

**Act No. 516**  
**of 5 November 2008**  
**on the Audiovisual Fund**  
**and the amendment and supplement of certain acts**

The National Council of the Slovak Republic has adopted the following act:

**Article I**

**PART 1**  
**BASIC/PRIMARY PROVISIONS**

**Section 1**  
**The Audiovisual Fund**

(1) The Audiovisual Fund (hereinafter referred to as “the Fund”) is hereby established as a public institution that supports and aids the development of audiovisual culture and the audiovisual industry.

(2) The Fund is a legal entity with the seat in Bratislava.

**Section 2**  
**Activity of the Fund**

The Fund carries out the following activities:

- a) manages the contributions pursuant to Sections 24 to 29 and controls the contributions collected pursuant to Sections 24 to 28;
- b) grants the co-production status pursuant to international treaties and agreements by which the Slovak Republic is bound;<sup>1)</sup>
- c) provides financing to the authors of Slovak audiovisual works and the producers of Slovak audiovisual works;
- d) creates material conditions for the development of audiovisual culture and the audiovisual industry in the Slovak Republic by providing financial means for the restoration and development of technological infrastructure for the production and distribution of audiovisual works and for the organization of public cultural events in the field of audiovisual culture;
- e) provides financial means to the persons for distribution and presentation of audiovisual works;
- f) provides scholarships for individuals whose creative activity or research contributes to the development of audiovisual culture and the audiovisual industry in the Slovak Republic;
- g) provides financial means to the persons for support of audiovisual industry in the Slovak Republic;
- h) realizes research activities focusing primarily on support systems in the field of audiovisual culture, builds and uses information databases on the creation, production and distribution of audiovisual works for maintaining the Fund’s activities;
- i) keeps records of Slovak audiovisual works and persons to whom it has provided financing;
- j) provides information to the Slovak Film Institute on financing granted by the Fund for the purpose of acquisition activities<sup>2)</sup> and information on the granting of co-production status for the purposes of the application of depositing obligations<sup>3)</sup> and for the purpose of performing supervision of these obligations;
- k) cooperates with the state administrative bodies, local government bodies, institutions of public service and persons in regard to the development of audiovisual culture and the audiovisual industry in the Slovak Republic;

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<sup>1)</sup> For example, the European Convention on Cinematographic Co-production (Notice of the Ministry of Foreign Affairs of the Slovak Republic No. 106/2007 Coll.).

<sup>2)</sup> Section 36 of Act No. 343/2007 Coll. on the conditions of registration, public distribution and preservation of audiovisual works, multimedia works and sound recordings of artistic performances and the amendment of certain acts (the Audiovisual Act).

<sup>3)</sup> Section 34 of Act No. 343/2007 Coll.

- l) participates in activities of international organisations that support the creation, production and distribution of audiovisual works;
- m) cooperates with international organisations and foreign institutions that support the creation, production and distribution of audiovisual works;
- n) controls and enforces the compliance of contractual obligations arising from agreements concluded with the recipients of financing.

## **PART 2 BODIES OF THE FUND**

### **Section 3**

The bodies of the Fund are as follows:

- a) the Board,
- b) the Supervisory committee,
- c) the Director.

### **Section 4 The Board**

(1) The Board is the statutory body of the Fund and acts on its behalf. The Board decides on all matters relating to the Fund unless they are reserved for the competence of the Director or the Supervisory committee by this act. The chairman and vice-chairman of the Board are entitled to act on the Fund's behalf independently.

(2) As the supreme body of the Fund, the Board

- a) approves the statute of the Fund;
- b) approves the rules, the methodology and the criteria for the assessment of applications for grants, loans or scholarships from the Fund (hereinafter referred to as "applications");
- c) approves the rules for the provision of financing from the Fund;
- d) approves the budget of the Fund for the relevant budgetary period, and the changes of the budget during the relevant budgetary period, at the proposal of the Director and based on the opinion of the Supervisory committee;
- e) approves the annual report of the Fund and the financial statements of the Fund, at the proposal of the Director and based on the opinion of the Supervisory committee;
- f) discusses the strategic objectives and long term development conceptions of audiovisual culture and the audiovisual industry in the Slovak Republic and submits them to the Ministry of Culture of the Slovak Republic (hereinafter referred to as "Ministry") for approval;
- g) approves, based on the strategic objectives and long term development conceptions specified in letter f), medium term and short term objectives for the Fund and the rules and priorities of support activities of the Fund for a specific period and evaluates its performance;
- h) takes note of information on the allocation of financial means from the Fund, submitted by the Director before the conclusion of the contract with an applicant; the Board may pass a resolution requesting the Director to submit a report on the application together with the application and its evaluation pursuant to Section 17 (7) for the purpose of assessing compliance with the rules and priorities for the support activity of the Fund;
- i) grants approval for use of the Fund's assets pursuant to special regulations,<sup>4)</sup> at the proposal of the Director;
- j) adopts decisions on proposals and opinions of the Supervisory committee;
- k) appoints among its members a chairman of the Board and a vice-chairman of the Board for a term of office of two years;
- l) recalls the chairman and vice-chairman of the Board;
- m) appoints and recalls the Director;
- n) appoints and recalls two members of the Supervisory committee;
- o) decides on a Director's proposal to write off receivables of the Fund or to end measures to recover receivables of the Fund permanently;
- p) approves the standing orders of the Board;
- q) appoints and recalls members of expert committees;

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<sup>4)</sup> Act No. 176/2004 Coll. on the disposal of the property of public institutions and the amendment of Act No. 259/1993 Coll. on the Slovak Forestry Chamber as amended by Act No. 464/2002 Coll. and Act No. 581/2004 Coll.

- r) approves the organisational regulations and rules of procedure of the expert committees, which govern the details of the activity of the expert committees;
- s) approves the organisational regulations of the office, which govern the details of the activity of the office,
- t) decides on a new draft of the contract pursuant to Section 22 (5);
- u) authorises the Director to make decisions on granting of financial means by the Fund pursuant to the Section 18 (11);
- v) authorises the Director to make decisions on granting of the co-production status pursuant to the Section 32.

## **Section 5**

### **Assembling of the Board and membership in the Board**

(1) The Board has nine members. Board members are appointed and recalled by the Minister of culture of the Slovak Republic (hereinafter referred to as “the Minister”) at the proposal of persons working in the sphere of audiovisual culture in the Slovak Republic such that the assembling of the Board is as follows

- a) two Board members from the field of the creation of Slovak audiovisual works;
- b) two Board members from the field of independent producers in the audiovisual industry;<sup>5)</sup>
- c) one Board member from the field of the distribution of audiovisual works or of the area of the operation of the audiovisual technical devices;
- d) one Board member from the field of public service television broadcasting;<sup>6)</sup>
- e) one Board member from the field of licensed television broadcasting;
- f) one Board member from the field of retransmission;
- g) one Board member appointed by the Minister.

(2) Board members shall be individuals who

- a) have permanent residence in the territory of the Slovak Republic;
- b) shall be of Slovak nationality;
- c) are fully competent to carry out legal acts;
- d) are of blameless reputation; for the purposes of this act a person of blameless reputation is defined as a person who has not been lawfully convicted of an intentional crime;
- e) have completed at least the second level of university education;
- f) have at least three years of professional experience in the relevant field pursuant to paragraph 1.

(3) A person nominated for a member of the Board shall submit

- a) an extract from the criminal records no older than three months;
- b) certificate of the highest level of education completed; and
- c) curriculum vitae.

(4) If persons entitled to submit the nominations under paragraph 1 do not submit a nomination for the Board member in the numbers specified in paragraph 1, the minister shall appoint members of the Board without nomination.

(5) The function of a Board member is incompatible with the function of

- a) president of the Slovak Republic;
- b) member of the National Council of the Slovak Republic;
- c) member of the government of the Slovak Republic;
- d) state secretary;
- e) head of a ministerial service office;
- f) president of another central state administrative body or his deputy;
- g) president of a self-governing region;
- h) mayor;
- i) prosecutor;
- j) judge;
- k) member of the Council for Broadcasting and Retransmission;<sup>7)</sup>
- l) member of the elected bodies of Slovak Radio;<sup>8)</sup>

<sup>5)</sup> Section 37 of Act No. 343/2007 Coll.

<sup>6)</sup> Section 2 (1) (a) of Act No. 308/2000 Coll. on broadcasting and retransmission and the amendment of Act No. 195/2000 Coll. on telecommunications as amended.

Act No. 532/2010 Coll. on Slovak Radio and Television and the amendment and supplement of certain acts.

<sup>7)</sup> Section 7 of Act No. 308/2002 Coll. as amended.

<sup>8)</sup> Section 10 of Act No. 619/2002 Coll. on Slovak Radio as amended.

- m) member of the elected bodies of Slovak Television<sup>9)</sup>; and
- n) member of the bodies of the art funds.<sup>10)</sup>

(6) Board members shall not hold a function in the bodies of political parties or political movements, make statements in their name or act for their benefit.

(7) A Board member shall inform the chairman of the Board and the Minister of any change in their status in relation to paragraphs 5 and 6 immediately.

(8) The function of a Board member is incompatible with the function of a Director, a member of the Supervisory committee or a member of an expert committee.

(9) Board members shall act impartially in the performance of their function and refrain from actions that would prioritise personal interest above the public interest.

(10) Membership in the Board cannot be deputised.

(11) Members of the Board are entitled to monthly remuneration for the performance of their function. The amount of such remuneration shall be equal to two thirds of the average monthly wage in the economy of the Slovak Republic for the previous calendar year.

(12) Board members are entitled to reimbursement of travel costs pursuant to special regulations.<sup>11)</sup>

(13) Performance of the function of chairman of the Board entitles the function holder to a bonus equal to one half of the remuneration specified in paragraph 11.

## **Section 6**

### **Term of office of a Board member**

(1) The term of office of a Board member is six years. The same person may be appointed as a Board member for at most two consecutive terms of office.

(2) The term of office of a member starts from the day following the expiry of the mandate of the Board member to whose position the new member is appointed, though not earlier than the date of his or her appointment.

## **Section 7**

### **Termination of membership in the Board**

- (1) Membership in the Board terminates
- a) at the end of a term of office;
  - b) on resignation from the function; membership shall end on the date of delivery of a resignation letter from the function to the Minister;
  - c) on recall from the function;
  - d) by death or declaration as dead.

- (2) The Minister shall recall a Board member if he or she
- a) is lawfully convicted for an intentional crime or for a crime for which a suspended sentence was not handed down;
  - b) is deprived of his or her competence to perform legal acts or his or her ability to perform legal acts was limited by a final court judgement;
  - c) is the statutory body or a member of a management or control body of a legal entity which has not fulfilled its obligations pursuant to Sections 24 to 28 and 30;
  - d) performs a function or activity that is incompatible with the function of a Board member pursuant to Section 5 (5), (6) and (8); or

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<sup>9)</sup> Section 10 of Act No. 16/2002 Coll. as amended.

<sup>10)</sup> Section 4 of Act of the National Council of the Slovak Republic No. 13/1993 Coll. on art funds as amended by Act No. 283/1997 Coll.

<sup>11)</sup> Act No. 283/2002 Coll. on travel expenses, as amended.

e) does not perform the function of a Board member for at least three consecutive months.

(3) The Minister may recall a Board member at the proposal of the persons who nominated the Board member pursuant to Section 5 (1), if the Board member demonstrably contravenes Section 5 (9) in the performance of his or her function.

## **Section 8 Meetings of the Board**

(1) The Board is quorate if more than half of all the members of the Board are present.

(2) The adoption of a resolution by the Board requires the agreement of more than half of all Board members.

(3) Meetings of the Board shall be convened by the chairman of the Board or, in his or her absence, by the vice-chairman of the Board at least once a month; the chairman of the Board or, in his or her absence, the vice-chairman of the Board shall convene a meeting of the Board if it is requested by at least three Board members or the Director. In the absence of the chairman of the Board, the vice-chairman of the Board shall deputise. Meetings of the Board are chaired by the chairman of the Board or, in his or her absence, by the vice-chairman.

(4) Meetings of the Board are open to the public except where they relate to the cases specified in Section 4 letters h), t) and u). Minutes shall be taken of every meeting of the Board. The minutes of the meeting of the Board shall be published within five days of the end of the meeting of the Board. Materials from the meetings of the Board shall be made available to the public through the Fund's website.

## **Section 9 The Supervisory committee**

(1) The Supervisory committee

- a) supervises compliance with the Fund's obligations pursuant to this act, other generally binding legal regulations<sup>12)</sup> and the internal regulations of the Fund;
- b) controls the correct and appropriate management of the Fund, appropriate distribution of financing from the Fund and use of the Fund's assets;
- c) expresses its opinion on the proposed budget, the financial statements and the annual report of the Fund; it presents its opinions to the Board;
- d) expresses its opinion on proposals of the Director to dispose of the assets of the Fund;
- e) expresses its opinion on proposals of the Director to write off receivables of the Fund or to end measures to recover receivables of the Fund permanently;
- f) informs the Board of the results of its activities and its findings;
- g) submits proposals for the remedies for the identified insufficiencies to the Board;
- h) elects the chairman of the Supervisory committee for a term of office of two years;
- i) approves the rules of procedure of the Supervisory committee.

(2) The members of the Supervisory committee are entitled to examine all accounting, economic, financial and other documents relating to the management and disposal of assets of the Fund. The Director shall provide such documents without undue delay.

## **Section 10 Assembly of the Supervisory committee and membership in the Supervisory committee**

(1) The Supervisory committee has three members. The Board appoints and recalls two member of the Supervisory committee in a secret ballot. The Minister appoints and recalls one member of the Supervisory committee.

(2) Members of the Supervisory committee shall be individuals who

- a) have permanent residence on the territory of the Slovak Republic;

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<sup>12)</sup> For example, Act No. 176/2004 Coll. as amended by Act No. 581/2004 Coll., Act No. 231/1999 Coll. on state aid as amended.

- b) are of Slovak nationality;
- c) have completed at least the second level of university education in the field of economics, management or law;
- d) have at least five years of professional experience in the stated fields;
- e) are fully competent to carry out legal acts; and
- f) are of blameless reputation as defined in Section 5 (2) (d).

(3) Incompatibility of function for members of the Supervisory committee are as specified in Section 5 (5) and (6). The function of a member of the Supervisory committee is incompatible with the membership in the Board or in the expert committee or with the function of Director.

(4) In the case of any change in the particulars specified in paragraphs 2 and 3 member of the Supervisory committee shall give written notice without undue delay to the body that appointed or elected him or her.

(5) Members of the Supervisory committee shall act impartially in the performance of their function and refrain from actions that would prioritise a personal interest above the public interest.

(6) Membership of the Supervisory committee cannot be deputised.

(7) Members of the Supervisory committee are entitled to monthly remuneration for the performance of their function. The amount of such remuneration shall be equal to one half of the average monthly wage in the economy of the Slovak Republic for the previous calendar year.

(8) Members of the Supervisory committee are entitled to reimbursement of travel costs pursuant to special regulations.<sup>11)</sup>

## **Section 11**

### **Term of office of the member of the Supervisory committee**

(1) The term of office of the member of the Supervisory committee is four years. The same person may be appointed as a member of the Supervisory committee for at most two consecutive terms of office.

(2) The term of office of the member of the Supervisory committee starts on the date following the expiry of the mandate of the member of the Supervisory committee to whose position the new member of the Supervisory committee was appointed, though not earlier than the date of his or her appointment.

## **Section 12**

### **Termination of membership in the Supervisory committee**

(1) Membership of the Supervisory committee terminates

- a) at the end of a term of office,
- b) by resignation from the function; membership ends on the date of delivery of a letter of resignation from the function to the body that appointed or elected the member of the Supervisory committee,
- c) by recall,
- d) by death or declaration as dead.

(2) The Board or the Minister shall recall a member of the Supervisory committee if he or she

- a) is lawfully convicted for an intentional crime or for a crime for which a suspended sentence was not handed down;
- b) is deprived of his or her competence to perform legal acts or his or her ability to perform legal acts was limited by a final court judgement;
- c) performs a function or activity that is incompatible with the function of a member of the Supervisory committee pursuant to Section 10 (3);
- d) does not perform his or her function for at least three consecutive months; or
- e) does not perform his or her function in accordance with the conditions specified in Section 10 (5).

(3) The Minister may also recall a member of the Supervisory committee without explanation.

### **Section 13 The Director**

(1) The Director is the executive body of the Fund, who directs its activity and acts on its behalf within the mandate granted by the Board. In his or her absence, the Director shall be deputised in the extent of his or her powers and responsibilities by a deputy selected by the Director.

(2) The Director decides on all matters relating to the Fund that are not reserved to the sole competence of the Board or the Supervisory committee by this act and performs the additional tasks, particularly

- a) decides on the allocation of financing from the Fund pursuant to Section 18 (11);
- b) submits proposals to the Board to write off receivables of the Fund or to end measures to recover receivables of the Fund permanently;
- c) manages the organisational and administrative-technical activities of the Fund and manages the activity of the office of the Fund;
- d) manages the implementation of the strategic objectives and development conceptions of the Fund in accordance with decisions of the Board;
- e) submits draft rules and priorities for the support activity of the Fund for a specific period to the Board;
- f) submits the proposed budget of the Fund and the annual report of the Fund to the Board for approval; the annual report shall include an evaluation of performance of the strategic objectives and development conceptions of the Fund in the relevant period;
- g) submits proposals for the appointment and recall of members of the expert committees of the Fund to the Board;
- h) submits the proposed organisational regulations of the office with the detailed regulation of the activities of the office to the Board for approval;
- i) submits the proposed organisational regulations and rules of procedure of the expert committees to the Board for approval;
- j) submits the proposals to dispose of assets of the Fund to the Board for approval;
- k) submits information on the allocation of financing from the Fund before the conclusion of the contract with the applicant to the Board;
- l) decides on the granting of co-production status pursuant to Section 32.

(3) The Director has the right to take part on meetings of the Board and in urgent cases he or she may initiate the convening of its meeting. The Director shall not take part in deciding on the election or recalling of the Director.

(4) Incompatibility of the function of the Director is specified as in Section 5 (5) and (6). The function of Director is incompatible with membership in the Board, the Supervisory committee or in the expert committee.

(5) The conditions of employment of the Director are governed by special regulations.<sup>13)</sup>

(6) If no Director is elected or if his or her term of office ends and a new Director has not been elected yet, the competences of the Director specified in paragraph 2 pass to the chairman of the Board.

### **Section 14 Requirements for the function of Director**

(1) For the function of the Director an individual can be elected, who fulfils all following requirements:

- a) has applied as a candidate for the function of Director (hereinafter referred to as “the candidate”) in response to a call published by the Board; the candidate may not be a member of the Board or a member of the Supervisory committee;
- b) is of Slovak nationality;
- c) has completed at least the second level of university education;
- d) has at least three years of professional experience in the field of management;
- e) has at least five years of professional experience in the field of audiovisual culture;
- f) does not perform a function specified in Section 5 (5) and (6) or an activity pursuant to special regulations,<sup>14)</sup> or submits a sworn statement as specified in paragraph 2 (g) stating that he or she will cease to perform such a function or activity within 30 days after his or her election.

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<sup>13)</sup> Act No. 552/2003 Coll. on the performance of work in the public interest as amended.

<sup>14)</sup> Section 9 of Act No. 552/2003 Coll. as amended.

- (2) The candidate encloses the following with the application:
- a) project of management and development of the Fund; the Board shall publish the basic scope and content of the project of the management and development of the Fund in the call specified in paragraph 1 (a);
  - b) extract from criminal records no older than three months;
  - c) curriculum vitae;
  - d) certificate of the highest level of education completed;
  - e) sworn statement of full competence to perform legal acts;
  - f) sworn statement of compliance with the requirements of professional experience in the area of management and in the area of audiovisual culture, stating the person for whom such activity was performed;
  - g) sworn statement that he or she does not perform any of the functions specified in Section 5 (5) and (6) or activity pursuant to special regulations<sup>13)</sup> or a sworn statement that he or she will cease to perform such a function or activity within 30 days of election.

(3) The term of office of the Director begins from the date of his or her election by the Board and lasts for five years.

### **Section 15** **Termination of the function of Director**

- (1) Performance of the function of Director terminates
- a) at the end of a term of office;
  - b) by resignation from the function; the performance of function is terminated on the date of delivery of a letter of resignation from the function to the chairman of the Board;
  - c) by recall from the function;
  - d) by death or declaration as dead.

- (2) The Board recalls the Director if he or she
- a) is lawfully convicted for an intentional crime or of a crime for which a suspended sentence was not handed down;
  - b) is deprived of his or her competence to perform legal acts or his or her ability to perform legal acts was limited by a final court judgement;
  - c) breached the provisions of this act; or
  - d) performs the function or activity that is incompatible with the function of Director pursuant to Section 14 (1) (f).

(3) The Board may recall the Director if he or she does not perform the function for at least three consecutive calendar months.

### **Section 16** **The Office**

(1) The office carries out tasks relating to the organizational, personnel, administrative and technical requirements for the performance of the activities of the Fund.

(2) The office checks the completeness of submitted applications for financing from the Fund and forwards applications that are complete to the expert committees for assessment.

(3) The Office checks the correctness and completeness of submitted applications for registration of a film project pursuant to Section 22c, checks the completeness of submitted applications for financing of support of audiovisual industry (hereinafter referred to as “application on support of audiovisual industry”) and checks the administrative compliance and correctness of authorised expenses pursuant to Section 22e (5) (f).

(4) The office administers the applications for granting of the co-production status pursuant to Section 32 and submits them to the Director for decision.

### **Section 17** **Expert committees**

- (1) The Fund establishes the expert committees to assess applications.



(2) Members of the expert committees are appointed and recalled by the Board for a period of two years. Membership in the expert committee cannot be deputised.

(3) A member of an expert committee shall not be an applicant for financing from the Fund, a member of the management, control or supervisory bodies of an applicant that is a legal entity or the statutory body of an applicant that is a legal entity.

(4) An expert committee has to be assembled of at least five members. The expert committee shall always have an odd number of members.

(5) The conditions of employment of the members of expert committees are governed by Sections 223 to 228a of the Labour Code.

(6) The expert committees evaluate every application for financing from the Fund in accordance with the rules and priorities approved by the Board in terms of

- a) artistic and creative potential;
- b) overall contribution to audiovisual culture in the Slovak Republic;
- c) justification and appropriateness of the requested financing.

(7) The expert committees present their evaluation to the Director in written form. The evaluation shall state whether the expert committees recommend or do not recommend provision of financing from the Fund and the proposed amount of financing in accordance with the approved budget of the Fund and the basic timetable for the provision and use of financing.

(8) Evaluations performed by the expert committees shall be in accordance with this Act and the internal regulations of the Fund.

### **PART 3 SUPPORT OF AUDIOVISUAL CULTURE**

#### **Section 18 Provision of financing for support of audiovisual culture**

- (1) The Fund provides financing for support of audiovisual culture as follows:
- a) for the creation, development, preparation for production and production of Slovak audiovisual works;
  - b) for the creation, development, preparation for production and production of Slovak feature, documentary and animated cinematographic works;<sup>15)</sup>
  - c) for postproduction and distribution of Slovak audiovisual works and the distribution of audiovisual works;
  - d) for production and distribution of cinematographic co-productions in which a Slovak producer has a co-production share;
  - e) for festivals, screenings and other cultural activities of the subjects operating in the area of audiovisual culture and cinematography in the Slovak Republic and the presentation and promotion of Slovak audiovisual works;
  - f) the publication and distribution of the periodical and non-periodical publications on audiovisual culture and cinematography;
  - g) the development of technology for the production, distribution, communication to the public and storage of audiovisual works in the Slovak Republic;
  - h) the development of education and special research in the sphere of audiovisual culture and cinematographic arts.

(2) The Fund provides financing for support of audiovisual culture for implementation of a project, which is defined for the purposes of this act particularly as a script or other literary work used to create an audiovisual work, a Slovak audiovisual work, a Slovak cinematographic work, organisation of a festival or screening in the field of audiovisual creation in the Slovak Republic, organisation of a presentation and promotion of Slovak audiovisual works, publications in the sphere of audiovisual culture and cinematography, education and research in the sphere of audiovisual culture in the Slovak Republic, or development of technology for production, distribution, communication to the public and storage of audiovisual works (hereinafter referred to as "project").

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<sup>15)</sup> Section 2 (3) of Act No. 343/2007 Coll.

- (3) The Fund provides financing for support of audiovisual culture in the following forms:
- a) grants;
  - b) loans<sup>16)</sup> with a repayment period no more than 5 years; or
  - c) scholarships.

(4) The Fund may define special conditions of the Fund's share from commercial valuation of a project up to the sum of granted financing in the contract. The rules for setting these conditions are part of the rules for the provision of financing from the Fund, which are approved by the Board.

(5) The Fund provides financing in the form of scholarships solely to individuals for the purpose of developing creativity, education and special research in the sphere of audiovisual culture and film arts. A scholarship is non-refundable financial support linked to a specific purpose which the Fund pays once or repeatedly during a precisely specified time period in accordance with the contract concluded pursuant to Section 22.

(6) There is no legal claim to provision of financing for support of audiovisual culture from the Fund.

(7) The Fund cannot provide financing to cover loss resulting from a person's activities.

(8) Grant for the production of the audiovisual work can be granted in the amount no higher than 50 % of the audiovisual work production budget; this does not apply for the grant granted for the production of the audiovisual work that is a low-budgetary work or for the production of a difficult audiovisual work which could be financed up to 90 % of the production budget of such an audiovisual work.

(9) A low-budgetary audiovisual work is an audiovisual work with the production budget no higher than the average expenses for the production of a Slovak audiovisual work. The amount of the average expenses shall be set by the Board concerning the statistics in the field of audiovisual culture. A difficult audiovisual work is an audiovisual work that is not primarily produced for the economic valuation and its possible economic valuation can not have an effect on the revenues within the relevant market, especially pursuant to its artistic or experimental character, in accordance with its content or its technical adaptation. The criteria of the difficulty shall be set by the Board and its fulfilment is evaluated by the Director according to the assessment of the expert committees.

(10) The Fund shall provide a grant to an applicant for support of audiovisual culture who provides written proof of co-financing of the project for which financing is requested from his or her own or other sources. The amount of co-financing shall be set by the Fund in the rules and priorities of support activity of the Fund for the relevant period as approved by the Board.

(11) The Director shall decide on the provision of financing for support of audiovisual culture from the Fund within 60 days of the date of delivery of the complete application. The Director shall decide to grant financing for support of audiovisual culture based on the evaluation of the expert committees only if the expert committees recommend the particular application for support of audiovisual culture for financing and if it is in accordance with the rules for the provision of state aid specified in special regulations.<sup>17)</sup>

(12) The Fund shall publish decisions of the Director pursuant to paragraph 11 on its website. There is no appeal against such decisions.

(13) Based on the decision in accordance with paragraph 11, the Fund prepares and delivers a draft contract to the applicant for support of audiovisual culture pursuant to Section 22.

## **Section 19**

### **Applicants for support of audiovisual culture**

(1) Individuals who are fully competent to perform legal acts and legal entities may apply for support of audiovisual culture. If an applicant for support of audiovisual culture operates a business and requests financing in the form of the grant or the loan, they shall be eligible to carry out the business activity for which financing is

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<sup>16)</sup> Sections 657 and 658 of the Civil Code.

<sup>17)</sup> Articles 87 to 89 of the Treaty Establishing the European Community in valid version (Official Journal of the European Communities C 325. 24 Dec. 2002).  
Act No. 231/1999 Coll. as amended

requested from the Fund. An applicant for support of audiovisual culture may be the person who initiated the project or a person who is responsible either independently or in cooperation with other persons for the implementation of the project.

- (2) The Fund may provide financing to
- a) independent producers in the audiovisual industry who are registered pursuant to special regulation,<sup>18)</sup>
  - b) producers of Slovak audiovisual works;<sup>19)</sup>
  - c) authors and co-authors of Slovak audiovisual works;
  - d) distributors of audiovisual works;<sup>20)</sup>
  - e) persons engaging in the restoration and development of technical infrastructure for production of audiovisual works and their communication to the public in the territory of the Slovak Republic;
  - f) persons engaging in promotion and support of distribution of audiovisual works;
  - g) individuals engaging in the development of education and special research in the sphere of audiovisual culture and film arts;
  - h) operators of audiovisual technical devices<sup>21)</sup> in the territory of the Slovak Republic to restore and develop the technology of such devices.

- (3) The Fund cannot provide financing to the applicant for support of audiovisual culture
- a) who is in bankruptcy<sup>22)</sup> or liquidation<sup>23)</sup>;
  - b) against whom execution procedures are in progress;<sup>24)</sup>
  - c) whose financial relations with the state budget or with the Fund are not fully settled;
  - d) who is an enterprise or consortium of enterprises<sup>25)</sup> that has breached the prohibition of illegal employment pursuant to special regulation;<sup>26)</sup>
  - e) who has not submitted financial statement of financing from the Fund.

(4) An applicant for support of audiovisual culture shall not be a member of the Board, a member of the Supervisory committee, a member of an expert committee, the Director, or a person with a close relationship to the Director.<sup>27)</sup>

## **Section 20**

### **Submission of applications for support of audiovisual culture**

(1) The Fund may provide financing based on a written application for support of audiovisual culture. In their applications, applicants for support of audiovisual culture shall state the form of financing and the amount they request. The Fund shall publish a sample form of an application for support of audiovisual culture on its website.

- (2) The application for support of audiovisual culture shall have the following annexes attached:
- a) description of the project;
  - b) overall budget of the project including cost calculations;
  - c) certificate of the legal capacity of the applicant, if the applicant is a legal entity;
  - d) documentation of eligibility to carry on a trade or other documentation of eligibility for business activity, if the applicant is a natural person – entrepreneur;
  - e) sworn statement that the applicant has not breached the prohibition of illegal employment, if the applicant is an enterprise or consortium of enterprises;

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<sup>18)</sup> Sections 37 to 41 of Act No. 343/2007 Coll.

<sup>19)</sup> Section 2 (1) of Act No. 343/2007 Coll.

<sup>20)</sup> Section 2 (17) of Act No. 343/2007 Coll.

<sup>21)</sup> Section 2 (14) of Act No. 343/2007 Coll.

<sup>22)</sup> Act No. 7/2005 Coll. on bankruptcy and restructuring and the amendment of certain acts as amended.

<sup>23)</sup> Section 70 to 75a of the Commercial Code.

<sup>24)</sup> Act No. 233/1995 Coll. on court executors and execution (the Code of Execution Procedure) and the amendment of certain acts as amended.

Act No. 511/1992 Coll. on the administration of taxes and fees and changes in the system of local financial authorities as amended.

<sup>25)</sup> Sections 20f and 20j of the Civil Code.

<sup>26)</sup> Act No. 82/2005 Coll. on illegal work and illegal employment and the amendment of certain acts as amended by Act No. 125/2006 Coll.

<sup>27)</sup> Sections 116 to 117 of the Civil Code.

- f) proof that the applicant has opened an account in a bank or branch of a foreign bank to which the applicant wishes the financing to be paid;
- g) documentation pursuant to Section 18 (10);
- h) certificate of payment of the administration fee for processing of the application pursuant to Section 21;
- i) sworn statement that the applicant is not in bankruptcy or liquidation and that no execution procedure is in progress against the applicant;
- j) sworn statement that the applicant has settled all obligations to the state budget;
- k) sworn statement of the applicant that in the last three calendar years they have properly submitted the financial statement of financing from the Fund if they were required to do so;
- l) sworn statement of the applicant that they cooperate in state statistical surveys in the area of culture in accordance with special regulation;<sup>28)</sup>
- m) sworn statement of the applicant who is required to provide information specified by law pursuant to special regulation<sup>29)</sup>, that they have complied with this obligation;
- n) other documents necessary for the assessment of the application that the Fund specifies for the given time period in the call for the submission of applications.

(3) An applicant for support of audiovisual culture shall submit the annexes specified in paragraph 2 (c) and (d) as an original or as a notarised copy no older than three months, otherwise the submitted annex shall not be taken into consideration.

(4) If the annexes specified in paragraph 2 are submitted in a language other than the national language, the applicant for support of audiovisual culture shall also submit a translation of them in the national language of the Slovak Republic.

(5) Applications for support of audiovisual culture shall be submitted by deadlines set by the Fund, which the Fund shall specify for the given time period in the call for the submission of applications.

(6) If more persons participate in the implementation of a single project, only one person authorised for this purpose in writing by the other participating persons may submit the application for support of audiovisual culture.

(7) An applicant for support of audiovisual culture shall attach the annexes specified in paragraph 2 (a), (f), (j) and (k) to their application for provision of a scholarship.

(8) After delivery of an application for support of audiovisual culture to the Fund, the office shall check whether the application was submitted by an eligible applicant as specified in Section 19 and whether the submitted application is completed correctly and contains the annexes specified in paragraph 2. The office shall also check the completeness of the budget and compliance of the application with the rules for the provision of financing from the Fund approved by the Board.

(9) If an application for support of audiovisual culture is not completed correctly or does not contain the annexes specified in paragraph 2, the Fund shall request the applicant for support of audiovisual culture in writing to complete the application within the period which shall not be less than 10 days of the date of delivery of the request.

(10) If an application for support of audiovisual culture is submitted by an ineligible applicant or does not contain the annexes specified in paragraph 2 and the applicant does not submit them within the additional period pursuant to paragraph 9, the office shall exclude it from the decision process and notify the applicant for support of audiovisual culture of this without undue delay. The office shall proceed likewise if it finds from the submitted budget that the application does not comply with the rules for the provision of financing from the Fund approved by the Board.

(11) The office shall forward applications for support of audiovisual culture that are complete to the expert committees for assessment. The expert committees shall submit the application together with its written evaluation to the Director, who shall decide on the application.

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<sup>28)</sup> Act No. 540/2001 Coll. on state statistics as amended

<sup>29)</sup> Section 11 of Act No. 343/2007 Coll.

## **Section 21**

### **Administrative fee for the processing of an application for support of audiovisual culture**

- (1) An applicant shall pay the administrative fee for the processing of the application for support of audiovisual culture in form of grant or loan to the account of the Fund.
- (2) The administrative fee is 0.1 % of the requested financing, at least EUR 20 and at most EUR 300.
- (3) Cancelled as of 1 January 2013.

## **Section 22**

### **Contract on providing financing for support of audiovisual culture**

(1) The Fund shall provide financing pursuant to Section 18 (3) based on a written contract concluded with the applicant.

(2) Under the contract defined in paragraph 1, the Fund undertakes to provide the applicant for support of audiovisual culture with financial means for a set purpose subject to the conditions laid down by this act and the Fund and the applicant for support of audiovisual culture undertakes to use the financing in accordance with the given purpose and conditions and to provide authentic documentation of the use of financing in accordance with the contract to the Fund.

- (3) The contract defined in paragraph 1 shall state
- a) the purpose for which financing is provided;
  - b) the content of the project and its name;
  - c) the amount of financing provided;
  - d) the conditions under which financing is provided and under which it may be used;
  - e) the conditions for accounting in relation to the provided financing;
  - f) the penalties for breach of the contractual conditions specified in paragraph 7 (b);
  - g) other agreed matters relating to the provision of financing;

(4) The Fund shall submit a draft contract to the applicant for support of audiovisual culture within 30 days of issuing a decision of the Director on provision of financing pursuant to Section 18 (11). If the applicant does not accept the draft contract within 30 days of the delivery of the draft contract, the draft contract shall expire.

(5) If the applicant for support of audiovisual culture accepts the draft contract with amendments, reservations, limitations or other changes, such acceptance shall be considered a new draft contract. The Director shall submit the new draft contract and his or her opinion thereon for decision to the Board without undue delay. The Board shall decide whether to accept or reject the new draft within 30 days of its submission. The new draft agreement shall not contain amendments, reservations, limitations or other changes relating to the contractual particulars specified in paragraph 3 (a) and (c).

(6) On entering into the contract, the applicant for support of audiovisual culture becomes a recipient of financing for support of audiovisual culture.

(7) A recipient of financing for support of audiovisual culture may use the financing solely for the purpose specified in the contract. If financing from the Fund is used for a purpose other than that stated in the contract, the recipient of financing for support of audiovisual culture shall

- a) return all illegitimately used financing; and
- b) pay the Fund a fine amounting to 0.05 % of the illegitimately used financing for each day or part thereof of illegitimate use of financing from the date of the illegitimate use until its return to the Fund.

(8) The recipient of the financing for support of audiovisual culture shall attach the following to the financial statement of the financing provided under the contract:

- a) a report on the implementation of the project describing in detail all stages of the implementation of the project;
- b) information on the achievement of the expected outcomes that the applicant presented in the application for financing;
- c) applicant's own assessment of the benefit of the project after its implementation.

**PART 4**  
**SUPPORT OF AUDIOVISUAL INDUSTRY**

**Section 22a**  
**Provision of financing for support of audiovisual industry**

(1) The Fund provides financing for support of audiovisual industry for realisation of a film project. For the purposes of this Act, a film project represents an audiovisual work

- a) which is a feature, documentary or animated cinematographic work or a work primarily intended for television broadcasting within a range defined in a generally binding legal regulation issued by the Ministry;
- b) which is compliant with criteria of culture test defined, together with a sample form of culture test, by a generally binding legal regulation issued by the Ministry; or to which a co-production status was issued by an eligible person; and
- c) in relation to the creation of which the eligible expenses have been paid at least at the rate defined in a generally binding legal regulation issued by the Ministry.

(2) A legally binding legal regulation issued by the Ministry shall define

- a) minimum time length of a film project pursuant to paragraph 1, sub-paragraph a);
- b) criteria of culture test accompanied by the sample form of culture test pursuant to paragraph 1, sub-paragraph b); and
- c) minimum sum of authorised expenses that shall be paid in relation to creation of a film project pursuant to paragraph 1, sub-paragraph c).

(3) For the purpose of provision of financing for support of audiovisual industry, authorised expenses represent those expenses which are directly related to realisation of a film project pursuant to paragraph 1, and which arose and were paid after issuing a certificate of registration of this film project pursuant to Section 22c, paragraph 7, particularly:

- a) payment for merchandise or services to a person, which has a seat, seat of a branch or a place of business in the territory of the Slovak Republic and which is registered in the respective tax authority in the Slovak Republic<sup>29a)</sup>;
- b) payment of a reward or salary to a natural person, if such a reward or salary is taxed<sup>29a)</sup> in the Slovak Republic.

(4) If the authorised expenses were paid by a person which is a registered value added tax payer, the expenses in the sum excluding value added tax shall be considered authorised. If the authorised expenses were paid by a person which is not a registered value added tax payer, the expenses in the sum including value added tax shall be considered authorised.

(5) The expenses paid from the financial means provided from public resources shall not be counted in the total amount of authorised expenses.

(6) The Fund provides financing for support of audiovisual industry in form of a grant in the amount of maximum 20 % of authorised expenses pursuant to paragraph 3.

(7) There is no legal claim to provision of financing for support of audiovisual industry from the Fund.

**Section 22b**  
**Applicants for financing for support of audiovisual industry**

(1) An applicant for financing for support of audiovisual industry (hereinafter referred to as “applicant for support of audiovisual industry”) shall be a legal entity, which

- a) is a producer or a co-producer of a film project, for realisation of which it applies for financial support; or
- b) has signed a written contract with the legal entity pursuant to sub-paragraph a), the purpose of which is:
  1. a commitment of this entity to perform activities to the entity pursuant to sub-paragraph a) related to realisation of the film project on which it applies for financial support,

<sup>29a)</sup> Section 67 of Act No. 563/2009 Coll. on tax administration (tax regulations) and the amendment and supplement of certain acts.

2. identification of the film project, for realisation of which it applies for financial support;
3. agreement of the entity pursuant to sub-paragraph a) with the application for financing for realisation of a film project specified in such written contract.

(2) In case of a film project realised in co-production, the applicant for support of audiovisual industry shall be only one co-producer, which is authorised in writing for this purpose by other co-producer; or a legal entity, which has signed a written contract pursuant to paragraph 1, sub-paragraph b) with this co-producer.

(3) An entity to which the Fund cannot provide financial support due to at least one reason pursuant to Section 19, paragraph 3 cannot be an applicant for support of audiovisual industry.

(4) An applicant for support of audiovisual industry shall not be a member of the Board, a member of the Supervisory committee, a member of an expert committee, the Director, or a person with a close relationship to the Director.<sup>27)</sup>

### **Section 22c** **Application for registration of a film project**

(3) An applicant for support of audiovisual industry shall submit the application for registration of a film project to the Fund. The Fund shall publish a sample form of an application for support of audiovisual culture on its website.

(4) The application for registration of a film project shall have the following annexes attached:

- a) filled form for culture test or co-production status issued by an eligible person;
- b) content intention of the registered film project;
- c) investment intention of the registered film project containing the estimated amount of overall budget and the estimated amount of authorised expenses;
- d) timetable of realisation of the registered film project;
- e) receipt confirming the payment of administrative fee pursuant to Section 22d;
- f) written contract pursuant to Section 22b, paragraph 1, sub-paragraph b), in case the applicant for support of audiovisual industry is a legal entity pursuant to Section 22b, paragraph 1 sub-paragraph b).

(5) If the annexes pursuant to paragraph 2 are submitted in a language other than the national language, the applicant for support of audiovisual culture shall also submit a translation of them in the national language of the Slovak Republic.

(6) After submitting the application for registration of a film project to the Fund, the office shall check whether all annexes specified in paragraph 2 were enclosed to the application for registration of a film project. The office shall also check whether the film project is compliant to the criteria pursuant to Section 22a, paragraph 1, sub-paragraphs a) and b).

(7) If an application for registration of a film project does not contain the annexes specified in paragraph 2, the Fund shall request the applicant for support of audiovisual industry in writing to complete the application for registration of a film project within the period which shall not be less than 30 days from the date of delivery of the request.

(8) The Fund rejects the application for registration of a film project if

- a) the applicant for support of audiovisual industry did not complete the application for registration of a film project pursuant to paragraph 5;
- b) the film project does not comply with criteria specified in Section 22a, paragraph 1, sub-paragraphs a) and b); or
- c) it is apparent from the annex specified in paragraph 2, sub-paragraph c) that the authorised expenses will be paid in a lower sum than the sum pursuant to Section 22a, paragraph 1, sub-paragraph c) in relation to the film project realisation.

(9) If the Fund does not reject the application for registration of a film project pursuant to paragraph 6, it issues the certificate of film project registration to the applicant for support of audiovisual industry, which is valid 3 years from its date of issue.

## **Section 22d**

### **Administrative fee for processing the application for registration of a film project**

An applicant shall pay the administrative fee for the processing of the application for support of audiovisual industry in the sum of EUR 1,000 to the account of the Fund.

## **Section 22e**

### **Application for support of audiovisual industry**

(1) Application for support of audiovisual industry, the sample form of which will be published on the Fund's website, may be submitted only by the applicants for support of audiovisual industry, which:

- a) has a valid certificate of film project registration; or
- b) signed a written contract with a legal entity pursuant to Section 22b, paragraph 1, sub-paragraph a), which has a valid certificate of film project registration pursuant to Section 22b, paragraph 1 sub-paragraph b).

(2) The applicant for support of audiovisual industry is allowed to submit the application for support of audiovisual industry at once in relation to all realised authorised expenses, or continually after the end of calendar quarter year in relation to authorised expenses realised in the period preceding its submission. If the applicant for support of audiovisual industry submits the application for support of audiovisual industry continually, they are allowed to submit it for the first time after the end of the calendar quarter year in which the sum of authorised expenses was exceeded pursuant to Section 22a, paragraph 1 sub-paragraph c).

(3) The annexes to the application for support of audiovisual industry shall be as follows:

- a) certificate of the legal capacity of the applicant for support of audiovisual industry;
- b) written contract pursuant to Section 22b, paragraph 1 sub-paragraph b), if the applicant is a legal entity pursuant to Section 22b, paragraph 1 sub-paragraph b),
- c) report from auditor on verification of occurrence, accounting and payments of authorised expenses,
- d) sworn statement of the applicant for support of audiovisual industry on the amount of financing from public sources that the applicant received in relation to the realisation of the film project on which the Fund issued the certificate of registration;
- e) certificate of the respective labour inspectorate on not breaching the prohibition of illegal employment, if the applicant for support of audiovisual industry is an enterprise or consortium of enterprises;
- f) proof that the applicant for support of audiovisual industry has opened an account in a bank<sup>27a)</sup> or branch of a foreign bank<sup>27b)</sup> to which the applicant for support of audiovisual industry wishes the financing to be paid;
- g) certificate of a respective court that the applicant for support of audiovisual industry is not in bankruptcy or liquidation and that no execution procedure is in progress against the applicant for support of audiovisual industry;
- h) sworn statement of the applicant for support of audiovisual industry that they have settled the financial relations with the subjects of public administration;
- i) sworn statement of the applicant for support of audiovisual industry that they have always properly submitted the financial statement of financing from the Fund in the last three calendar years if they were required to do so.

(4) If the annexes specified in paragraph 3, sub-paragraph a), b), d) to i) are submitted in a language other than the national language, the applicant for support of audiovisual industry shall also submit a translation of them in the national language of the Slovak Republic. The annex specified in paragraph 3, sub-paragraph c) shall be created in the national language of the Slovak Republic.

(5) Within 30 days of the delivery of an application for support of audiovisual industry to the Fund, the office shall check whether the application was submitted by an eligible applicant as specified in Section 22b and whether the submitted application is completed correctly and contains the annexes specified in paragraph 3. The office shall also check the administrative accordance and accuracy of authorised expenses.

(6) If an application for support of audiovisual industry is not completed correctly or does not contain the annexes specified in paragraph 3, the Fund shall request the applicant for support of audiovisual industry in writing to complete the application within the period which shall not be less than 30 days of the date of delivery of the request.

(7) For the purposes of verification of the administrative accordance and accuracy of authorised expenses, the applicant for support of audiovisual industry shall, based on the written request of the Fund and in the period



defined in the application that cannot be less than 10 days of the date of submission of the application, submit the copies of accounting documents confirming the occurrence, accounting and payments of authorised expenses pursuant to Section 22a, paragraph 3, sub-paragraph a) and copies of documents confirming the tax payments regarding the rewards or salaries of natural persons pursuant to Section 22a paragraph 3 sub-paragraph b).

(8) Within 30 days of the date of submission of the complete application for support of audiovisual industry or within 30 days of the date of submission of documents specified in the paragraph 7, if the Fund proceeded pursuant to paragraph 7, the Fund rejects the application for support of audiovisual industry if

- a) the application for support of audiovisual industry was submitted by an ineligible applicant for support of audiovisual industry;
- b) the applicant for support of audiovisual industry, or a legal entity pursuant to Section 22b, paragraph 1, sub-paragraph a) if the the application for support of audiovisual industry is a person defined in Section 22b, paragraph 1, sub-paragraph b), does not have a valid certificate of film project registration;
- c) the applicant for support of audiovisual industry did not complete the application even within the additional period defined in paragraph 6;
- d) the applicant for support of audiovisual industry did not provide the copies of documents within the period defined in paragraph 7; or
- e) after the verification of administrative accordance and accuracy of authorised expenses it detects that the amount of authorised expenses is lower than the sum pursuant to Section 22a, paragraph 1, sub-paragraph c).

(9) If the Fund does not reject the application for support of audiovisual industry pursuant to paragraph 8, within 30 days of the date of submission of the complete application for support of audiovisual industry or within 30 days of the date of submission of documents specified in the paragraph 7, if the Fund proceeded pursuant to paragraph 7, it issues the certificate of overall sum of authorised expenses, from which the Fund calculates the amount of financial means for support of audiovisual industry in accordance with Section 22a, paragraph 6 and with the rules of provision of state aid pursuant to a special regulation 17) (hereinafter referred to as “certificate of authorised expenses”).

(10) Without undue delay after the issuance of the certificate of authorised expenses, the Fund shall deliver this certificate along with the draft contract on providing financing for support of audiovisual industry (hereinafter referred to as “contract on support of audiovisual industry”).

#### **Section 22f** **Contract on support of audiovisual industry**

(1) Contract on support of audiovisual industry includes the commitment

- a) of the Fund to provide the applicant for support of audiovisual industry with financing for support of audiovisual industry within the period no later than 30 days of concluding the contract on support of audiovisual industry;
- b) of the applicant for support of audiovisual industry
  1. to ensure that the film project, on realisation of which the financing for support of audiovisual industry was provided, would comply with the conditions specified in Section 22a, paragraph 1, sub-paragraph a) and b);
  2. to submit the copies of accounting documents confirming the occurrence, accounting and payments of authorised expenses pursuant to Section 22a, paragraph 3 based on a written request of the Fund and within the period defined in the application for the purpose of examination of authorised expenses.

(2) If the applicant for support of audiovisual industry does not accept the draft contract on support of audiovisual industry no later than 30 days of its delivery, the draft contract shall expire.

(3) On entering into the contract on support of audiovisual industry, the applicant for support of audiovisual industry becomes a recipient of financing for support of audiovisual industry.

(4) The Fund shall provide financing pursuant to Section 22a based on a written contract on support of audiovisual industry to the recipient of financing for support of audiovisual industry, which has a seat or a branch in the territory of the Slovak Republic and is registered in the respective tax authority.<sup>29a)</sup>

**PART 5**  
**FINANCING AND MANAGEMENT OF THE FUND**

**Section 23**

- (1) The income of the Fund comprises of
- a) contributions to the Fund pursuant to Sections 24 to 28;
  - b) contribution from the state budget;
  - c) interests on deposits in banks or branches of foreign banks;
  - d) interests on loans provided using resources from the Fund;
  - e) contractual penalties for ineligible use or withholding of financing;
  - f) administrative fees collected pursuant to Section 21;
  - g) financial donations, voluntary contributions;
  - h) other incomes.
- (2) The financial resources of the Fund shall be kept in accounts in a bank or a branch of a foreign bank.<sup>30)</sup>
- (3) The financial resources managed by the Fund can only be used for the purposes laid down in this act. The Fund shall ensure that its financial resources are used economically and effectively. Neither the financial resources nor other assets of the Fund may be used for the benefit of a political party or political movement or for the benefit of a candidate for election into a political office.
- (4) The Fund shall use 95 % of its income for support activity pursuant to this Act.
- (5) The Fund may use for its own operation
- a) at most 5 % of its total income pursuant to paragraph 1, sub-paragraph a), b), d), e), g) and h);
  - b) incomes pursuant to paragraph 1, sub-paragraph c) and f).
- (6) The Fund shall keep accounts in accordance with special regulation.<sup>31)</sup> The financial statements and the correspondence of the annual report with the financial statements shall be audited<sup>32)</sup> and these shall be published after approval by the Board no later than on the end of the fourth month of the following accounting year. The Fund shall submit the financial statement and annual report including the auditor's report into the Register of financial statements<sup>32a)</sup> no later than at the end of the fourth month of the following calendar year.
- (7) The annual report contains
- a) summary and evaluation of the performance of the activities of the Fund laid down by this act, in particular activities pursuant to Section 2, sub-paragraphs (b) to (f);
  - b) summary of financing provided to applicants;
  - c) financial statements and the assessment of the basic data that they contain;
  - d) opinion of the Supervisory committee on the financial statement and the economic result achieved by the Fund;
  - e) other information at the discretion of the Board.
- (8) Control of the economic management of the Fund is carried out by the Supreme Audit Office of the Slovak Republic and other authorities pursuant to special regulations.<sup>33)</sup>
- (9) Disposal of the assets of the Fund is governed by special regulation<sup>4)</sup> unless this Act stipulates otherwise.

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<sup>30)</sup> Section 2 (9) of Act No. 492/2009 Coll. on payment services. Section 2 (1,5,9) of Act No. 483/2001 Coll. on banks.

<sup>31)</sup> Section 9 (1) of Act No. 431/2002 Coll. on accounting as amended.

<sup>32)</sup> Act No. 540/2007 Coll. on auditors, audits and supervision of the performance of audits and the amendment of Act No. 431/2002 Coll. on accounting as amended.

<sup>32a)</sup> Section 23 of Act No. 431/2002 Coll.

<sup>33)</sup> For example, Act No. 39/1993 Coll. on the Supreme Audit Office of the Slovak Republic as amended, Act No. 440/2000 Coll. on Financial Control Administration as amended.

## **Contributions to the Fund**

### **Section 24**

#### **Contribution of the public service television broadcaster**

- (1) The public service television broadcaster<sup>6)</sup> is obliged to pay the contribution to the Fund.
- (2) The base for the calculation of the contribution pursuant to paragraph 1 is the total revenue of the public service television broadcaster from advertising and teleshopping in the last calendar year.
- (3) The contribution of the public service television broadcaster is 5 % of the base defined in paragraph 2.

### **Section 25**

#### **Contribution of the licensed television broadcaster**

- (1) The television broadcaster authorised to broadcast under a licence granted pursuant to special regulations<sup>34)</sup>, whose programme service comprises audiovisual works more than in 15 % and whose broadcasting has national or multi-regional coverage<sup>35)</sup>, other than a broadcaster whose programme service is used only for the broadcaster's own promotion, shall pay the contribution to the Fund.
- (2) The base for the calculation of the contribution pursuant to paragraph 1 is the total revenue of the licensed television broadcaster from advertising and teleshopping broadcast for payment pursuant to a special regulation<sup>36)</sup> in the last calendar year.
- (3) The contribution of a licensed television broadcaster is 2 % of the base defined in paragraph 2.

### **Section 26**

#### **Contribution of the operator of the audiovisual technical device**

- (1) The operator of the audiovisual technical device<sup>21)</sup> is obliged to pay the contribution to the Fund.
- (2) The contribution of the audiovisual technical device is EUR 0.03 for each ticket sold for an audiovisual performance in the last calendar year.

### **Section 27**

#### **Contribution of the retransmission provider**

- (1) The retransmission provider<sup>37)</sup> is obliged to pay the contribution to the Fund.
- (2) The base for the calculation of the contribution pursuant to paragraph 1 is the total revenue of the retransmission provider for the provision of retransmission as a content service to end customers in the last calendar year.
- (3) The contribution of the retransmission provider is 1 % of the base defined in paragraph 2.

### **Section 28**

#### **Contribution of the distributor of audiovisual works**

- (1) The distributor of audiovisual works<sup>20)</sup> is obliged to pay the contribution to the Fund.

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<sup>34)</sup> Section 2 (1) (b) of Act No. 308/2000 Coll. as amended.

Act No. 220/2007 Coll. on the digital broadcasting of programme services and the provision of other content services by digital means and the amendment of certain acts (the Digital Broadcasting Act) as amended by Act No. 654/2007 Coll.

<sup>35)</sup> Section 3 (m) and (n) of Act No. 308/2002 Coll. as amended.

<sup>36)</sup> Sections 32 to 39 of Act No. 308/2000 Coll. as amended.

<sup>37)</sup> Section 3 (b) of Act No. 308/2002 Coll. as amended.

(2) The base for the calculation of the contribution pursuant to paragraph 1 is the total revenue of the distributor of audiovisual works from the distribution of audiovisual works in the territory of the Slovak Republic in the last calendar year, except the revenues for audiovisual performance.

(3) The contribution of the distributor of audiovisual works is 1 % of the base defined in paragraph 2.

### **Section 29** **Contribution from the state budget**

(1) A contribution from the state budget to the Fund shall be provided within the approved limits of the Ministry for the relevant budgetary period pursuant to the Act on the State Budget as follows:

- a) contribution intended for support of audiovisual culture in accordance with strategic objectives and long-term conceptions of audiovisual culture and audiovisual industry development in the Slovak Republic approved by the Ministry;
- b) contribution intended for support of audiovisual industry.

(2) The contribution defined in paragraph 1, sub-paragraph a) shall not be lower than the overall sum of the contributions of the persons pursuant to the Sections 24 to 28 for the last calendar year.

(3) The contribution defined in paragraph 1, sub-paragraph b) shall not be lower than the sum that the Fund notifies to the Ministry pursuant to paragraph 4 no later than on 30<sup>th</sup> June of the preceding calendar year.

(4) The Fund shall annually notify the overall amount of financial means intended for support of audiovisual industry to the Ministry no later than on 30<sup>th</sup> June. This sum shall be calculated by estimated sums of authorised expenses specified in individual applications on film project registration.

### **Joint provisions on the payment of contributions**

#### **Section 30**

(1) Persons who pay the contribution to the Fund pursuant to Sections 24 to 28 are obliged to transfer this contribution in cashless form to the account of the Fund for each year no later than on the 31<sup>st</sup> July of the following calendar year and submit a statement to the Fund regarding the paid contribution, stating particularly the base used for the calculation of the contribution for the given period and the amount of the contribution paid.

(2) Persons obliged to pay the contribution to the Fund pursuant to Sections 24 to 28 shall, in response to a written request and for the purposes of controlling, allow the Fund access to accounting documents kept pursuant to special regulations<sup>38)</sup>, which are used to determine the base for the calculation of the contribution and the payment of the contribution no later than 10 days from the delivery of such a request.

(3) The base used to calculate the contribution pursuant to Sections 24, 25, 27 and 28 shall not include value added tax. The base for the calculation of the contribution shall be rounded to a full euro upwards. Contributions pursuant to Section 24, 25, 27 and 28 shall be rounded to a full euro upwards.

(4) No contribution to the Fund pursuant to Sections 24 to 28 shall be paid if the amount of the contribution for the relevant calendar year is less than EUR 50. This shall not affect the obligation to submit a statement on the contribution pursuant to paragraph 1.

#### **Section 31**

(1) If a person who pays the contribution to the Fund pursuant to Sections 24 to 28 does not pay the contribution by the deadline laid down in Section 30 (1), the Fund has the right to sue for the setting of the amount of the contribution or the payment of the amount owed in court.

(2) In addition to the claim pursuant to paragraph 1, the Fund may sue for the payment of default interest on the unpaid amount at a rate 10 % higher than the base rate of the European Central Bank in force before the first calendar day of the calendar half year in which the payment became overdue. The base interest rate of the

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<sup>38)</sup> Sections 31 to 37 of Act No. 431/2002 Coll. as amended.

European Central Bank in force on the first calendar day of the calendar half year shall be used for the whole of the given half year.

## **PART 6 CO-PRODUCTION STATUS**

### **Section 32**

(1) The Fund shall grant co-production status to Slovak audiovisual works that are European cinematographic works<sup>39)</sup> and that comply with the conditions laid down in the European Convention on Cinematographic Co-production (hereinafter referred to as “the Convention”) and this Act. The co-production status for the European cinematographic work may be granted if

- a) European cinematographic work will be produced in a co-production by at least three co-producers with permanent residence or seat in at least three different states that are parties to the Convention or in a co-production by at least three co-producers with permanent residence or seat in three different states that are parties to the Convention and one or more co-producers who have permanent residence or seat in states that are not parties to the Convention whereby the total investment of co-producers who do not have permanent residence or seat in states that are parties to the Convention may not exceed 30 % of total production costs; co-production status may also be granted to European cinematographic works produced in a co-production by two co-producers with permanent residence or seat in two different states that are parties to the Convention unless there is no agreement on bilateral co-production relations between the two states and neither state has made a reservation pursuant to the Convention,<sup>40)</sup>
- b) co-producers are deemed to possess adequate technical and financial means and sufficient professional qualifications,
- c) the proportion of contributions to the co-production is set as follows:
  1. in the case of multilateral co-production, the minimum contribution of a co-producer may not be less than 10 % and the maximum contribution of a co-producer may not exceed 70 % of total production costs of the European cinematographic work,
  2. in the case of bilateral co-production, the minimum contribution of a co-producer may not be less than 20 % and the maximum contribution of a co-producer may not exceed 80 % of total production costs of the European cinematographic work,
- d) the contribution of each of the co-producers includes effective technical and artistic participation; the contribution of the co-producers in regard to creative personnel, technical crew, actors, interpreters and equipment shall be proportional to their investment in overall production costs whereby, except to the international obligations of the states and to the demands of the screenplay, the technical and production crew shall be made up of nationals of the states which are partners in the co-production, and post-production shall be basically carried out in those states.

(2) The co-production status pursuant to this Act may be also granted to solely financial co-productions if they

- a) include one minority contribution or multiple minority contributions of co-producers which may be solely financial, in accordance with the co-production contract, provided that each national share is neither less than 10 % nor more than 25 % of the total production costs for the work,
- b) include a majority co-producer who makes an effective technical and artistic contribution and satisfies the conditions set for the European cinematographic work to be recognised as a national work in his country,
- c) help to promote a European identity and
- d) are embodied in co-production contracts which include provision for the distribution of revenues.

(3) The Fund shall grant co-production status after receiving notification of consent granted in each individual case by the competent authorities in the states that are party to the Convention, taking into account the provisions of the Convention.

(4) Co-production status shall not be granted to the projects of a blatantly pornographic nature or those that advocate violence or openly offend human dignity.

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<sup>39)</sup> Article 3 (c) of the European Convention on Cinematographic Co-production (Notice of the Ministry of the foreign Affairs of the Slovak Republic No. 106/2007 Coll.).

<sup>40)</sup> Article 20 of the European Convention on Cinematographic Co-production (Notice of the Ministry of the foreign Affairs of the Slovak Republic No. 106/2007 Coll.).

(5) Co-producing countries shall be alleged in co-produced European cinematographic works. The names of the countries shall be clearly mentioned in the opening or closing titles of the European cinematographic work, in publicity for the European cinematographic work and promotional materials for the European cinematographic work and at public screenings of the work.

(6) The Fund shall grant co-production status based on a request submitted by a co-producer with permanent residence or seat in the territory of the Slovak Republic. The request for the granting of co-production status shall be submitted in writing to the Fund no later than two months before the start of shooting of the work to which the request relates.

(7) The following documents shall be attached to the request:

- a) copy of the licence agreement for use of the work or for granting consent for the exercise of economic rights by the co-authors of the work,
- b) screenplay of the European cinematographic work,
- c) list of the technical and artistic contributions of each of the countries involved,
- d) estimated budget and a detailed financial plan of the European cinematographic work,
- e) production schedule of the European cinematographic work,
- f) co-production contract agreed between the co-producers, the contract shall include clauses providing the distribution of revenues or markets between the co-producers.

(8) The applicant shall submit the request and other documents specified in paragraph 7 (a), (c) to (f) in the Slovak language or in a language satisfying the requirement of basic comprehensibility in relation to the national language of the Slovak Republic.

(9) The applicant shall submit the request and the documents to the Fund no later than two months before the planned start of shooting of the European cinematographic work. The request and the other documents shall be submitted in sufficient number to allow distribution of the documents to the competent authorities of the other states from which co-producers are participating in the given co-production. If the applicant submits an incomplete request, the Fund will send a written request for additional information without undue delay.

(10) The Fund shall not grant co-production status to the co-producer with a minor financial participation who has permanent residence or seat in the territory of the Slovak Republic until the Fund received the opinion of the competent authorities of the states of the co-producers with major financial participation.

(11) The Fund shall grant co-production status to a co-producer with a major financial participation who has permanent residence or seat in the territory of the Slovak Republic within 30 days of the delivery of a complete request.

(12) Further details of the submission of requests for co-production status shall be specified in the statute of the Fund.

## **PART 7 GENERAL AND TRANSITIONAL PROVISIONS**

### **Section 33**

(1) General regulations<sup>41)</sup> on administrative proceeding shall not apply to proceedings pursuant to this act, except this act stipulates otherwise.

(2) For the purpose of delivery of the documents according to this act, the regulations of general regulation<sup>42)</sup> on administrative proceeding shall be applied accordingly.

(3) Applications pursuant to Section 20 shall be submitted to the Fund from 30 November 2009.

(4) The obliged subjects shall pay the first contributions pursuant to Sections 24 to 28 by 31 July 2010.

(5) In the year 2009 the Fund is entitled to use all its income for its own operations.

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<sup>41)</sup> Act No. 71/1967 Coll. on administrative proceedings (the Code of Administrative Procedure) as amended.

<sup>42)</sup> Section 24 and 25 of the Act No. 71/1967 Coll. as amended.

(6) The Minister shall appoint the members of the Board by 31 March 2009 and convene the first meeting of the Board by 15 April 2009.

(7) At its first meeting the Board shall decide on inviting applications for the function of Director.

(8) The Board shall approve the statute of the Fund no later than 31 May 2009.

(9) The Board shall elect two members of the Supervisory committee and the Minister shall appoint one member of the Supervisory committee by 31 August 2009.

## **Article II**

Act No. 13/1993 Coll. on art funds as amended by Act No. 283/1997 Coll. shall be amended as follows:

1. The letter f) in the Section 20 is omitted.

The current letters g) to i) shall be remarked as letters f) to i).

2. In the Section 21 (1) (b) the wording “letter g)” is replaced by the wording “letter f)”.

## **Article III**

Act No. 308/2000 Coll. on broadcasting and retransmission and the amendment of Act No. 195/2000 Coll. on telecommunications, as amended by Act No. 147/2004 Coll., Act No. 206/2002 Coll., Act No. 289/2005 Coll., Act No. 95/2006 Coll., Act No. 121/2006 Coll., Act No. 13/2007 Coll., Act No. 220/2007 Coll., Act No. 343/2007 Coll., Act No. 654/2007 Coll., Act No. 167/2008 Coll. and Act No. 287/2008 Coll. shall be amended as follows:

1. Section 36 (2) shall be:

“(2) Advertising time in a television programme service broadcast by a public service broadcaster shall not exceed 0.5 % of daily broadcasting time. This time shall be allowed to rise to 2.5 % of daily broadcasting time through time reserved for teleshopping spots. The limitation given in the first sentence shall not apply to the broadcasting of advertising in direct combination with the broadcast of sporting or cultural events, the broadcasting of advertising during which is an essential condition for the acquisition of rights to the television broadcast of the sporting or cultural event. The broadcasting of advertising in direct combination with the broadcast of a sporting or cultural event pursuant to the previous sentence may not exceed 15 % of the daily broadcasting time of all the television programme services of the public service broadcaster.”

2. After Section 76da, Section 76db shall be inserted as follows:

### **“Section 76db Transitional provisions on changes effective from 1 January 2009**

(1) Advertising time in a television programme service broadcast by a public service broadcaster shall not exceed 2.5 % of daily broadcasting time in the period from 1 January 2009 to 31 December 2009. This time shall be allowed to rise to 15 % of daily broadcasting time through time reserved for teleshopping spots.

(2) Advertising time in a television programme service broadcast by a public service broadcaster shall not exceed 1.5 % of daily broadcasting time in the period from 1 January 2010 to 31 December 2010. This time shall be allowed to rise to 10 % of daily broadcasting time through time reserved for teleshopping spots.

(3) Advertising time in a television programme service broadcast by a public service broadcaster shall not exceed 1 % of daily broadcasting time in the period from 1 January 2011 to 31 December 2011. This time shall be allowed to rise to 5 % of daily broadcasting time through time reserved for teleshopping spots.”

## **Article IV**

Cancelled as of 1 January 2011.

## **Article V**

This Act shall be effective from 1 January 2009 except for the provisions of Section 32, which shall be effective from 1 January 2010.

Act No. 532/2010 Coll. became effective on 1 January 2011.

Act No. 340/2012 Coll. became effective on 1 January 2013.

Act No. 374/2013 Coll. becomes effective on 1 January 2014.