

Guidelines

For applying for the Film Incentive Scheme in Bulgaria

Take special note: The guidelines do not replace the provisions of the Film Industry Act hereinafter referred to as FIA or the Implementing Regulation of FIA, but are rather a result of them, seeking to inform and help the applicants with the process of preparing their application submissions. If any questions or doubts arise, please refer to the flagship documents, i.e. FIA and the Implementing Regulation of FIA.

Rebate on costs incurred in film production, including series, takes place under a state aid scheme and is governed by the Film Industry Act and the Implementing Regulation of this Act in compliance with Commission Regulation (EU) No 651/2014. The scheme is administered by the Bulgarian National Film Center Executive Agency hereinafter referred to as the **NFC EA**.

1. Eligible categories of films (required formats)

- A feature film, running time: over 70 min.;
- A documentary film, running time: over 60 min. or a documentary series where the running time of each episode shall be no less than 40 min.;
- An animated film or animated series, total running time: over 24 min.;
- A film intended for TV broadcasting or streaming on platforms, running time: over 70 min., or a series where the running time of each episode shall be no less than 40 min.;

2. Submission Deadlines

Application shall be submitted throughout the year and shall be considered in the order of their submission.

The sessions of the National Film Projects Evaluation Commission on Rebate on Costs shall be held at least once a month.

3. Eligible Film Projects

Eligible shall be film projects that, as follows:

- Meet the cultural criteria, including the cultural test;
- Made entirely or partly in the Republic of Bulgaria;
- Are intended for public release and/or broadcasting;
- Meet the criteria of the minimum rate of expenditure in the Republic of Bulgaria in compliance with the Implementing Regulation of FIA

4. Ineligible Film Projects

Ineligible shall be film projects that, as follows:

- Reflect adversely on the Republic of Bulgaria or the Bulgarian nation; film projects undermining the legal norms and the constitutional principles of the Republic of Bulgaria and such projects that seek to incite wars, racism, radical nationalism, religious hatred or national separatism or encourage acts of discrimination;
- Contain pornographic elements and/or language; infringe upon or violate the rights of dignity, honour, privacy; incite, directly or implicitly, aggression; propagandistic works of electoral, political or religious nature;
- Sports events, games or competitions;
- Talk shows, reality shows, programmes of 'lifestyle' or 'watch live' categories;
- Daytime drama TV show, sitcom series categories;
- Programmes demonstrating hobbies or projects;
- Promotional and/or commercial works regardless of the running time, format or their use;
- Footage for internal use unavailable to wider audiences.

5. Eligible Applicants

- A producer or a co-producer that has acquired the rights to the screenplay of the work;
- A provider of film production services that has concluded a contract with a producer, who has acquired the rights to the screenplay of the work for the purposes of the production of the said work.

6. The applicant shall:

1. Be registered as a legal person operating in the field of filmmaking under the current Bulgarian law or the law of a EU member state, or of a country party to the Agreement on the European Economic Area or of the Swiss Confederation or under the law of a third country, in which case the registration shall be made two years prior to the application for rebate on expenses submission.
2. Make the work in the required format;
3. Be entered in the Unified Public Register kept by the NFC EA;
4. In a five-year period prior to applying under the Film Incentive scheme, the applicant shall have made, completely or partly, at least one work in the required format that has had a theatrical release, or has been broadcast on TV and/or available on a platform for catalogued works accessible to subscribers, or has been screened at one international festival at the least;
5. In the event of not meeting the requirements set out in p. 4, the applicant shall be the founder or a legal representative of such a legal person or a decade prior to applying under the Film Incentive scheme should have, in his/her capacity as the said legal person's chief executive or manager, made and/or participated in the production of at least one work in the required format;
6. Unregistered applicants, including with a branch under the Bulgarian law, shall register prior to the date of receiving the state aid;
7. In the event of a coproduction, the applicant may be the co-producer registered under the Bulgarian law for the purposes of the production of the work;
8. In the event of a production, where no co-producer is registered under the Bulgarian law or the law of a member state of the European Union, a party to the EEA Agreement or the Swiss Confederation, eligible to apply under the scheme shall be a foreign producer through a provider of film production services, registered under the Bulgarian law, whereby the latter shall be the Incentive-eligible applicant;
9. Eligible applicants under the scheme shall be solely a producer, co-producer or a provider of film production services that meet the criteria for an independent producer.

7. Rebate Amount

- Up to 25 per cent of the total amount of the eligible costs incurred in the production of a work in the required format relating to goods and services provided within the Republic of Bulgaria by natural and/or legal persons registered under the Bulgarian law;
- Up to 25 per cent of the total amount of the eligible costs incurred in the production of a work in the required format relating to services provided in the Republic of Bulgaria by natural persons registered under the law of a member state of the European Union, a party to the EEA Agreement or of the Swiss Confederation, whose income generated from a source in the Republic of Bulgaria is subjected to final tax under the Bulgarian law;
- The eligible costs, on the basis of which the amount is calculated, shall not exceed 80 per cent of the overall production budget;
- Rebated shall be only costs incurred entirely in the Republic of Bulgaria;
- The amount of rebate per project shall not exceed BGN2,000,000.

8. Eligible Costs

Qualifying for eligible expenditure in the budget of the applying project shall be all expenditure on goods and services provided within the Republic of Bulgaria and directly relating to the pre-production, production and post-production of the project.

Eligible and ineligible costs, the rules governing the calculation of eligible expenditure and the types of eligible expenditure are laid down in detail in Addendum No. 16c, Art. 60a (1) of the Implementing Regulation of FIA.

9. Application Procedure

Step 1: Submitting an application for registering a project

After checking the correctness of the documents enclosed with the application, projects are sent to the National Film Projects Evaluation Commission on Rebate on Costs. Following the Commission's approval, a certificate is issued of the project's registration by the **NFC EA**.

In the event of refusal, the applicant may reapply with the same project.

Step 2: Applying for the amount of the costs to be rebated.

The application shall be submitted:

- Within twelve months of the date of issuing the registration certificate;

- If at least 100 per cent financing is provided of the costs to be incurred in the Republic of Bulgaria.

The applications shall be considered in the order of their submission.

The application with the documents enclosed therein is considered by a Second Panel of the Financial Commission. Following the Commission's approval, a certificate is issued of approving the amount of the financial costs.

Step 3: An application shall be submitted for rebate on costs after completing the activities planned in the project.

The approved after verification amount of costs of an applicant shall be entered in a report. Within seven days of the Commission's session, the Executive Director shall issue a certificate of the approved amount of costs or refuse to issue such a certificate based on the results of each applicant.

Within a month after receiving the application, the Executive Director shall issue a decision on rebate on costs or reject the application if it does not meet the requirements.

The payment shall be made into the bank account specifically opened by the applicant for this purpose.

In the event of exhausting the annual budget by the date of issuing the decision, the payment shall be made in the next calendar year.

10. Application Fees

Application fees for the state aid rebate on costs scheme shall be charged at the set rates as follows:

- A fee of BGN2,060 for rebate on costs incurred in a film production, including series; of them BGN1,300 when applying for consideration of the project by the National Film Projects Evaluation Commission, and BGN760, when the project is accepted for consideration by a Second Panel of the Financial Commission.

The fees (www.nfc.bg > Legal Acts) due for considering the projects shall be paid into the bank account of the **NFC EA** (as the basis for payment the title of the project is filled):

UniCredit Bulbank Bulbank branch Batenberg
IBAN BG05 UNCR9660 3110049413
SWIFT BIC UNCRBGSF

11. Conatacts

nfc@nfc.bg
02 9150811
www.nfc.bg

Take special note::

State aid may be granted for an activity that has begun after the day of the application submission and prior to the conclusion of the contract; as such an activity shall be treated the beginning of shooting relating to the specifics of documentary characters and events, or the beginning of season-related shooting. In this case the applicant shall justify in writing before the NFC EA the necessity of the beginning of shooting.

All documents in a foreign language enclosed with the application shall be translated into Bulgarian and certified by a sworn translator.