fees paid under this Act shall be an income to the Fund.

(2) Administrative fees under this Act shall be paid to the Fund's account. Administrative fees shall not be paid in the form of duty stamps.

Volume 6
Provision of Film Incentives

Article 1
General Provisions on Film Incentives

Section 42
Conditions for the Provision of Film Incentives and the Definition of Concepts

- (1) Film incentives may be provided for the realisation of an audiovisual work,
- a) which is at least partly realised in the Czech Republic,
 - b) which is
 1. a live-action or animated film intended for theatrical distribution, whose length is at least 70 minutes,
 2. a documentary film intended for theatrical distribution and for TV broadcast, whose length is at least 70 minutes,
 3. a live-action or animated film intended for TV broadcast, whose length is at least 70 minutes,
 4. an episodic segment of a live-action or animated TV series, whose length is at least 40 minutes, or a series of such episodic segments,
 - c) which meets the content requirements; this shall mean, for film incentive purposes, that the content of the audiovisual work:
 1. complies with applicable European Union regulations³⁸⁾, which shall be proved by the cultural test,
 2. complies with the legal regulations of the Czech Republic,
 3. is not pornographic, does not consent to violence and does not openly insult human dignity,
 - d) whose producer or co-producer is a person having his place of business, permanent residence or registered office in the Czech Republic and is registered with a relevant local tax authority in the Czech Republic,
 - e) whose total amount of eligible costs incurred in connection with its realisation on the territory of the Czech Republic is at least:
 1. CZK 15,000,000 in the case of an audiovisual work under clauses b(1) and (3) above,
 2. CZK 3,000,000 in the case of an audiovisual work under clause b(2) above,
 3. CZK 10,000,000 in the case of an audiovisual work under clause b(4) above.
- (2) For film incentive purposes, realisation of an audiovisual work shall mean:
- a) pre-production,
 - b) production processes,
 - c) dissolution of production.

³⁸⁾ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on Certain Legal Aspects Relating to Cinematographic and Other Audiovisual Works, OJ C 43, 16 February 2002 (Cinema Communication).

(3) Incentive project shall be understood to mean the realisation of an audiovisual work and the necessary related activities aimed at creating an audiovisual work.

(4) For film incentive purposes, eligible costs shall mean:

- a) payment for the supply of goods and services directly related to the incentive project to a person having his place of business, permanent residence or registered office in the Czech Republic and registered with a relevant local tax authority in the Czech Republic³⁹⁾, provided that the supply so paid for took place after the date of submission of the application for registration of the incentive project,
- b) payment of remuneration to actors and members of the crew having their place of business, permanent residence or registered office outside the Czech Republic, if this compensation is subject to taxation in the Czech Republic⁴⁰⁾, provided that the supply so paid for took place after submission of the application for registration of the incentive project.

(5) The Fund's statutes shall lay down:

- a) a positive and negative enumeration of eligible costs according to the individual incentive project types,
- b) method of proof the costs and the eligibility thereof,
- c) detailed conditions of the provision of film incentives not addressed in law,
- d) method of proof that the conditions for the provision of film incentives have been met.

Section 43

Purpose, Form and Amount of Film Incentives

(1) The primary purpose of the provision of film incentives is to support the production of audiovisual works in the Czech Republic and to strengthen the competitiveness of the Czech film industry.

(2) Film incentives represent the 'other pecuniary resources' category of state funds in accordance with a special legal regulation⁴¹⁾.

(3) Film incentives are public support³⁹⁾. The Fund shall be the provider of film incentives.

(4) Film incentives shall be provided for the implementation of an incentive project and shall take the form of reimbursement of:

- a) 20% of eligible costs as per Section 42(4)(a),
- b) 10% of eligible costs as per Section 42(4)(b).

(5) There is no legal entitlement to receive film incentives.

(6) The Director of the Fund shall announce the conditions of the provision of film incentives for each calendar year in accordance with law and with the Fund's statutes with special regard to the law on national budget for the relevant calendar year.

³⁹⁾ Act No. 280/2009, the Tax Code, as amended.

⁴⁰⁾ Act No. 586/1992 on Income Taxes, as amended.

⁴¹⁾ Section 3(c) of Act No. 218/2000 on Budgetary Rules and amending certain related laws (the Budgetary Rules).

(7) The conditions for the provision of film incentives for a given period as referred to in Subsection 6 above and the forms and current amount of available funds intended for film incentives (hereinafter referred to as “funds for film incentives”) shall be published by the Fund in a manner allowing for remote access.

Article 2

Making Decisions on Film Incentives

Section 44

Application for Registration of an Incentive Project

(1) The application for registration of an incentive project shall be submitted to the Fund in writing.

(2) The application for registration of an incentive project shall contain the essentials of an application as specified in the Rules of Administrative Procedure and Appendices determined in the Fund’s Statutes.

(3) When submitting an application for registration of an incentive project, the applicant shall pay an administrative fee.

Section 45

Evaluation of the Application for Registration of an Incentive Project and the Inclusion of an Incentive Project on the Registration List

(1) If an application for registration of an incentive project fails to contain all details required by this Act or by the Fund’s Statutes, the Fund shall invite the applicant to complement the application. If the applicant fails to complement the application for registration of his incentive project within 10 working days of the date of delivery of the Fund’s invitation to do so, the Fund shall reject the application for registration of the incentive project.

(2) The Film Incentive Commission (hereinafter referred to as the “Commission”) shall evaluate the application for registration from the viewpoint of its compliance with the content requirements and shall issue an opinion on whether the incentive project meets the content requirements for the provision of film incentives and shall furnish evidence in support of its opinion. The evidence supporting the Commission’s opinion shall contain, without limitation, the results of the Commission’s evaluation of the applicant’s cultural test and information on how they comply with law and with the Fund’s statutes.

(3) If the Commission states in its opinion that the incentive project meets the content requirements for the provision of film incentives, the Fund shall issue a certificate of incentive project registration and shall inscribe the incentive project on the incentive project registration list, doing so within 30 days of the date of submission of the application for registration of the incentive project.

(4) The incentive project registration list shall be made public by the Fund in a manner allowing for remote access.

(5) If the Commission states in its opinion that the incentive project does not meet the content requirements for the provision of film incentives, the Fund shall reject the application for registration of the incentive project, doing so within 30 days of the date of submission of the application for registration of the incentive project. The administrative fee shall be returned to the applicant within 3 months of the rejection of the application.

(6) There is no appeal against the Fund's decision on the application for registration of an incentive project.

Section 46

Incentive Project Record Application

(1) An applicant who has received a certificate of incentive project registration shall be entitled to submit an incentive project record application:

- a) if he meets the requirements set out in Section 50(2),
- b) if funds are available to him to cover at least 75% of the total costs to implement his incentive project.

(2) If the Director of the Fund issues an announcement in accordance with Section 47(8), an incentive project record application may be submitted by an applicant:

- a) if the following documents have been delivered to him:
 1. a decision to reject the incentive project record application in accordance with Section 47(5), or
 2. incentive project record certificate in accordance with Section 47(6), or
 3. incentive project record certificate in accordance with Section 47(7),
- b) if he meets the requirements set out in Section 50(2),
- c) if funds are available to him to cover at least 75% of the total costs to implement his incentive project.

(3) The subject-matter of an application referred to in Subsection 2(a)(2) and (3) shall be the issuance of an incentive project record certificate for an amount not exceeding the difference between the amount based on Section 43(4) and the amount indicated in the incentive project record certificate delivered to the applicant.

(4) An incentive project record application shall be submitted to the Fund in writing:

- a) within the period of 3 months of the delivery of the certificate of incentive project registration in the case of an application based on Subsection 1 above,
- b) within the period of 3 months of the announcement by the Director of the Fund referred to in Section 47(8) in the case of an application based on Subsection 2 above.

(5) The incentive project record application shall contain the essentials of an application as specified in the Rules of Administrative Procedure and Appendices determined in the Fund's Statutes.

Section 47

Evaluation of the Incentive Project Record Application. The Filing of an Incentive Project

(1) If an incentive project record application fails to contain all details required by this Act or by the Fund's Statutes, the Fund shall invite the applicant to complement the application. If the incentive project record application is complemented within the period specified by the Fund, the date of submission of the complemented incentive project record application shall be regarded as the date of a complete and duly submitted application. If the

applicant fails to complement the incentive project record application within 10 working days of the date of delivery of the Fund's invitation to do so, the Fund shall reject the incentive project record application.

(2) If an incentive project record application is submitted in contravention of Section 46(3) or (4), the Fund shall reject the incentive project record application.

(3) Complete and duly submitted incentive project record applications shall be inscribed by the Fund on the incentive project file on a chronological basis according to the date of submission.

(4) If the applicant or the incentive project fail to meet the conditions laid down by law or by the Fund's Statutes, the Fund shall reject the incentive project record application.

(5) The Fund shall reject an incentive project record application when the Fund has no funds available for film incentives.

(6) When the Fund has no funds available for film incentives to be able to issue an incentive project record certificate for a requested film incentive amount, the Fund shall issue an incentive project record certificate for an amount smaller than that referred to in Section 43(4), depending on the amount of funds available for film incentives. The amount of funds available for film incentives shall be reduced by this amount.

(7) If the funds available to the Fund for film incentives do not suffice to allow incentive project record certificates, committing the requested amounts, to be issued to all applicants from whom the Fund received their incentive project record applications on the same day, the Fund shall issue incentive project record certificates committing lower amounts than referred to in Section 43(4), depending on the amount of the funds available for film incentives, the reduction of the amount referred to in Section 41b(4) being the same in percentage terms for all applicants. The amount of funds available for film incentives shall be reduced by the sum of these amounts.

(8) If the amount of funds available for film incentives is increased, the Director of the Fund shall announce this and the amount currently available for film incentives, doing so in a manner allowing for remote access. Details of this announcement shall be specified in the Fund's statutes.

(9) If the Fund makes its decision on an incentive project record application in accordance with Subsections 5, 6 or 7 above, the applicant shall be entitled to apply for the filing of the same incentive project again in accordance with Section 46(3).

(10) If the Fund does not reject an incentive project record application, the Fund shall issue an incentive project record certificate. The incentive project record certificate shall contain the expected film incentive amount. The amount of funds available to the Fund for film incentives shall be reduced by this amount.

(11) An applicant who has been delivered an incentive project record certificate shall thenceforth inform the Fund without undue delay about the following:

- a) the applicant's transformation in accordance with a special Act⁴²⁾,
- b) any change in the applicant's legal form,
- c) the applicant's entry into liquidation,
- d) insolvency petition filed against the applicant,

⁴²⁾ Act No. 125/2008, on Transformations of Companies and Cooperatives, as amended.

- e) changes to the incentive project, compared to what was indicated in the incentive project record application,
- f) the applicant's participation in other programmes of support from public resources, from the resources of the European Union or from the resources of EU Member States in connection with the incentive project, or about the provision of any other public support funds for implementing the incentive project.

(12) A breach of the applicant's obligations under Subsection 11 above shall be treated as a breach of budgetary discipline in accordance with a special legal regulation⁴³⁾.

(13) An applicant who has been delivered an incentive project record certificate shall have the obligation to spend in connection with the realisation of his audiovisual work at least 70% of the amount of eligible costs referred to in Section 42(1)(e) in the Czech Republic during the subsequent 12 consecutive months, starting from the date of delivery of the incentive project record certificate. To prove that this obligation has been met, the applicant shall submit an auditor's report on the review of the costs incurred in the realisation of the audiovisual work on the territory of the Czech Republic, including any in-kind supplies, in accordance with a special legal regulation.⁴⁴⁾

(14) The auditor's report referred to in Subsection 13 above shall be prepared by an auditor who:

- a) is authorised to carry out audit work in accordance with a special legal regulation,
- b) has a third party liability policy, insuring him against liability for damage caused to a third party during the course of his work, the insurance benefit limit being at least CZK 100,000,000.

(15) If an applicant who has been delivered an incentive project record certificate fails to meet his obligation referred to in the first or second sentence of Subsection 13 above, the Fund shall decide to withdraw its incentive project record certificate. The amount of funds available for film incentives shall be increased by this amount. There is no appeal against the Fund's decision to withdraw an incentive project record certificate.

(16) The Fund shall make its decision about the incentive project record application within 30 days of the submission of a complete and duly submitted incentive project record application.

(17) There is no appeal against the Fund's decision about the incentive project record application.

(18) The Fund shall make the incentive project file public in a manner allowing for remote access.

(19) The method to maintain the incentive project file, and the procedure and conditions of changing an incentive project record certificate, shall be laid down in the Fund's statutes.

Section 48

Application for a Film Incentive

(1) An applicant who has been delivered an incentive project record certificate shall be entitled to submit an application for a film incentive within 3 years from the delivery of the certificate, provided that he meets the requirements laid down in Section 50(2).

⁴³⁾ Section 44 of the Budgetary Rules.

⁴⁴⁾ Section 2(b) of Act No. 93/2009, on Auditors and Amending Certain Acts, as amended (the Auditors Act), as amended.

(2) The application for a film incentive shall be submitted to the Fund in writing.

(3) The application for a film incentive shall contain the basic essentials based on the Rules of Administrative Procedure and Appendices determined in the Fund's Statutes.

(4) The auditor's report which shall be an integral part of the application form film incentive shall be prepared and checked by an auditor who meets the conditions specified in Section 47(14).

Section 49

Evaluation of the Application for a Film Incentive

(1) If an application for a film incentive fails to contain all details required by this Act, the Fund shall invite the applicant to complement the application. If the applicant fails to complement the application for a film incentive within 10 working days of the date of delivery of the Fund's invitation to do so, the Fund shall reject the application for a film incentive.

(2) If all the conditions laid down in this Act are met, the Fund shall make its decision on the provision of a film incentive within 30 days from the date of delivery of the application for a film incentive. If all the conditions laid down in this Act are not met the Fund shall reject the application for a film incentive within the same period of time.

(3) The Fund shall also reject an application for a film incentive if the applicant fails to inform the Fund about the circumstances specified in Section 47 (11).

(4) The Fund shall commit and disburse the film incentive to the applicant's bank account within 14 days from the decision on the film incentive. The bank charges connected with this transaction shall be paid by the applicant.

(5) There is no appeal against the Fund's decision on the application for a film incentive.

(6) An overview of the film incentives provided shall be made public by the Fund in a manner allowing for remote access.

Section 50

Film Incentive Recipient

(1) For the purposes of this Act, a film incentive recipient shall be understood to mean:

- a) an applicant who has been delivered a certificate of incentive project registration,
- b) an applicant who has been delivered an incentive project record certificate,
- c) an applicant who has been delivered a decision on the film incentive.

(2) A film incentive recipient:

- a) shall meet the requirements of Section 39(1)(b) to (g),

- b) shall not be a recipient of aid for rescuing and restructuring firms in difficulty⁴⁵⁾,
- c) shall not be a person whose assets are subject to enforcement of a decision.

(3) A film incentive recipient shall:

- a) ensure that selected accounting operations associated with the incentive project are maintained in separate analytical records in the recipient's books of accounts. The recipient shall be able to prove that the selected book entries are assigned to the incentive project and actually correspond to the project being implemented,
- b) ensure the archiving of all documentation, including the incentive project accounting documents, for a period of 5 years from the completion of the incentive project in order to maintain an audit trail,
- c) submit to the Fund, on the Fund's request, the most recent data on the implementation of the incentive project within 15 days from receiving the Fund's invitation to do so,
- d) note in the final credits of the incentive project that the implementation of the incentive project was supported by the Czech Republic through the Fund in the form of film incentives, and show the logo of the Fund,
- e) submit to the Fund, on the Fund's request, the most recent version of the production plan, which must match the script, and do so within 15 days from receiving the Fund's invitation to that effect,
- f) provide the Fund free of charge with a copy of the film on electronic data medium within 3 months from the first theatrical presentation of the audiovisual work.

(4) The Fund shall cancel the incentive project record certificate if the film incentive recipient has breached an obligation under Subsection 3(c) or (e).

Article 3

Section 51

Activities of the Commission, its Composition and the Manner in which Decisions are Made

(1) The Commission shall:

- a) evaluate the applications for registration of incentive projects as to compliance with the content requirements under Section 42(1)(c) and issue opinions related thereto,
- b) perform other activities in accordance with this Act and with the Fund's statutes.

(2) The Commission shall have quorum if at least 3 members are present. The Commission shall decide by a majority of votes. The voting shall be repeated not more than twice in the case of equality of votes, and the proposal shall be deemed unaccepted if no decision is reached after such repeated voting.

(3) A Commission member shall be excluded from deciding on a film incentive in cases specified in the Rules of Administrative Procedure or on the basis that he is personally interested in the decision or that a personal advantage may be gained by him either directly or through a relative or friend. For the quorum purposes, the excluded member of the Commission shall be deemed to be absent from the Commission meeting.

(4) The Commission shall have 5 members.

⁴⁵⁾Commission Communication (EC) 2004/C 244/02, Community Guidelines on State Aid for Rescuing Firms in Difficulty

(5) Commission members shall be appointed and dismissed by the Minister, and shall be chosen from among recognised and experienced practitioners in the audiovisual industry who have been proposed to the Minister by professional organisations, with the exception of collective administrators of copyright and rights related to copyright.

(6) The Commission members' term of office shall be 3 years. Commission members may be re-appointed, but not more than twice.

(7) At its first meeting following the appointment of Commission members, the Commission shall elect its Chairperson and Vice-chairperson.

(8) Being a member of the Commission shall be a public office.

(9) For exercising his office, a Commission member shall be entitled to remuneration to be determined by government resolution upon the Minister's proposal. A Commission member shall be entitled to reimbursement for travel expenses related to exercising his office to the same extent as employees, the place of his permanent residence being regarded as his regular place of work for the purposes of travel expense reimbursement.

(10) The details of the meetings of the Commission shall be determined in the Fund's statutes.

Section 52

Requirements for Commission Membership and Commission Membership Termination

(1) A natural person may be eligible to become a member of the Commission if he has:

- a) legal capacity,
- b) integrity; an individual convicted with finality of a premeditated criminal act shall not be considered to have integrity, unless he is looked upon as if he were not convicted.

(2) A Commission member may not hold an office in any political party or political movements, nor may he act in favour of any political party or movement in connection with exercising his office as Commission member.

(3) Commission membership shall be incompatible with the office of the President of the Republic, member of the Chamber of Deputies, Senator, member and deputy member of the government, head and deputy head of a central state administration authority, President of the Supreme Audit Office or member of his Advisory Board, member of the Council of the Czech Telecommunication Office, member of the Bank Council of the Czech National Bank, member of the Council for Radio and Television Broadcasting and member of the Czech Television Council.

(4) Commission membership shall be incompatible with an employment relationship to the Fund.

(5) Commission membership shall terminate:

- a) by the expiry of the term of office,
- b) on the date of delivery of the Commission member's written announcement of resignation to the Minister,
- c) on the date of delivery to the Commission member of the decision to dismiss him from office,
- d) on the date of finality of a court decision to divest the Commission member of his legal capacity,
- e) on the date of finality of a court decision convicting the Commission member of a premeditated criminal act, or
- f) on the date when the Commission member acquires a position indicated in Subsection (2) or (3) above or becomes an employee of the Fund.

(6) The Minister shall dismiss a Commission member from his office if he:

- a) has ceased to meet the requirements for exercising his office,
- b) has committed conduct threatening to affect the confidence in his independence or impartiality in exercising his office,
- c) has seriously damaged the dignity of the office exercised by him,
- d) has acted in favour of political parties or political movements in connection with exercising his office as a Commission member, or
- e) has repeatedly failed to properly discharge his duties under this Act or other legal regulations, or the Fund's statutes.

Volume 7

Co-production Status

Section 53

Making Decisions on Granting the Co-production Status

(1) The Fund shall decide on granting the co-production status to a cinematographic work to confirm the compliance of the work with the Convention or any other international agreement on film co-production, if the work meets the conditions of the Convention or other international agreement on film co-production.

(2) The co-production status shall not be granted to audiovisual works of pornographic nature, cinematographic works consenting to violence or cinematographic works openly insulting human dignity.

(3) An application for the granting of the co-production status shall be submitted to the Fund by a co-producer with permanent residence or registered office in the Czech Republic at least 2 calendar months before the date of commencement of making the cinematographic work concerned, which date is indicated in the co-production contract.

(4) The following documents shall be attached to the application for the granting of the co-production status:

- a) a copy of the licence contract or a similar contract, which authorises the applying co-producer or any other co-producer to use the script of the cinematographic work and the cinematographic work itself,
- b) the script of the cinematographic work,
- c) a list of the co-producers' artistic and technical participations from each state involved in the production of the cinematographic work,
- d) aggregate amount of the planned costs of production of the cinematographic work (the budget),
- e) the financial plan with an overview of all resources planned to cover the costs of the production of the cinematographic work,
- f) the planned timetable of the production of the cinematographic work, and
- g) the co-production contract, or co-production contracts, meeting the conditions laid down in the Convention or other international agreement on film co-production.

(5) If the financial contribution of a co-producer with permanent residence or registered office in the Czech Republic is smaller than the financial contribution of other individual co-producers, the Fund shall not make its decision on the granting of the co-production status before receiving a notification from the co-production status-granting authority relevant to the co-producer with the highest financial contribution.

(6) If the co-production status is granted to a cinematographic work on the basis of an application for the granting of the co-production status and the submitted documents, the Fund may withdraw the co-production status if it is found that the cinematographic work, as produced, does not comply with the conditions of the Convention or any other international agreement on film co-production.

Volume 8
Supervision

Section 54

(1) Supervision over compliance with the obligations under this Act, except the obligations of the Fund, shall be the responsibility of the Regional Authority (representing the state in this matter). For this purpose, the Fund shall provide the Regional Authority with the essential information contained in the audiovisual industry records.

(2) The Regional Authority shall send to the Fund a copy of any decision concerning a breach of this Act by a legal person or an individual carrying out a business within 30 days from the finality of such a decision.

Volume 9
Administrative Offences

Section 55

(1) Any legal person or any individual carrying out a business which/who sells, leases or lends copies of a cinematographic work labelled as classified in accordance with Section 4(2)(c) or (d) shall be regarded as committing administrative offence by selling, leasing or lending, in contravention of Section 5(6) above, copies of a cinematographic work labelled as classified to a person to whom a restriction of access, based on the classification, applies.

(2) Any producer or co-producer with registered office, permanent residence or place of business in the Czech Republic shall be regarded as committing administrative offence by failing to classify a Czech cinematographic work or by failing to notify the distributor of such work about the classification in accordance with Section 5(1) above.

(3) Any producer of a cinematographic work or its co-producer with registered office, permanent residence or place of business in the Czech Republic shall be regarded as committing administrative offence by failing to notify the cinematographic work to the Archive in accordance with Section 7(1) above.

(4) Any producer of a Czech cinematographic work or its co-producer with registered office, permanent residence or place of business in the Czech Republic shall be regarded as committing administrative offence by:

- a) failing to offer in writing in the form of a proposed contract to the Archive two undamaged copies of a Czech cinematographic work at the quality required for a copy intended for cinematographic performances, a copy of the script and the publicity material about the work in accordance with Section 6(1) above,
- b) failing to offer in the form of a proposed contract to the Archive an undamaged copy of a Czech cinematographic work at the quality required for the production of copies intended for presentation to the public through cinematographic performances in accordance with Section 6(3) above, or
- c) failing to offer to the Archive to transfer for nil consideration in favour of the Czech Republic one undamaged copy of a Czech cinematographic work at the quality required for a copy intended for cinematographic performances and a copy of the script or the publicity material about the work, in accordance with Section 6(6).

(5) A cinematographic performance organiser shall be regarded as committing administrative offence by:

- a) failing to ensure that the cinematographic work classification indicated by the distributor is published together with the announcement of the cinematographic performance, or by failing to ensure during the cinematographic performance that the presence of persons to whom the restriction of access to the work applies is excluded in accordance with Section 5(5) above, or
- b) presenting to the public before, during or immediately after a cinematographic performance any trailers having a stricter restriction label than the cinematographic work shown as the main feature of the cinematographic performance, doing so in contravention of Section 5(8) above.

(6) A distributor shall be regarded as committing administrative offence by:

- a) failing to provide the copies of a Czech audiovisual work, distributed to the public in the Czech Republic, with captions for the deaf and the hard of hearing or by failing to ensure that the inscription “Captioned for the Deaf and the Hard of Hearing” is printed on the packages of such copies in accordance with Section 3(2) above,
- b) failing to classify any cinematographic work other than Czech cinematographic work distributed by him on the territory of the Czech Republic in accordance with Section 5(2) above,
- c) failing to notify the classification to the cinematographic performance organiser, on-demand audiovisual media service provider or any other persons to whom he (the distributor) grants authorisation to use the work on the territory of the Czech Republic in accordance with Section 5(3),
- d) failing, as a person referred to in Section 2(1)(g)(1), to put a classification label on the packages of the copies of a cinematographic work, or by failing to use a classification label with the strictest restriction if such a copy contains more than one cinematographic work, in accordance with Section 5(4),
- e) failing to ensure that the audiovisual trailers or other forms of advertising the cinematographic work distributed by him and classified in accordance with Section 4(2)(c) or (d) contain the designation of such a work’s classification, in accordance with Section 5(7), or
- f) failing to notify the Archive about any cinematographic work presented within his distribution to the public in the Czech Republic through cinematographic performances, in accordance with Section 7(2).

(7) For administrative offence, fines shall be charged, ranging up to:

- a) CZK 50,000 in the case of administrative offence referred to in Subsection 6(a) to (e) above,
- b) CZK 100,000 in the case of administrative offence referred to in Subsections 1 to 5 or Subsection 6(f) above.

Section 56

Joint Provisions on Administrative Offences

(1) A legal person shall not be held liable for administrative offence if it proves to have made all efforts that could be reasonably expected to prevent a breach of a legal obligation.

(2) When determining the amount of a fine to be imposed on a legal person, the seriousness of the offence shall be taken into account, including, but not limited to, the manner in which it was committed, the consequences thereof, and the circumstances thereof.

(3) A legal person's liability for an administrative offence shall terminate if the administrative body has not begun relevant proceedings within 1 year of the date on which the administrative body learned about it and not later than 3 years after it was committed.

(4) In accordance with this Act, administrative offences shall be addressed in the first instance by the Regional Authority, representing the state in this matter.

(5) The Ministry shall be the appeal authority against decisions on administrative offences under this Act.

(6) The Regional Authority shall send a copy of its decision on an administrative offence to the Fund within a period of 30 days of the date of finality of the decision.

(7) Provisions of this Act on the liability of legal persons and on the relevant sanctions shall also apply to the liability for any act occurring during the course of the business activities of a natural person or in direct connection therewith.

(8) Fines shall be collected and enforced by the authority which imposed them. Income from fines shall be treated as receipts to the budget that finances the activities of the administrative authority that imposed the fines.

Title V

Joint, Transitional and Final Provisions

Volume 1

Joint Provisions

Section 57

(1) To evidence that copyright or a performing artist's rights have passed to the state, the Ministry shall provide the following information about deceased copyright holders to the Fund upon request in a manner allowing for remote access:

- a) reference data from the basic population register,
- b) data from the civil registration sectoral information system.

(2) The data provided in accordance with Subsection 1(a) above shall include:

- a) surname (last name),
- b) first name(s)
- c) residence address,
- d) date, place and district of birth; for data subjects born outside the Czech Republic: the date, place and country of birth,
- e) date, place and district of death; for data subjects who died outside the Czech Republic: the date, place and country of death; if a data subject is declared dead by a court: the date indicated in the court's decision as the date of death or the date which was not survived by the data subject, and the date of finality of this court decision.

(3) The data provided in accordance with Subsection 1(b) above shall include:

- a) first name(s) and surname (last name), and surname at birth,

- b) date of birth,
- c) permanent residence address, including previous permanent residence addresses,
- d) date, place and district of death; for data subjects who died outside the Czech Republic: the country of death, and the date of death, if known,
- e) date indicated in a court's decision as the date of death or the date which was not survived by the data subject who was declared dead.

(4) The data maintained as reference data in the basic population registers may be taken from the civil registration sectoral information system only in the case that they are in a form preceding the current state.

(5) Of the data provided, only such data as is necessary to perform a particular task may be used in a particular case.

Volume 2 **Transitional Provisions**

Section 58

(1) The Czech Republic State Fund for Support and Development of Czech Cinematography shall be dissolved. The Ministry shall file a petition to delete the Czech Republic State Fund for Support and Development of Czech Cinematography from the Commercial Register within 15 days of the effective date of this Act.

(2) The Fund shall be the legal successor to the Czech Republic State Fund for Support and Development of Czech Cinematography. On the effective date of this Act, the Fund shall become competent to manage any and all assets of the Czech Republic that have until that date been under the management of the Czech Republic State Fund for Support and Development of Czech Cinematography, and the relevant obligations shall also pass to the Fund. All the rights and duties based on the legal relations previously involving the Czech Republic State Fund for Support and Development of Czech Cinematography shall devolve upon the Fund on the same date.

Section 59

(1) The Council of the Czech Republic State Fund for Support and Development of Czech Cinematography shall act as the Council until 4 April 2015. For the period of exercising their office as Council members, the members of the Council of the Czech Republic State Fund for Support and Development of Czech Cinematography shall be entitled to remuneration determined in accordance with Section 14(6). The Council shall elect a new Chairperson and Vice-chairperson in the event that such election is proposed by the majority of Council members.

(2) In electing the first members of the Council, the Chamber of Deputies shall choose by ballot the members whose term of office will end after one year, whose term of office will end after two years and whose term of office will end after three years.

(3) The first meeting of the Council shall be convened by the Minister within 30 days of the date of election of the sixth member of the Council.

(4) At the first meeting convened as referred to in Subsection 3 above, the Council shall elect its Chairperson and Vice-chairperson from among its members.

Section 60

The decisions on the applications submitted to the Czech Republic State Fund for Support and Development of Czech Cinematography prior the effective date of this Act shall be made by the Fund in accordance with the previous legal regulations.

Section 61

Proceedings regarding administrative offences and proceedings regarding the enforcement of overdue debts, which were commenced and have not yet been completed with finality before the effective date of this Act, shall be completed by the Ministry in accordance with the previous legal regulations.

Section 62

Proceedings regarding projects, which proceedings were commenced prior to the effective date hereof, shall be governed by the previous regulations, the provision of film incentives being the responsibility of the Fund.

Section 63

Compliance with the offering obligation towards the Archive, which arose before the effective date of this Act, shall be governed by previous legal regulations.

Section 64

Settlement and transfer of the surcharge paid in addition to the admission fee in accordance with previous legal regulations shall be performed by the organiser within 60 days of the effective date of this Act.

Section 65

Audiovisual work record files, which have been kept in accordance with Section 1a of Act No. 273/1993 on Certain Conditions of the Production, Distribution and Archiving of Audiovisual Works and Amending Certain Acts and Certain Other Regulations, as amended, shall be transferred by the Ministry to the Archive within 60 days of the effective date of this Act.

Section 66

The National Film Archive, established in accordance with previous regulations, shall be regarded as the Archive established under this Act.

Volume 3 **Revoking Provisions**

Section 67 **Revoking Provisions**

This is to revoke:

1. Act No. 241/1992 on the Czech Republic State Fund for Support and Development of Czech Cinematography.

2. Act No. 249/2006, Amending Act No. 273/1993 on Certain Conditions of the Production, Distribution and Archiving of Audiovisual Works and Amending Certain Acts and Certain Other Regulations, as amended.

PART TWO
Amendment to the Act on Certain Conditions of the Production, Distribution and Archiving of Audiovisual Works

Section 68

In Act No. 273/1993 on Certain Conditions of the Production, Distribution and Archiving of Audiovisual Works and Amending Certain Acts and Certain Other Regulations, as amended by Act No. 40/1995, Act No. 121/2000, Act No. 132/2000, Act No. 499/2004, Act No. 249/2006, Act No. 130/2008 and Act No. 281/2009, Parts One and Three, and Section 13 shall be omitted.

PART THREE
Amendment to the Copyright Act

Section 69

Act No. 121/2000, on Copyright, Rights Related to Copyright and Amending Certain Acts (the Copyright Act), as amended by Act No. 81/2005, Act No. 61/2006, Act No. 186/2006, Act No. 216/2006, Act No. 168/2008, Act No. 41/2009, Act No. 227/2009, Act No. 153/2010, Act No. 424/2010, Act No. 375/2011, Act No. 420/2011 and Act No. 18/2012, shall be amended as follows:

1. Footnote 3 shall read:

“³⁾Act No./2012, on Audiovisual Works and Support for Cinematography and Amending Certain Acts (the Audio/Video Act).”.

2. In Section 26(2) and Section 106(4), the words “Czech Republic” and “Support and Development of Czech” shall be omitted.

3. Part Seven shall be omitted.

PART FOUR
Amendment to the Act Amending and Repealing Certain Acts Related to the Act on Regions, Act on Municipalities, Act on District Authorities and Act on the City of Prague

Section 70

In Act No. 132/2000, Amending and Repealing Certain Acts Related to the Act on Regions, Act on Municipalities, Act on District Authorities and Act on the City of Prague, as amended by Act No. 217/2000, Act No. 143/2001, Act No. 86/2002, Act No. 356/2003, Act

No. 22/2004, Act No. 93/2004, Act No. 99/2004, Act No. 562/2004, Act No. 587/2004, Act No. 379/2005, Act No. 186/2006, Act No. 189/2006, Act No. 264/2006, Act No. 329/2011, Act No. 375/2011 and Act No. 456/2011, Part Twenty-Nine shall be omitted.

PART FIVE

Amendment to the Act on Radio and Television Broadcasting and Amending Other Acts

Section 71

Act No. 231/2001, on Radio and Television Broadcasting and Amending Other Act, as amended by Act No. 309/2002, Act No. 274/2003, Act No. 341/2004, Act No. 501/2004, Act No. 626/2004, Act No. 82/2005, Act No. 127/2005, Act No. 348/2005, Act No. 235/2006, Act No. 160/2007, Act No. 296/2007, Act No. 304/2007, Act No. 124/2008, Act No. 384/2008, Act No. 41/2009, Act No. 196/2009, Act No. 227/2009, Act No. 132/2010, Act No. 153/2010, Act No. 302/2011, Act No. 420/2011, Act No. 458/2011, Act No. 142/2012 and Act No. 275/2012, shall be amended as follows:

1. In Section 3(4), the words “which is a party to the European Convention on Transfrontier Television” shall be omitted.

2. In Section 32a(1), the words “in accordance with Section 12(3)(a)” shall be inserted after the words “on the basis of licence”.

3. In Section 32b, Subsection 2, including the footnote, shall read as follows:

“(2) If the payer generates income or revenue from indirect sale of airtime through third parties that are not end users of the airtime, the base of the fee shall include, instead of this income or revenue, the income or revenue the payer would generate through direct sale of such airtime irrespective of whether such direct sale has really taken place. The provisions of the preceding sentence shall only apply where the third parties referred to in the preceding sentence are interconnected with the payer in accordance with another legal regulation¹⁹⁾”.

¹⁹⁾ Section 66(9) of Act No. 513/1991, as amended.”.

After Section 32f, a new Section 32g shall be inserted, which shall read as follows:

“Section 32g

(1) In the event that the proceeds from the charge does not amount to a total of CZK 150 million, the payer of the charge for broadcast advertising shall share the difference between the total proceeds from the charge and the amount of CZK 150 million in proportion to his share of the total advertising income of all payers of the charge for broadcast advertising.

(2) The balance of the charge for broadcast advertising shall be paid by the payer within 30 days of the State Cinematography Fund’s invitation to do so.”.

PART SIX
**Amendment to the Act Amending Act No. 218/2000 on Budgetary Rules and Amending
Certain Related Acts (the Budgetary Rules), as amended, and Some Other Acts**

Section 72

In Act No. 482/2004, amending Act No. 218/2000 on Budgetary Rules and Amending Certain Related Acts (the Budgetary Rules), as amended, and Some Other Acts, as amended by Act No. 94/2005, Part Seven shall be omitted.

PART SEVEN
Amendment to the Act on Administrative Fees

Section 73

Act No. 634/2004 on Administrative Fees, as amended by Act No. 217/2005, Act No. 228/2005, Act No. 357/2005, Act No. 361/2005, Act No. 444/2005, Act No. 545/2005, Act No. 553/2005, Act No. 48/2006, Act No. 56/2006, Act No. 57/2006, Act No. 81/2006, Act No. 109/2006, Act No. 112/2006, Act No. 130/2006, Act No. 136/2006, Act No. 138/2006, Act No. 161/2006, Act No. 179/2006, Act No. 186/2006, Act No. 215/2006, Act No. 226/2006, Act No. 227/2006, Act No. 235/2006, Act No. 312/2006, Act No. 575/2006, Act No. 106/2007, Act No. 261/2007, Act No. 269/2007, Act No. 374/2007, Act No. 379/2007, Act No. 38/2008, Act No. 130/2008, Act No. 140/2008, Act No. 182/2008, Act No. 189/2008, Act No. 230/2008, Act No. 239/2008, Act No. 254/2008, Act No. 296/2008, Act No. 297/2008, Act No. 301/2008, Act No. 309/2008, Act No. 312/2008, Act No. 382/2008, Act No. 9/2009, Act No. 41/2009, Act No. 141/2009, Act No. 197/2009, Act No. 206/2009, Act No. 227/2009, Act No. 281/2009, Act No. 291/2009, Act No. 301/2009, Act No. 346/2009, Act No. 420/2009, Act No. 132/2010, Act No. 148/2010, Act No. 153/2010, Act No. 160/2010, Act No. 343/2010, Act No. 427/2010, Act No. 30/2011, Act No. 105/2011, Act No. 133/2011, Act No. 134/2011, Act No. 152/2011, Act No. 188/2011, Act No. 245/2011, Act No. 249/2011, Act No. 255/2011, Act No. 262/2011, Act No. 300/2011, Act No. 308/2011, Act No. 329/2011, Act No. 344/2011, Act No. 349/2011, Act No. 350/2011, Act No. 357/2011, Act No. 367/2011, Act No. 375/2011, Act No. 428/2011, Act No. 457/2011, Act No. 458/2011, Act No. 472/2011 and Act No. 19/2012, shall be amended as follows:

1. In the Annex to the Act, Part IV, item 67 shall read as follows:

“Item 67

a) acceptance of an application

- | | |
|--|------------|
| 1. for authorisation to operate television broadcasting | CZK 90,000 |
| 2. for extension of the validity period of the authorisation to operate television broadcasting | CZK 90,000 |
| 3. for authorisation, or for extension of the validity period of the authorisation, to operate local television broadcasting | CZK 50,000 |

b) acceptance of an application for authorisation, or for extension of the validity period of the authorisation, to operate radio broadcasting CZK 25,000

- | | |
|--|------------|
| c) acceptance of an application for registration to operate rebroadcasting | CZK 90,000 |
| d) acceptance of an application to change the data contained in: | |
| 1. an application for authorisation to operate television broadcasting | CZK 20,000 |
| 2. an application for authorisation to operate radio broadcasting | CZK 5,000 |
| 3. an application for registration to operate rebroadcasting | CZK 20,000 |

The following shall not be subject to fees:

1. acceptance of an application for authorisation to operate television broadcasting under Clause a) of this Item, if the application is submitted in accordance with Section 21(1) of Act No. 132/2010 on On-demand Audiovisual Media Services, and Amending Certain Laws (the On-demand Audiovisual Media Services Act).

2. acceptance of an application to change data under Clause d) of this Item, if the change is to be registered in the Companies Register.”

2. In Part IV of the Annex to the Act, a new item 67a shall be inserted following Item 67, including Footnote 41a). It shall read as follows:

“Item 67a

Acceptance of an application

- | | |
|---|------------|
| a) for support for cinematography to carry out a project under the heading of Developing a Czech Cinematographic Work or to carry out a project under a heading other than Production of a Czech Cinematographic Work ^{41a)} | CZK 5,000 |
| b) for support for cinematography to carry out a project under the heading of Production of a Czech Cinematographic Work ^{41a)} | CZK 10,000 |
| c) to change the conditions specified in the decision on support for cimenatography ^{41a)} | CZK 500 |
| d) for incentive project registration ^{41a)} | CZK 30,000 |

^{41a)} Act No. .../2012 on Audiovisual Works and Support for Cinematography and on Amendment to Certain Acts (the Audio/Video Act).”

PART EIGHT

Amendment to the Act Amending Certain Acts Related to the Civil Registry Act and Some Other Acts

Section 74

In Act No. 342/2006, amending certain acts related to the Civil Registry Act and some other acts, as amended by Act No. 274/2008 and Act No. 375/2011, Part Six shall be omitted.

PART NINE

Amendment to the Act Amending Act No. 455/1991 on Trade Licensing (the Trade Licensing Act), as amended, and Other Related Acts

Section 75

In Act No. 130/2008, amending Act No. 455/1991 on Trade Licensing (the Trade Licensing Act), as amended, and Other Related Acts, as amended by Act No. 456/2011 and Act No. 17/2012, Part Six shall be omitted.

PART TEN

Amendment to the Act Amending Certain Acts in Connection with the Adoption of the Basic Registry Act

Section 76

In Act No. 227/2009, amending certain acts in connection with the adoption of the Basic Registry Act, as amended by Act No. 291/2009, Act No. 306/2009, Act No. 101/2010, Act No. 159/2010, Act No. 424/2010, Act No. 350/2011, Act No. 375/2011, Act No. 456/2011, Act No. 466/2011 and Act No. 17/2012, Part Thirty shall be omitted.

PART ELEVEN

Amendment to the Act Amending Certain Acts Related to the Adoption of the Tax Code

Section 77

In Act No. 281/2009, amending certain acts related to the adoption of the Tax Code, as amended by Act No. 153/2010, Part Fourteen shall be omitted.

PART TWELVE

Amendment to the Act Amending Act No. 111/2009 - the Basic Registry Act, as amended by Act No. 100/2010, and Other Related Acts

Section 78

In Act No. 424/2010, amending Act No. 111/2009 - the Basic Registry Act, as amended by Act No. 100/2010, and other related acts, Part Four shall be omitted.

PART THIRTEEN

Amendment to the Act Amending Act No. 218/2000 on Budgetary Rules and Amending Certain Related Acts (the Budgetary Rules), as amended, and Some Other Acts

Section 79

In Act No. 465/2011, amending Act No. 218/2000 on Budgetary Rules and Amending Certain Related Acts (the Budgetary Rules), as amended, and Some Other Acts, Part Five shall be omitted.

PART FOURTEEN

Amendment to Act No. 239/2012, amending Act No. 563/1991 on Accounting, as amended, and other related Acts

Section 80

In Act No. 239/2012, amending Act No. 563/1991 on Accounting, as amended, and other related Acts, Part Five shall be omitted.

PART FIFTEEN

EFFECT

Section 81

This Act shall enter into effect on 1 January 2013, except the provisions of Section 27, which shall enter into effect on 1 January 2016.