

Based on Article 4 of the Regulation on incentives for investors to produce in the Republic of Serbia audiovisual work ("Official Gazette of the RS", no. 48/25 - hereinafter: Regulation), and in connection with Article 8. of the Law on the Budget of the Republic of Serbia for 2025 ("Official Gazette of the RS", No. 94/24),

the Republic of Serbia
MINISTRY OF CULTURE

announces the permanently open

**PUBLIC CALL FOR AWARDING INCENTIVE FUNDS TO THE INVESTOR WHO IS PRODUCING AN
AUDIOVIUSAL WORK IN THE REPUBLIC OF SERBIA**

The Regulation prescribes the manner and conditions of awarding incentive funds to the foreign investor producing an audiovisual work in the Republic of Serbia, in order to encourage creativity in the field of audiovisual production, encourage cultural and economic activities and increase employment related to audiovisual production in the Republic of Serbia, as well as the promotion of Serbia's potential in this field, e.g. its infrastructure, production and service related activities.

I USER OF INCENTIVE FUNDS

The investor, i.e., the beneficiary of incentive funds, is a foreign legal entity or natural person the person on whose behalf and with whose funds the production of audiovisual works in the Republic is financed Serbia (hereinafter: Investor).

The applicant for the allocation and payment of incentive funds (hereinafter: Applicant) is a domestic legal entity or entrepreneur who, on behalf of and on behalf of the Investor in Produces an audiovisual work for the Republic of Serbia.

The Investor, i.e., the Applicant, does not have the right to incentive funds:

- 1) over which a previous bankruptcy proceeding, reorganization, bankruptcy or liquidation, in accordance with the regulations governing bankruptcy and liquidation;
- 2) who has due and unpaid obligations based on public revenues in the Republic of Serbia and other financial obligations towards the Republic of Serbia;
- 3) on which the procedure for the return of state aid or small aid has been initiated values (*de minimis* aid);

4) who has not settled the contractual obligations arising out of the contract on the allocation of incentive funds in previous periods.

II AMOUNT OF INCENTIVE FUNDS

Incentive funds are awarded to the investor as non-refundable, through the reimbursement of part of the qualified expenses incurred in the Republic of Serbia.

Incentive funds are awarded in the amount of 25% of eligible costs, all in accordance with the report of an independent authorized auditor on the costs of production of an audiovisual work in the Republic of Serbia.

Notwithstanding, under condition that for realization of an audiovisual work, funds for the project implementation in Republic of Serbia are allocated in the amount higher than EUR 5.000.000 in the production budget, incentive funds are awarded in the amount of 30% of eligible costs, all in accordance with the independent auditor's report on the production costs of the audiovisual work in the Republic of Serbia.

Incentive funds allocated for a special-purpose film are awarded in the amount of 20% of eligible costs, provided that the total amount of approved funds awarded over three consecutive fiscal years does not exceed the prescribed maximum amount of state aid of small value (*de minimis state aid*) pursuant to the regulations governing the rules for granting state aid.

The following is recognized as eligible (acceptable) costs:

- 1) costs related to the production of the audiovisual work that have been incurred and paid to legal or natural persons in the territory of the Republic of Serbia in connection with the procured goods and provided services, use of locations, payment of fees to members of the team who are citizens of the Republic of Serbia or foreigners who have a stay of at least one year in the territory of the Republic of Serbia, in accordance with the regulations of the Republic of Serbia;
- 2) costs incurred in connection with the use of goods or the renting of movable and immovable property can only be recognized if the goods or movable and immovable property are owned by legal or natural persons from the territory of the Republic of Serbia.

Costs that are specifically not recognized as eligible costs incurred in connection with the production of audiovisual works are: marketing costs, costs related to the purchase of a real estate, distribution costs and costs of value added tax.

The types and contents of the explanation of eligible, as well as non-eligible costs and forms of the application for allocation and payment of incentive funds, are regulated in more detail by the Minister in charge of cultural affairs.

III AUDIOVISUAL WORK WHOSE PRODUCTION ENTITLES THE AWARDING OF INCENTIVE FUNDS

The condition that the Investor has to fulfill in order to exercise the right to be awarded with incentive funds is to, for the purpose of producing an audiovisual work, allocate funds in the production budget for realization of the project in the Republic of Serbia, in an amount greater than the minimum funds for a specific format:

- 1) for a feature film and TV film: 300,000.00 EUR;
- 2) for a TV series: 150,000.00 EUR, per episode;
- 3) for an animated TV series: 150,000.00 EUR, per episode;
- 4) for an animated film, audio and/or visual post-production of an audiovisual work: 150,000.00 EUR;
- 5) for a special-purpose film: 150,000.00 EUR;
- 6) for a documentary film and documentary TV program: 50,000.00 EUR.

The entitlement to incentive funds can be achieved for the production of:

- 1) a feature film, TV film, feature-length documentary film that last at least 70 minutes and an animated movie intended for broadcasting which lasts at least five minutes;
- 2) a TV series comprised of at least three episodes, under condition that each episode lasts at least 40 minutes;
- 3) animated series comprising of at least 10 episodes lasting at least 40 minutes in total;
- 4) a documentary TV program lasting at least 40 minutes.

Incentive funds can be awarded for an audiovisual work:

- 1) that does not have content contrary to the moral, public order and public interest of the Republic of Serbia, does not violate the reputation of the Republic of Serbia, does not promote violation of human rights and hate speech;

- 2) which is in the format of a feature film, TV film, TV series, animated film and animated series, audio and/or visual post-production of an audiovisual work, special-purpose film, feature-length documentary film and TV program documentaries;
- 3) whose production is realized in whole or in part in the Republic of Serbia, and an audiovisual work of special artistic and/or cultural value for film art, contributes to cultural diversity and pluralism of artistic expression in the field of cinematography.

The production of the audiovisual work must take place in accordance with the production calendar, and about deviations from the submitted production calendar, as well as the reasons for which it occurred, the Applicant must inform the Committee for the allocation of incentives within seven days, from the day when the deviation from the submitted production calendar occurred. The request for the payment of incentives will not be accepted if the applicant does not act within the deadline or the Incentives Allocation Committee does not accept the reasons for which it occurred deviations from the production calendar.

The Applicant is obliged to create audiovisual work in accordance with the application request, as well as any deviation related to the production of the audiovisual work and the reasons which caused the deviation, inform the Committee within seven days, from the day the change occurred. The request for the payment of incentive funds will not be accepted if the Applicant does not act within the deadline or if the Committee does not accept the reasons that caused such deviation.

IV REQUEST FOR ALLOCATION OF INCENTIVES

The request for the allocation of incentive funds can be submitted no later than the beginning of the shooting of the audiovisual part.

The request for the allocation of incentive funds is submitted through the Film Center of Serbia, based on the Public Call and includes the submission of the following documentation:

- 1) filled out prescribed application form for the allocation of incentive funds to an Investor who produces the audiovisual work in the Republic of Serbia;
- 2) synopsis and script of the audiovisual work, synopsis in the case of post-production, i.e. description of the project in the case of a special-purpose film;
- 3) a list of essential crew members for the production of the audiovisual work (director, actors, etc.);
- 4) a presentation of the production budget, with a presentation of the part of the budget intended for production in the Republic of Serbia, expressed in dinars;
- 5) a statement that the audiovisual work meets the requirements from Article 5 of this Regulation;
- 6) calendar of production of audiovisual works in the Republic of Serbia;

- 7) shooting plan for the audiovisual work in the Republic of Serbia;
- 8) proof that there are no reasons for rejection from Article 6 of this regulation (confirmation from the Tax Administration, i.e. local self-government unit, the Agency for Business Registers or another competent register, the Investor's statement that no procedure has been initiated for the return of state aid or aid of small value (*de minimis* aid), as well as the applicant's statement that it has settled the contractual obligations from earlier agreements on the allocation of incentive funds;
- 9) statement on the beginning of the production of the audiovisual work in the Republic of Serbia;
- 10) a statement of whether *de minimis* aid was received for the costs referred to in Article 2, point 3) of this regulation or for any other costs in the current fiscal year and in the previous two fiscal years, i.e. a statement of whether it received any other state aid for the same project from any level of government and on what grounds;
- 11) the agreement concluded between the Applicant and the Investor, based on which an audiovisual work is produced for and on behalf of the Investor in the Republic of Serbia. Under the said agreement, among other things, a plan must be defined to secure the total funds necessary for the production of the audiovisual work in the Republic of Serbia;
- 12) certified statement that the data in the documents are correct and true;

At the request of the Committee, the Applicant is obliged to submit other information and documentation of importance for the allocation of incentive funds.

The Applicant is obliged to prove that, on the day of submitting the application, at least 20% of the funds envisaged for the cost of production of the audiovisual work in the Republic of Serbia has been provided.

The Committee evaluates each received request for the allocation of incentive funds and determines whether the Investor and the audiovisual work meet the qualification requirements for the allocation of incentive funds, i.e. whether the conditions from Art. 5-7. of the Regulation, as well as whether all documents prescribed under Article 9 of the Regulation have been submitted.

If the conditions from Art. 5-7. of the Regulation, i.e., the qualification conditions prescribed under the Regulation, the Committee will reject the request.

If, along with the application for the allocation of incentive funds all documents required under Article 9 of this Regulation have not been submitted, the Committee shall act in accordance with the provisions of the law regulating general administrative procedure, which refers to the handling of incomplete applications thereto.

V APPLICATION FOR PAYMENT OF INCENTIVE FUNDS

The application for payment of incentive funds is submitted within a period of no longer than 45 days after completion of the production of the audiovisual work in the territory of the Republic of Serbia.

The application for the payment of incentive funds is submitted to the Committee, through Film Centre Serbia, based on the Public Call and includes the submission of the following documentation:

- 1) report of an independent authorized auditor on the costs of production of an audiovisual work in the Republic of Serbia, which was prepared for the purpose of submitting a request for the payment of incentive funds in accordance with the Regulation and the Rulebook, and which was made on the basis of the entire record of production costs and total funds spent on the territory of the Republic of Serbia, as well as evidence confirming the said costs (invoices, contracts, statements from a commercial bank with an indication of the payment made, etc.). The audit report is prepared based on the verification of all eligible expenses and cannot be based on the sampling method, i.e., on the verification of only part of the documents;
- 2) the number of a special purpose account with the Treasury Administration, to which payment of incentive funds should be made;
- 3) a certified statement that the production of the audiovisual work in the Republic of Serbia has been completed, as well as that the conditions stipulated in Article 14 of this Regulation have been met;
- 4) statement that, in order to settle the obligation from Article 17 of this Regulation, upon the request of the Ministry, it will submit a security instrument for the performance of obligations;
- 5) certified statement that the data in the documents are correct and true.

At the request of the Committee, the applicant is obliged to submit other data and documentation of importance for the payment of incentive funds.

The report of the independent authorized auditor determines the amount of expenses that qualify for the incentives.

In accordance with the Rulebook on Amendments to the Rulebook on the plan of sub-accounts of the consolidated treasury account ("Official Gazette of the RS", No. 50/19, 143/22 and 103/24), the applicant is obliged to open a special dedicated sub-account for public funds received from the budget with the competent branch of the Treasury Administration. For more detailed information, the applicant should contact the competent branch of the Treasury Administration.

According to requests for the payment of incentive funds for which the conditions prescribed by the regulation are met, the Committee shall proceed up to the amount of funds available for these purposes in the current budget year, and in accordance with the regulations governing the budget system, in the part regulating responsibility for assuming obligations.

VI AGREEMENT ON ALLOCATION OF INCENTIVE FUNDS

The Ministry concludes an agreement on the allocation of incentive funds (hereinafter: Agreement) with the Applicant, within the scope of funds planned for those purposes by the law on the budget of the Republic of Serbia for the current budget year and in accordance with the regulations governing the budget system, in the part that regulates responsibility for assuming obligations.

The agreement regulates the deadlines, rights and obligations of the contracting parties in more detail.

Before signing the agreement, the Ministry will ask the Applicant for a security instrument to fulfill the obligation from Article 19 of the regulation.

The agreement can be terminated in the manner and under the conditions defined by the law governing contractual relationships.

The Ministry pays the approved amount of incentive funds if all the obligations stipulated by the regulation and the Agreement have been fulfilled.

VII SUBMITTING THE REQUEST FOR ALLOCATION AND THE APPLICATION FOR PAYMENT OF INCENTIVE FUNDS

The request for allocation and the application for payment of incentive funds made on prescribed forms 1 and 2, as well as supporting documents, are delivered in the Serbian language and Cyrillic or a foreign language with a certified Serbian translation, to the address:

FILM CENTRE SERBIA, Koce Popovica Street no. 9/III, 11000 Belgrade

Accompanying documentation must also be delivered in CD or DVD or USB format.

VIII ADDITIONAL INFORMATION

The required documentation can be downloaded on the websites of the Ministry: www.kultura.gov.rs and Film Centre Serbia www.fcs.rs: Regulation on Investor Incentive for the production of audiovisual works in the Republic of Serbia, Rulebook on the types and content of rationale for eligible and non-eligible costs and the form of application for payment of incentives to the investor who is producing an audiovisual work in the Republic of Serbia, as well as Form no. 1 and Form no. 2.

Information necessary for participation in the Public Call may be obtained at the Film Centre Serbia: 011/26 25 131