

241 ACT No. 241/1992 Coll. of April 14, 1992, on State Fund of the Czech Republic to Assist and Promote Czech Cinematography

The Czech National Council has enacted the following Act:

Section 1

(1) The State Fund of the Czech Republic to Assist and Promote Czech Cinematography (hereinafter “the Fund”) shall be established.

(2) The Fund shall be a legal entity to be registered, based on its statutes, in the Commercial Register. The Fund shall be administered by the Ministry of Culture of the Czech Republic (hereinafter “the Fund Administrator”).

(3) The Fund shall be headed by the Minister of Culture of the Czech Republic (hereinafter “the Minister”) who shall be responsible for managing the means of the Fund.

Section 2

(1) The manner and amounts of drawing the means from the Fund shall be decided by Fund Council (hereinafter “the Council”).

(2) Members of the Council shall be elected and recalled by the Czech National Council to which the Council shall be responsible. Members shall be nominated for election by the Minister from among significant cultural personalities and finance, after consultations with professional organisations and associations of artists, employers and employees in the Czech film industry. Membership of the Council is an honorary and non-delegated Public Office.

(3) The Council shall have no more than 13 members. The term of office of the Council shall be three years.

(4) The expenses associated with the activity of the Council shall be born by the Fund.

(5) Details about the organisation and activity of the Council shall be established in Fund Statutes to be proposed by the Fund Administrator and approved by the Czech National Council.

Section 3

(1) Membership of the Council shall be limited to blameless citizens of the Czech Republic.

(2) Members of the Council shall not hold offices with political parties or political movements, or make public appearances on their behalf or act to their benefit in connection with their membership of the Council; also, they shall not represent commercial interests which may contradict the performance of their office or which may impact negatively their impartiality and objective decision-making.

(3) Membership of the Council shall be inconsistent with holding the offices of President of the Republic, Prime Minister and Deputy Prime Minister, Government Minister, and Head or Deputy Head of any other Government Agency.

Section 4

Membership of the Council shall terminate by:

- a) expiration of the term of office,
- b) resignation from office,
- c) death of the Member,
- d) recalling from office,
- e) losing ability to enter into legal acts.

Section 5

(1) The Council shall review in particular:

- a) principal issues of creating and using the means of the Fund,
- b) draft annual budget of incomes and expenses of the Fund and the draft closing account of the Fund.

(2) The Council shall decide about applications for grants from the Fund, as established in [Section 10](#).

Section 6

(1) The Fund Administrator, for each budget year, shall prepare the draft budget of incomes and expenses, the review of receivables and payables and the closing account of the Fund, to be submitted to the Ministry of Finance at dates established for the preparation of the state budget of the Czech Republic (hereinafter “the State Budget”) and the state closing account of the Czech Republic (hereinafter “the State Closing Account”).

(2) The draft Fund budget shall be appended to the draft State Budget, and the Fund closing account shall be appended to the State Closing Account.

(3) Along with the Fund closing account, the Fund Administrator shall submit a review of uses of the means spent by the Fund.

(4) The Fund shall keep its book in accordance with special regulations and shall process its balance, to be audited. The associated cost shall be covered by the Fund.

Section 7

The Fund shall use the following sources of financing:

- a) revenues from shares the Czech Republic has taken in entrepreneurial activities of legal entities in the film industry,
- b) revenues from securities acquired by the Fund from other entities,
- c) loans from legal entities,
- d) interest payable on refundable financial injections and loans granted by the Fund to applicants, and interest from Fund means deposited in banks,

- e) repayment of loans and refundable financial injections granted by the Fund to applicants,
- f) contractual fines payable by applicants for failure of applicants to use Fund means in keeping with established terms and conditions ([Sec.11, Par.5](#)),
- g) gifts and bequests made to the Fund,
- h) receipts from public collections and lotteries organised by the Fund,
- i) contracted sharing in income from cinematographic works for which means were granted by the Fund ([Sec.11, Par.2](#)),
- j) State Budget subsidies,
- k) surcharge to the price of admission tickets,
- l) income from film copyrights that had been transferred to the Fund,
- m) other sources as established in special legislations.

Section 8

(1) Participants in public demonstration of cinematography works where admission fee is paid, shall pay each a surcharge of Kčs 1.

(2) Surcharge as under [Paragraph 1](#) shall be accounted for and delivered by the organiser of such public demonstration to the Fund within 15 days following the end of each quarter of the year. The Fund Administrator shall be entitled to review such accounts.

(3) The Government of the Czech Republic may decree a different amount of such surcharge, taking into account changed cost of living.

Section 9

(1) The Fund means may be used for projects as follows:

- a) creation of a work of Czech cinematography art,
- b) production of a work of Czech cinematography art,
- c) distribution of a valuable cinematography work,
- d) promotion of Czech cinematography,
- e) technical development and modernisation of Czech cinematography,
- f) production, dissemination and promotion of cinematography works of national and ethnic minorities living in the territory of the Czech Republic.

(2) The Fund means shall be granted in the form of single-purpose subsidies, loans or refundable financial injections.

(3) Single-purpose subsidies from the Fund may only be granted to cover up to a half of the entire cost as envisaged by applicants.

(4) There is no legal title to provision of means from the Fund. Such means of the Fund shall not be granted to cover losses from activities of legal entities and physical persons.

(5) The Fund may agree to provide guarantee to a financial institution for credits or loans to be granted to applicants for projects as established in [Paragraph 1](#).

Section 10

(1) Applications for provision of means from the Fund may be submitted by legal entities or physical persons, with headquarters or permanent addresses in the territory of the Czech Republic. If such application is made by a Czechoslovak legal entity with property participation of foreign persons, Fund means may be granted only if such foreign property participation is lower than 50 per cent.

(2) Applicants shall file their applications with the Fund Administrator. The application shall contain the name and a detailed description of the project for which assistance is sought, the projected amount of costs, description of foreign participation if any, requested form and amount of grant, or description of liabilities to be covered by such grant. The Fund Administrator may require applicants to make their applications complete with some additional data material for its assessment, and shall provide a fair period of time to do so.

(3) Simultaneously with filing their applications, applicants shall pay to the Fund's account an amount to cover the costs associated with their assessment, established in keeping with the character of the project submitted and differentiated by the Fund Statutes, but not more than Kčs ten thousand. The Fund Administrator shall be obliged to account for this amount to the applicant, not later than as established in [Sec.11, Par.1](#). In the event that the cost associated with assessing the application exceed such amount, the balance shall be covered from the means of the Fund.

(4) In the event that the applicant fails to make its application complete in keeping with [Par.2](#), or to pay the amount in keeping with [Par.3](#), then the application in question will be deemed as never filed.

Section 11

(1) Any granting of the Fund means shall be decided upon by the Council, within three months from the delivery date of the application or its completion ([Sec.10, Par.2](#)).

The Council ruling shall contain:

- a) name of project to get the Fund assistance,
- b) name of applicant,
- c) form of assistance,
- d) amount of means provided or identification of liabilities to be secured,
- e) maturity, in the event of providing a refundable financial injection or a loan.

(2) The Council may establish in its ruling up to which amount the Fund will participate in income generated by the project as under [Paragraph 1](#).

(3) The decision-making as under [Paragraph 1](#) shall not be subject to general provisions of administrative proceedings.

(4) Based on the Council ruling and in keeping therewith the Fund shall conclude an agreement with the applicant within 30 days from the delivery of the ruling as under [Paragraph 1](#), on the amount, terms and conditions of granting the Fund means or of provision of guarantee according to [Section 9, Par.5](#), and on the sharing of the Fund (if any) in income generated by the project. In the event of a failure on the part of the applicant to have such agreement concluded within the stated period, the ruling as under [Par.1](#) shall become null and void and the application shall be deemed as never filed.

(5) The means provided by the Fund may be used exclusively for the purpose stated; in the event that the means are used in any other way, the applicant shall pay the Fund a fine in the

amount and in such manner as established in the agreement as under [Paragraph 4](#), up to the amount of the provided means. This provision shall not affect the obligation to refund any means used in contradiction of the agreement.

(6) Details concerning handling the means of the Fund shall be established in the Fund Statutes.

Section 12

Any balance of the Fund means shall be transferred to the following calendar year.

Section 13

This Act shall enter into force on the 1st of July 1992, with the exception of the provisions contained in [Section 6](#), which shall enter into force in the 1st of September 1992.

Burešová, by her own hand

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