

Czech Film Production Incentives Scheme

August 2022

The Czech film incentive scheme administered by the Czech Film Fund (the “**Fund**”) offers filmmakers monetary incentives (the “**Grant**”) in the form of cash rebates for qualifying Czech and international expenses. A Grant can be provided for the production of an audio-visual work which takes place at least in part in the Czech Republic (including animation and post-production).

How much you can get

Expenditure	Specification	Amount
Czech	Application fee + Czech goods and services provided by and paid to individuals or companies registered for income tax in the Czech Republic. Fee of the Czech service company that applies for the film incentive	20% rebate
International	International costs paid to foreign “above-the-line” cast and crew that are subject to withholding tax in the Czech Republic	66% rebate on the paid withholding tax

The total eligible costs (including in-kind contributions) must not exceed 80% of the total project costs, otherwise the Grant will be proportionately decreased.

Eligible Applicants

In addition to producers or co-producers of audio-visual works who are tax residents in the Czech Republic, **applicants for film incentives may also be tax residents of other EU Member States or any EEA country who have a permanent establishment in the Czech Republic for tax purposes.** Further, **foreign filmmakers may also use a Czech production services company to apply for the Grant.**

Eligible audio-visual works

The audio-visual work must pass a **cultural test** and meet the following **minimum runtime and expenditure** criteria:

Eligible projects	Minimum runtime	Minimum cost spent in the Czech Republic
Feature, animation and TV films	70 minutes	CZK 15M (approx. EUR 614,000)
Documentary films	70 minutes	CZK 2M (approx. EUR 82,000)
Fictional TV series	30 minutes per episode	CZK 8M per episode (approx. EUR 327,000)
Animated series	5 minutes per episode	CZK 1M per episode (approx. EUR 41,000)

The Commission for Film Incentives created by the Fund will assess whether the audio-visual work fulfils the eligibility criteria as part of the Project Registration procedure (see below).

Application Procedure

The application procedure consists of 3 stages: (i) project registration, (ii) allocation of the Grant and (iii) the Grant payment.

(i) Project Registration

An application for registration of an audio-visual project may be filed by the applicant in electronic form with the Fund at any time during the year (provided that the Fund has not suspended registrations). The application fee is CZK 30,000 (approx. EUR 1,250). Costs incurred after the date of filing the application for registration are eligible for the Grant (i.e., costs spent before that date are not eligible). The application for registration must primarily include the cultural test, project account documentation, a synopsis, and a Czech version of the script / treatment.

(ii) Allocation of the Grant

An applicant who receives the registration certificate following the application for registration may apply for the allocation of the Grant. At this stage, the timing of the application is crucial. The application may be filed flexibly at any time during the year, but no later than 3 years after the date of delivery of the film project registration certificate. However, within 4 months (9 months for EURIMAGE and MEDIA projects) after the application is filed, at least 10 shooting days or all shooting days if less than 10 must be completed. The latest day on which an application may

be filed is the 10th / last (if less than 10 shooting days) day of shooting. Along with the application, the applicant must submit to the Fund, among other things, the project budget and an estimate of eligible costs, a financial plan, required affidavits and good standing forms, a shooting schedule for Czech locations, a copy of the (co)production / service agreement, etc. Based on this information, the Fund will allocate estimated funds for the Grant and issue an allocation certificate. Importantly, any changes to the budget leading to an increase / decrease in the estimated amount of the Grant by more than 5% or CZK 1,000,000 (approx. EUR 41,000) must be notified to the Fund so it can adjust the Grant allocation accordingly.

(iii) Grant

An applicant who has received the allocation certificate may submit to the Fund a Grant application, together with audited financial statements demonstrating the eligible costs incurred. The Grant application must be filed no later than 4 years after the date of delivery of the film project registration certificate. Once the Grant application is approved, the Fund will release and pay the amount of the Grant to the account designated by the applicant, usually within 3 months of submitting the Grant application. In order to support the project cash flow, applicants may file 2 applications for payment: (i) the first after filming in the Czech Republic is completed and (ii) the other after all production and post-production work is done, but within 12 months of submitting the first Grant application at the latest.

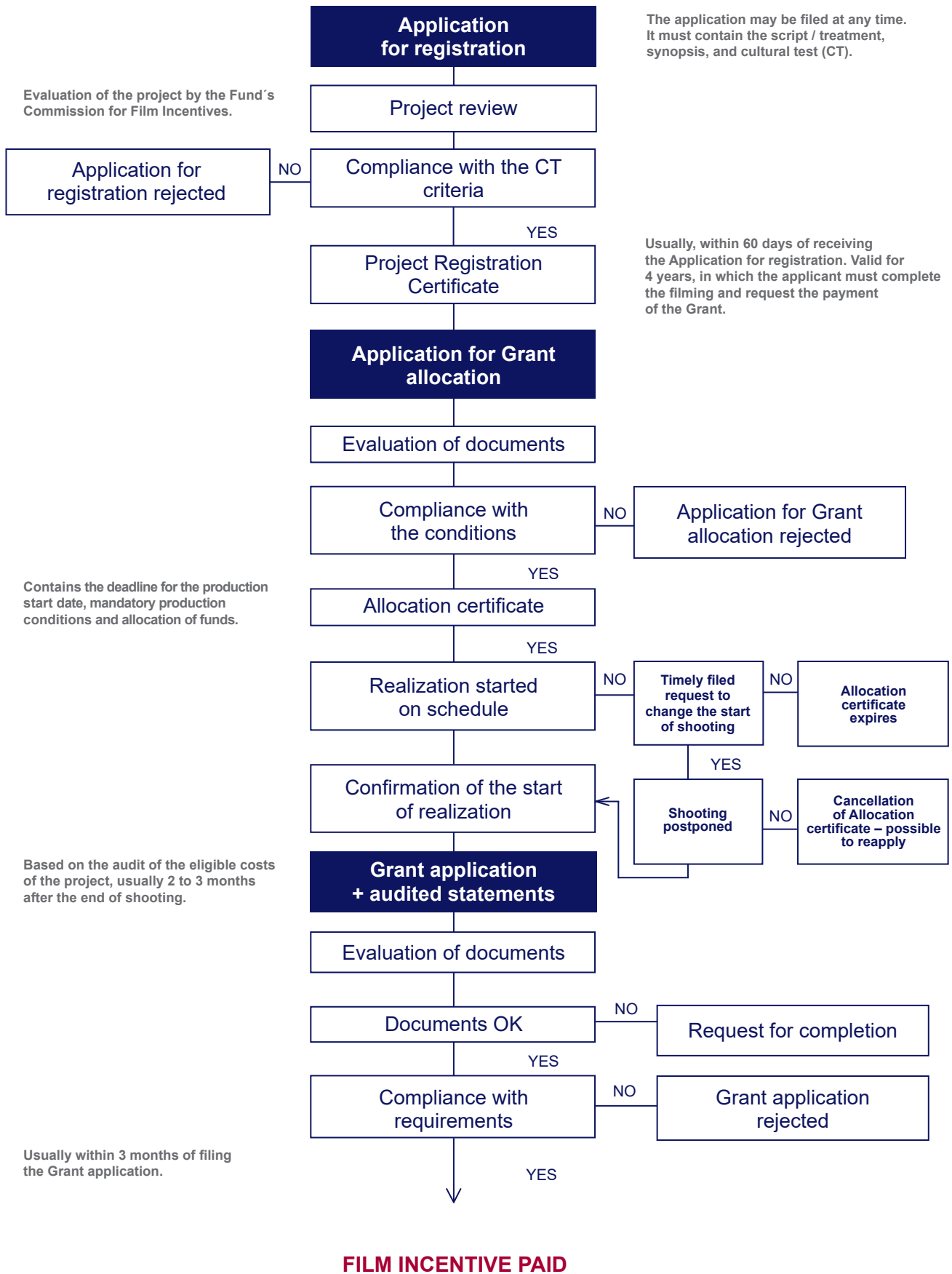
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The application process is described in the chart below:



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