APPROVED

by the Competition evaluation committee's decision of \_\_\_.03.2022 (Minutes No )

Competition Regulation of the Riga City Co-financing Programme

“Riga Film Fund” for Shooting Foreign Films in Riga

# General questions

1. The Regulations determine the procedure of the Riga City Municipality (hereinafter – the Municipality) co-financing of the Riga Film Fund programme for filming foreign films in Riga (hereinafter – the Competition) and procedure for granting co-financing1.
2. The Competition is organised by Riga Municipality Agency “Riga Investment and Tourism Agency” (hereinafter – the Agency), and the authorised contact person of the Competition Organiser is the Senior Project Manager of the Investment Promotion Division of the Agency Eva Medjāne, tel. +371 29495285, e-mail: eva.medjane@riga.lv.
3. Terms used in the Regulations:
	1. Co-financing applicant– a merchant registered in the European Union who:
		1. is registered as a film producer in accordance with the laws and regulations and has submitted an application for the Competition;
		2. at the time of submission of the application, has concluded a pre-production/co-production agreement or contract confirming the specific intention to make a feature-length film or television documentary in Latvia, using the services of film producers registered in Latvia, and the amount of the intended financial contribution (foreign funding of at least 75% of the total budget of the film project):
			1. the total budget of the film project is at least 700 000 euros;
			2. the approved funding for the film at the time of submission of the application must be at least 50% (indicated in the film's financing plan) of the total budget of the film project.
		3. intends to complete filming and submit a report by 30 November of the current calendar year.
	2. Eligible applicants – applicants for co-financing whose bids have received at least 12 points in the qualitative evaluation criteria;
	3. Co-financing recipient – a merchant approved for co-financing by the decision of the Evaluation Committee of the Competition, registered in the Commercial Register of the Republic of Latvia (hereinafter – the Commercial Register), which has concluded a co-financing agreement with the Agency;
	4. Eligible expenses – expenses that can be co-financed under the Competition;
	5. Ineligible expenses – expenses that cannot be co-financed under the Competition.
	6. Co-financing – the amount calculated, in accordance with the criteria in Section 25.3 and 28, from the eligible expenses shown in the statement of use of funds referred to in Section 40, in accordance with the terms of the co-financing agreement concluded, the Agency reserving the right to reduce the amount of co-financing to be paid in accordance with Section 46.
4. Co-financing is not eligible for:
	1. a film project with less than 75% of the total budget of the film project;
	2. a film project that has not been approved for funding of at least 50% of the total budget of the film project;
	3. a film project with a total budget (excluding co-financing by Latvian public bodies) of less than 700 000 euros;
	4. if the project implementation works have started before the submission of the support application to the support provider, the total project expenses are ineligible2; in the case of combining the support referred to in Section 58 of these Regulations, work on the implementation of the project can be started when all the support awarding institutions have made decisions on the granting of support;
	5. a merchant that meets the characteristics of a merchant in difficulty3;
	6. if the merchant is the subject of an outstanding recovery order under a previous European Commission decision declaring support granted by the same Member State to be unlawful and incompatible with the common market4;
5. The aim of the programme is to promote the reception of foreign films and cultural diversity in Riga, to encourage the development of the national film industry by creating new cultural projects and promoting the experience and skills of local professionals, and to promote Riga abroad.
6. Eligible applicants shall be entitled to conclude a contract with the Municipality to receive co-financing to cover the expenses of the merchant.
7. Co-financing is not granted for pornographic film projects and film projects that preach religious and racial hatred, gratuitously depict violence and/or contain propaganda that degrades human dignity, degrades and denigrates the image of Latvia and Riga.
8. Applications will be accepted from the announcement and publication of the competition until 30 September of the calendar year.
9. The planned co-financing from the Riga City Council is 800 000 euros:
	1. Eligible applicants shall receive the co-financing in order of priority of the points obtained, up to a maximum of 800 000 euros in total;
	2. If the request for co-financing of the received applications exceeds the planned amount of the Competition, the Competition Evaluation Commission (hereinafter – the Commission) stops accepting further applications.

# Announcement of the Competition

1. The Competition organiser publishes the announcement on the beginning of the Competition on the websites of the Agency [www.liveriga.lv](http://www.liveriga.lv/) and [www.filmriga.lv](http://www.filmriga.lv/).
2. The announcement shall contain the following information:
	1. Competition organiser;
	2. Title of the Competition;
	3. Place for submission of applications;
	4. Deadline for submission of applications;
	5. Contact information.
3. The Regulations are available:
	1. by sending a request to: eva.medjane@riga.lv;
	2. On the Agency's websites [www.liveriga.lv](http://www.liveriga.lv/) or [www.filmriga.lv](http://www.filmriga.lv/).

# Eligible and ineligible expenses

1. Eligible (co-financed) expenses are determined according to the criteria specified in the subsection 25.3, are carried out from the date of adoption of the decision on granting support and are directly related to the following needs:
	1. hotel and other accommodation-related services (e.g. room rental) in the administrative territory of Riga;
	2. hire of equipment needed for filming;
	3. transport services;
	4. fuel;
	5. catering services (a caterer is involved);
	6. construction services related to the preparation and provision of filming;
	7. security services (including national and local police);
	8. telecommunications services (as scheduled during filming);
	9. public services\* (according to the schedule at the time of filming;\* tied service provider for toilets);
	10. renting premises in the administrative territory of Riga
	11. purchase and hire of various film-related goods (e.g. props, etc.)
	12. services related to the production of the film (photography, make-up, set design, special effects, recruitment, translation, etc.);
	13. artistic services (services provided by authors or collectives);
	14. administrative services (as scheduled during filming) – office services, legal and accounting services, etc;
	15. fees for extras, actors, etc.\* whose place of residence is declared in the Republic of Latvia, citizens of Latvia or citizens of the European Union who in some other way demonstrate a close connection with Latvian culture (\* in the case of casting agencies, the Municipality has the right to request a transcript of the expenses and the people employed);
	16. the project promoter's commission (production) fee, up to a maximum of 7% of the use of the eligible funding in Latvia.
2. Service providers (merchants) must be registered in the Republic of Latvia.
3. The following expenses are determined as ineligible:
	1. the project promoter's commission (production) fee exceeding 7% of the use of eligible funding in Latvia;
	2. airport parking lots;
	3. banking commission;
	4. small expenses (up to 15 euros);
	5. expenses not initially foreseen or not necessary for the implementation of the project;
	6. hotels outside the administrative area of Riga;
	7. payments to service providers (suppliers of goods, contractors) for whom the provision of services (supply of goods, execution of works) is not registered as their main activity in the Register of Enterprises and/or the State Revenue Service;
	8. payments to persons related to the Co-financing recipient in the sense of the Law On Taxes and Fees.
4. The Commission will not grant co-financing if it is clear from the application that the units to be purchased are to be used for personal purposes.

# Application submission procedure

1. Applications must be submitted electronically in \*.edoc format to the following email address invest@riga.lv with the subject “Application for the Riga City Municipality Co-financing Programme for Shooting Foreign Films in Riga Competition”.
2. The Co-financing applicant shall submit a Competition application consisting of the following documents, in the order listed below:
	1. a completed Competition application form (Annex 1) with the following annexes:
		1. a brief outline of the film's plot:
			1. if the film project is eligible for 25% co-financing, a description of how much and how the film will feature Riga;
		2. script of the film;
		3. description of the foreign production company's plan for the film project, timetable, target audience;
		4. the film's distribution plan, accompanied by copies of the film's distribution contracts, if any;
		5. outline and nature of the project to be implemented in Latvia;
		6. a detailed timetable of activities and cash flows related to the realisation of the film project in Latvia;
		7. details of the foreign production company (general description, history, human resources, services offered, last 10 feature films produced and distribution figures, other audiovisual works, international cooperation, achievements (awards, nominations));
		8. details of the Latvian producer (previous experience of working with foreign film crews in Latvia, curriculum vitae (CV) of key personnel involved in the project);
		9. filmographies of the film's main creative personnel;
		10. any other additional information that the merchant considers necessary to add.
	2. a copy of the annual financial report for the last completed year;
	3. a copy of the cooperation agreement or the agreement on the intention to make a feature-length film or television documentary in Latvia;
	4. total budget estimate for the film project signed by the foreign production company, financing plan for the film;
	5. An estimate in euro of the use of the funding foreseen in Latvia, in accordance with the eligible expense headings set out in these Regulations (Annex 5); the expense headings may change during the implementation of the project, up to the amount of the co-financing approved;
	6. A signed declaration (Annex 2) by the co-financing applicant of other public funding5 for the film project, accompanied by an estimate of the use of the funding (certified copy);

19. The documents referred to in Sections 18.1.2, 18.1.3, 18.1.4, 18.1.6, 18.1.7, 18.1.9, 18.3, 18.4 of these Regulations

may be submitted in English or Russian; the document referred to in Section 18.1.2 may not be signed.

1. The Application form (Annex 1) and the documents annexed to it must be signed, numbered, in computer writing and in the national language, except for exceptions provided in Section 19 of the Regulations.
2. If the subject of the Competition or parts thereof are subject to commercial confidentiality, the Co-financing applicant shall indicate this in its application.

# Evaluation of applications and announcement of results

1. The Commission shall take its decisions once per calendar month, at a review meeting, on the basis of the applications submitted by the 15th of the current month. The Commission shall take its decision by the 15th of the following month. The Commission shall be chaired by its Chairperson. The Commission shall have a quorum if at least two thirds of its members are present at its meeting. Decisions are taken by public vote at a meeting of the Commission. In the event of a tie, the Chairperson of the Commission shall have the decisive vote.
2. In the course of the evaluation of the Applications, the Commission shall have the right to:
	1. invite the Co-financing applicant to give a presentation on the submitted application and to answer questions, either in person or remotely;
	2. to call in experts in the field of culture who have knowledge or experience in the film sector and who do not represent the interests of the applicants for co-financing.
3. In assessing the application in any of the evaluation rounds, the Commission shall take into account the information provided by the National Film Centre of Latvia on the fulfilment of the obligations of the Co-financing

applicant. The Commission may decide not to proceed with the evaluation of a submitted application on the basis of non-fulfilment of the obligations arising from the contracts previously concluded with the National Film Centre.

1. There are three rounds of evaluation:
	1. in the first round, the eligibility of applications to the Administrative Evaluation Criteria (Annex 3) is determined. Any application receiving at least one “No” will be rejected. It is not possible to complete or improve the application later.
	2. the second round assesses the compliance of the Competition application with the qualitative evaluation criteria (Annex 4):
		1. The evaluation will be carried out using the points method and only applications that pass the first round will be evaluated;
		2. If an application does not obtain at least 12 points according to the quality evaluation criteria, it will not be further evaluated;
		3. In order to receive the maximum score according to the qualitative evaluation criteria, it is not necessary to spend more than 50% of the total budget of the film project in Latvia.
	3. in the third round, the co-financing rate approved by the Municipality for the application is determined. Co-financing rate approved by the Municipality for one foreign film project out of the eligible expenses:
		1. a project in which the main action of the film takes place in Riga or the representation of Riga in the plot is an essential part of the film (at least 20% of screen time) and which is at least partly realised in the administrative territory of the city of Riga – 25%;
		2. A project, the filming of which is planned in the territory of Latvia – 20%;
		3. a project that qualifies for a 20% co-financing rate but scores the maximum possible points under the quality criteria is subject to a 25% co-financing rate.
2. Procedures for allocating financial resources:
	1. Priority will be given to Co-financing applicants that meet the 25% co-financing rate and that have obtained at least 12 points in the evaluation of the quality criteria; the Commission will rank them in order of priority among themselves, starting with the one with the highest score;
	2. Co-financing applicants that meet the 20% co-financing rate and that have obtained at least 12 points in the quality criteria will be ranked in order of priority among themselves, starting with the highest scorer;
	3. If two or more projects have been awarded the same score by the Commission, the Commission shall give first priority for the conclusion of the co-financing agreement to the project which has obtained the highest overall score in points 1 and 2 of the quality evaluation criteria in Annex 4 to the Regulations.
3. The Commission, on the basis of the evaluation of the Contest applications, shall decide whether or not to approve each application submitted.
4. The decision of the Commission to approve the submitted Contest application shall indicate the co-financing rate approved by the Agency for the project and the maximum possible amount of co-financing calculated accordingly, taking into account that:
	1. The maximum amount of co-financing is calculated by applying a percentage to the eligible expenses up to a maximum of 80% of the total budget of the film project (eligible expenses exceeding 80% of the total budget of the film do not count towards the Agency's co-financing);
	2. The total public funding in Latvia for the project (Annex 2) is limited to 50% of the total eligible expenses of the film project in Latvia.
5. The Commission shall make a decision on the results of the Competition no later than within 30 working days after the deadline for submission of Competition applications.
6. The Commission, before concluding the contract with the Agency, reserves the right to:
	1. request additional information and clarifications from the Co-financing applicant;
	2. transfer the planned expense items indicated in the Competition applications between eligible and non-eligible expenses;
	3. at the justified request of the Co-financing applicant, to transfer the supported planned expense items indicated in the Competition application, without changing the amount of the allocated Co-financing amount.
7. The Commission's decision on the results of the Competition shall be:
	1. notified in writing to all Co-financing applicants by letter to the postal or electronic address indicated in the Competition application;
	2. published on the Agency's websites [www.filmriga.lv](http://www.filmriga.lv/) and [www.liveriga.lv](http://www.liveriga.lv/) 6
8. At the end of the Competition, when the available co-financing limit has been reached, the Commission reserves the right to:
	1. include in the reserve list those Competition applications which have obtained at least 12 points in the quality criteria, are eligible for the full amount requested but cannot be approved due to insufficient co-financing, in order of priority according to the number of points obtained;
	2. offer the available co-financing to the reserve-listed Competition applications, in order of priority of the points obtained, if it becomes known that a project approved for co-financing so far will not be implemented, or will not be implemented to the extent originally planned, and will not require the maximum amount of co-financing available for it;
	3. update the Commission's decision accordingly within one month of the date on which the funding becomes available.
9. The Co-financing Agreement shall not be concluded if, before its conclusion, it is established that the Co-financing Applicant:
	1. has failed to fulfil obligations arising from contracts previously concluded with the local authorities of the City of Riga;
	2. In the course of evaluating a Competition application, has sought to obtain confidential information or influence the decision-making process;
	3. is directly related to:
		1. Commission members;
		2. persons involved in the preparation of the Competition who may obtain confidential information.

# Terms of the Co-financing Agreement

1. Before concluding a co-financing agreement with the Agency, the Agency shall verify whether the Co-financing applicant:
	1. has a producer registration certificate issued by the National Film Centre;
	2. has no tax debts administered by the State Revenue Service totalling more than 150 euros:
		1. The Municipality may ask for a statement, not older than two weeks, stating that the person has no tax debts administered by the State Revenue Service that total more than 150 euros.
	3. the project applicant and the foreign or Latvian producer, including the owner, board members, beneficial owners, representative persons, parent or subsidiary companies, are not subject to international or national sanctions or sanctions imposed by a Member State of the European Union or the North Atlantic Treaty Organisation affecting significant financial and capital market interests.
2. After all the conditions set out in the Commission's approval decision have been met, the Agency shall conclude a written co-financing agreement with the Co-financing applicant. The Commission's approval for the co-financing applicant does not impose any obligations on the Agency before concluding the co-financing agreement. The decision of the Commission shall be binding on the Agency in the event of the conclusion of a co-financing agreement.
3. When concluding the co-financing agreement7, the Agency shall be entitled to reduce the amount of the co-financing, if necessary, in accordance with the financial resources available.
4. The Agency shall conclude a written co-financing agreement with a Co-financing applicant who has fulfilled all the conditions set out in the Commission's approval decision, irrespective of the score obtained by the Co-financing applicant, provided that adequate funding has been allocated for the co-financing approved by the Commission.
5. The Commission may decide on a one-time extension of the project implementation period to the next period in the event that:
	1. unforeseen changes to the filming schedule have occurred, for which the Co-financing applicant shall inform the Commission in a timely manner, providing objective justification;
	2. the arising need to complete the filming in the following year is known no later than three months before the deadline for the implementation of the project mentioned in the competition regulations.
6. The co-financing agreement shall stipulate the duration of the film project, which shall not exceed 30 November of the current calendar year, as well as the expected use of the funds in Latvia, the percentage of the co-financing intensity approved by the Commission, the procedure for the payment of the co-financing and other conditions binding during the implementation of the film project.

# Allocation of co-financing

1. The co-financing shall be paid after the implementation of the foreign film project in accordance with the terms of the co-financing agreement, as evidenced by a report on the implementation of the film project submitted by the Co-financing recipient to the Agency by 30 November of the current calendar year, the visual material *(rough cut*) of the film, and a report on the use of the funding (electronic copy on CD ROM, DVD or flash drive).
2. The Agency shall, within fourteen days, evaluate the report submitted by the Co-financing recipient, the report on the use of funds, assessing whether the film project has been implemented in accordance with the conditions of the concluded co-financing agreement.
3. In the event of a positive opinion, the Agency shall calculate the amount of co-financing to be paid to the Co-financing recipient in euro.
4. The Agency has the right to request additional information and supporting documents on the implementation of the film project.
5. Copies of the following documents are considered as confirming the expenses:
	1. payment orders approved by the bank for the payment of invoices;
	2. strict accountability receipts;
	3. Electronic cash register (ECR) receipts;
	4. other accounting documents.
6. The co-financing shall be paid within 30 working days after the Agency has taken a decision on the eligibility of the film project and the payment of the co-financing.
7. The Agency reserves the right to reduce the amount of co-financing to be paid if:
	1. The amounts included in the supporting documents submitted by the Co-financing recipient unreasonably exceed the market prices.
	2. The Co-financing recipient has spent less than the amount of funds specified in the agreement with the Agency.
8. The Agency reserves the right not to grant co-financing if the Co-financing recipient:
	1. has misled the Agency in any way;
	2. has not submitted all the required documents by the set term;
	3. has not provided the expense proving documents or other required documents;
	4. has used the money for personal gain rather than to make the film.

# Rights and obligations of the Co-financing applicant

1. The Co-financing applicant has the right to withdraw the submitted Competition application.
2. The Competition applicant is responsible for the accuracy of the information contained in the Competition applicant and the application documents must be clearly legible, without alterations to avoid any doubt or misunderstanding as to words and figures, and without any insertions, deletions or mathematical errors.
3. The applicant is obliged to comply with these Regulations.
4. When concluding the Co-financing Agreement, the Co-financing Applicant is responsible for compliance with the Cabinet of Ministers Regulation No 104 of 28 February 2017 “Regulations Regarding Procurement Procedure and Procedures for Application Thereof to Projects Financed by a Contracting Authority”.

# Control mechanism

1. The Agency reserves the right to call in experts during the execution of a foreign film project in order to verify the relevance of the project's eligible expenses to the market situation.
2. In the event of a breach of the requirements of Commission Regulation No 651/2014, the Co-financing recipient is obliged to reimburse to the Agency all the business support received during the project with interest8.

# Closing questions

1. After the co-financing agreement with the Agency has been signed, the Co-financing recipient and the film project contracting authority (foreign production company) undertake to mention the fact that the film project has been co-financed by the Riga City Municipality in publications, promotional materials, as well as in the end credits of the completed film (the logo of the Riga Film Fund programme).
2. Upon completion of the film, the Co-financing recipient is obliged to submit:
	1. Three copies of the film in video format to the Agency.
	2. A copy of the film in for preservation in a cinematographic heritage institution.
3. The persons involved in the organisation of the Competition, the members of the Commission and other associated persons shall sign a non-disclosure of business secrets declaration before being involved in the co-financing programme.
4. The Agency and the Co-financing recipient undertake to keep the Co-financing award documentation for 10 years after the receipt of the Co-financing9.
5. Co-financing for a film project may be combined with support for the same eligible expenses provided under another State support scheme or individual project10.

Chairperson of the Commission E.Medjāne

1co-financing is granted in accordance with the provisions of Regulation (EU) No 651/2014 of the European Commission of 17 June 2014 declaring certain categories of support compatible with the internal market in application of Articles 107 and 108 of the Treaty

(hereinafter referred to as "Commission Regulation No 651/2014"), Article 54;

2 under the conditions set out in Article 6(2) of Commission Regulation (EU) No 651/2014;

3 set out in Article 2(18) of Commission Regulation (EU) No 651/2014;

4 Article 1(4)(c) of Commission Regulation No 651/2014;

5 subject to the provisions of Section 4.4 of the Regulations;

6 ensuring the publicity measures provided for in Article 9(1) and (4) of Commission Regulation (EU) No 651/2014;

7 by the deadline set out in Articles 58 and 59 of Commission Regulation No 651/2014;

8 published by the European Commission in accordance with Commission Regulation (EC) No. 21 of April 2004 794/2004 implementing Council Regulation (EU) 2015/1589 laying down detailed rules for the application of Article 108 of the Treaty on the Functioning of the European

Union, Article 10, plus 100 basis points, from the day the state aid was paid to the recipient of funding until the day of its recovery, in accordance with Commission Regulation (EC) No. 794/2004 of 21 April 2004,

which implements Council Regulation (EU) 2015/1589, which establishes detailed rules for the application of Article 108 of the Treaty on the Functioning of the European Union, the method of applying the interest rate specified in Article 11;

9 in accordance with Article 12 of Commission Regulation No 651/2014;

10 in accordance with Article 8(3) and (5) of Commission Regulation No 651/2014 and up to the maximum support intensity laid down in Article 54(6) of that Regulation and in Section 28.2 of the Regulations;