

A collage of vintage film equipment. In the foreground, a large orange film reel is on the left, and a large black film reel is on the right. Below them is a white projector with a black grille and a black control panel. The background shows a wall with various items, including a small white circular object and a black box.

2021
**FILM
INCENTIVES
IN ROMANIA**

EMBASSY OF INDIA, BUCHAREST

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INCENTIVES FOR FILM SHOOTING IN ROMANIA

In 2015, Price Waterhouse Coopers (PwC), Romania published a report on the Romanian film industry, demonstrating how vital it was to adopt a state aid scheme. According to PwC, the total turnover at that time was 53 million Euros, of which 82% was generated by foreign films shot in Romania. PwC estimated that if a state aid scheme of 35 million Euros a year were launched, revenues would be four times higher.

State aid scheme for shooting of films were started in Romania in 2018.

What is state aid scheme for cinema work in Romania and how does it work?

The state aid scheme to support the film industry is a "cash rebate" scheme. The foreign production company spends money in Romania, using Romanian companies as production partners, and after the production they can ask the Romanian state for the state aid.

Producers of a foreign film or series can normally recover up to 35 cents for every dollar (35%) they spend to produce the film / series or parts of these in Romania.

If a certain number of pages in the script is explicitly written for places in Romania, the producer can recover 45 cents for every dollar spent (45%).

The aid scheme, i.e. how and how much money the studio /production house recovers by casting the film in a certain country, is - as a rule - one of the main reasons why the producer chooses to film in that country.

To film in Romania, the foreign production company must choose as partners production companies from Romania so that the local partners production companies can access the state aid scheme.

Beneficiaries & Projects

Beneficiaries can be either Romanian or international companies that comply with certain specific conditions, including:

- the main activity of the beneficiary is the film production;
- the beneficiary is a producer, co-producer, provider of production services that produces feature films, fiction, animation or documentary, television films or television series on the Romanian territory (in part or in total);
- in the case of foreign film producers, they must sign a co-production agreement or a service agreement with a Romanian film producer.

A project will be deemed eligible for the state aid scheme if it qualifies as a “cultural product” (pursuant to the criteria laid down by Order 166/2018 issued by the President of the NCSP) and if the total amount of the eligible expenses of the project implementation shall be at least EUR 100,000.



In Romania, the aid scheme for cinema was first announced in 2018, through a Government Decision, with a proposed multi-annual budget for 3 years.

Initially the budget was promised budget for approximately 150 million Euros, i.e. 50 million Euros per year (2018, 2019, 2020). In the first 2 years, the aid scheme for cinematography was managed by the National Forecast Commission. From January 2020 the scheme was moved to the Ministry of Economy and the funds are provided by the budget of this Ministry.

The Government of Romania adopted in August 2020, the Decision on amending and supplementing the Government Decision no. 421/2018 for the establishment of a state aid scheme to support the film industry.

Firstly, by adopting this decision, a further EUR 150 million has been allocated for the next three years, an amount intended to support this industry. Thus, the maximum budget of the state aid scheme reached 1.2 billion Lei, the equivalent of approximately 250 million Euros. The amount is broken down into commitment appropriations for the issuance of financing agreements for the period 2018-2023 and budgetary appropriations for the payment of state aid for the period 2018-2025.

Non-reimbursable financial allocations will amount to 35% of the total eligible expenses. These refer to the acquisition, rental, manufacture of goods and / or services occasioned by the development of film projects and film production in Romania, as well as fees, salaries and other payments made to individuals related to the implementation of the project. An important thing to emphasize is that the allocation is granted in the conditions in which at least 20% of the total project budget is realized on the Romanian territory.

Another objective of this state aid scheme is to promote the tourist destination Romania. Thus, a percentage of 10% will be granted over the allocation of 35%, if in the audio-visual productions, financed within the same cinematographic production, a geographical area, a city or Romania, the tourist destinations and objectives in our country or language will be highlighted. Also, Romanian traditions and customs. Another condition is that the development of the subject of the film is visually explicit.

The verification of the eligible projects, on the principle “first come, first served basis”, will be performed by the Film Commission in Romania, which will include personalities from the university environment, representatives of the cultural and artistic environment, people with experience in cinema, people with experience in business, lawyers, economists with experience in finance / accounting and auditors with at least 3 years of experience in the field of state aid.



The state aid scheme for supporting the film industry is multiannual and runs until 31.12.2023, with the possibility of extension. Until this date, financing agreements can be concluded based on this scheme, in compliance with the state aid legislation, within the limit of the commitment credits approved annually by the state budget law for this program.

They may be considered as grey literature. Most jurisdictions require companies to prepare and disclose annual reports, and many require the annual report to be filed at the company's registry. Companies listed on a stock exchange are also required to report at more frequent intervals (depending upon the rules of the stock exchange involved).

Details of Ministry, associations, promotion agencies, etc.

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