Prepared on the basis of Journal of Laws of 2019, item 50, and of 2020, item 568.

ACT

of 9 November 2018

on Financial Support for Audiovisual Production[1]

Chapter 1

General Provision

Article 1

1. This Act sets forth the principles, conditions, and procedures for granting and settling financial support.
2. Financial support constitutes state aid within the meaning of Article 107(1) of the Treaty on the Functioning of the European Union.
3. This Act does not prejudice the principles governing the financing of film production and other activities in the field of cinematography as specified in the Act of 30 June 2005 on Cinematography (Journal of Laws of 2018, item 597).
4. The state aid referred to in paragraph 2 shall be granted in accordance with Commission Regulation (EU) No. 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market pursuant to Articles 107 and 108 of the Treaty (Official Journal of the EU L 187 of 26 June 2014, p. 1, as amended[2]), and in particular Article 54 thereof, hereinafter referred to as "Regulation No. 651/2014."
5. The objectives of granting financial support are:
    1. to improve the operating conditions of the audiovisual production market;
    2. to create conditions for foreign investment in audiovisual productions carried out within the territory of the Republic of Poland;

[1] By this Act, the Act of 30 June 2005 on Cinematography is amended and the Act of 16 July 1987 on State Film Institutions is repealed.
[2] Amendments to the aforementioned Regulation were published in the Official Journal of the European Union L 329 of 15 December 2015, p. 28; Official Journal of the European Union L 149 of 7 June 2016, p. 10; Official Journal of the European Union L 156 of 14 June 2017, p. 1; and Official Journal of the European Union L 236 of 14 September 2017, p. 28.

3. to create conditions for cooperation between Polish and foreign audiovisual producers in productions carried out within the territory of the Republic of Poland;
4. to increase the activity of Polish entrepreneurs operating in the audiovisual production market;
5. to enhance the international competitiveness of Polish entrepreneurs operating in the audiovisual production market;
6. to increase the use of the technical production potential for audiovisual production within the territory of the Republic of Poland;
7. to strengthen creative capacity and increase the professionalism of participants in the Polish audiovisual production market;
8. to support the sustainable economic development of the state and its regions by creating conditions for the development of creative industries;
9. to promote culture and the image of the Republic of Poland and Polish cultural heritage worldwide.

Article 2

For the purposes of this Act, the following terms shall mean:

1. media service provider — a media service provider within the meaning of Article 4(4) of the Act of 29 December 1992 on Radio Broadcasting and Television (Journal of Laws of 2017, items 1414 and 2111, and of 2018, items 650, 915, and 1717);
2. co-producer of an audiovisual work — an entrepreneur who jointly with the producer of an audiovisual work organizes, conducts, and bears responsibility for the audiovisual production, or who co-finances the audiovisual production and acquires a share in the economic copyrights to the audiovisual work;
3. Polish qualifying costs — costs incurred within the territory of the Republic of Poland in connection with the realization of an audiovisual production or the provision of services for an audiovisual production, provided that such costs are subject to tax liability under tax regulations

and fall within the scope specified in Article 54(5) of Regulation No. 651/2014;

4. producer of an audiovisual work — an entrepreneur who initiates an audiovisual production, organizes and conducts the audiovisual production, bears responsibility for that production, and acquires the economic copyrights to the audiovisual work;
5. audiovisual production — a set of creative, organizational, economic, legal, and technical activities leading to the creation of an audiovisual work;
6. entrepreneur — an entity referred to in Article 1 of Annex I to Regulation No. 651/2014;
7. service for an audiovisual production — a service provided by entrepreneurs in the course of their business activity to a producer or co-producer of an audiovisual work for the purposes of audiovisual production;
8. audiovisual work — a work consisting of a series of related images, with or without sound, fixed on a medium enabling repeated playback, creating the impression of movement and constituting an original whole expressing action or content in an individual form, produced as a feature film, documentary, animated film, feature series, documentary series, or animated series, regardless of the field of exploitation referred to in the provisions of the Act of 4 February 1994 on Copyright and Related Rights (Journal of Laws of 2018, items 1191, 1293, 1669, 2245, and 2339);
9. financial support — funds granted by the Polish Film Institute to an entrepreneur in the form of co-financing to cover part of the Polish qualifying costs related to an audiovisual production or the provision of services for an audiovisual production.

Chapter 2

Duties and Revenues of the Polish Film Institute Related to the Granting and Settlement of Financial Support

Article 3.

The duties of the Polish Film Institute, hereinafter referred to as the “Institute,” related to financial support include:

1. granting financial support;

2. settling funds granted under financial support;
3. conducting inspections referred to in Article 28(1);
4. collecting data concerning the audiovisual market, including financial and production data, as well as data regarding domestic and foreign distribution;
5. conducting analyses and preparing reports concerning the impact of granted financial support on the development of the audiovisual production market and sectors of the Polish economy connected with the incurred Polish qualifying costs;
6. promoting the Polish audiovisual production market by creating conditions for foreign audiovisual productions and investments in the audiovisual production market within the territory of the Republic of Poland, as well as promoting the Republic of Poland as a location for audiovisual production;
7. maintaining the register of financial support, hereinafter referred to as the "register."

Article 4.

The duties of the Director of the Institute related to financial support include:

1. settling and returning earmarked grants received from the state budget;
2. issuing certificates qualifying applicants to obtain financial support;
3. entering into agreements concerning financial support;
4. verifying settlements of Polish qualifying costs;
5. disbursing financial support;
6. directing activities related to promoting the Polish audiovisual production market and promoting the Republic of Poland as a location for audiovisual production;
7. creating conditions for foreign audiovisual productions and investments in the audiovisual production market within the territory of the Republic of Poland.

Article 5.

1. The Institute's revenues related to financial support consist of:
    1. earmarked grants from the state budget designated for financial

support;

2. revenues from fees paid for the examination of applications for financial support;
3. foreign-source financial resources;
4. other financial resources, including inheritances and donations.

2. Financial support disbursed by the Institute from earmarked grants referred to in paragraph 1(1) shall be paid no later than 31 December of the year in which such support was granted. Settlement of earmarked grants, including the return of unused earmarked grants by the end of the year, shall occur no later than 31 January of the year following the year in which they were granted.

Article 6.

1. The Institute shall maintain a register containing data concerning:
   1. certificates issued pursuant to Article 17(2);
   2. submitted applications for financial support, including:
      a. the business name and registered office of the entrepreneur submitting the application,
      b. the title and type of audiovisual work to which the application relates,
      c. the date and manner of resolution of the application,
      d. the amount of financial support requested by the entrepreneur,
      e. the amount of financial support granted and the date of its payment;
   3. the current aggregate amount of financial support granted in a given calendar year;
   4. the amount of financial support granted by the Institute in previous years.
2. The register shall be public and made available on the Institute's official website in the Public Information Bulletin.
3. Data shall be entered into the register within:
   1. 7 days from the date on which a change occurred in the data referred to in paragraph 1(1);

2. 14 days from the date on which a change occurred in the data referred to in paragraph 1(2)–(4).

Chapter 3
Granting of Financial Support

Article 7.

1. Financial support shall be granted for audiovisual production or for the provision of services for the production of audiovisual works whose:
    1. value of Polish qualifying costs ensures the achievement of the objectives referred to in Article 1(5);
    2. planned running times make their distribution possible in the exploitation fields appropriate for particular types of audiovisual works.
2. Only one financial support grant may be awarded for the audiovisual production of a given audiovisual work.
3. In the case of a series, financial support shall be granted separately for each season.

Article 8.

1. The Institute shall grant financial support to an entrepreneur who is a producer of an audiovisual work, a co-producer of an audiovisual work, or an entity providing services for audiovisual production, provided that such entrepreneur:
    1. has its registered office within the territory of the Republic of Poland;
    2. has acted as a producer, co-producer, or provider of services for audiovisual production in relation to at least one audiovisual work that was distributed in cinemas, broadcast, publicly made available by a media service provider, or presented at least at one international film festival accredited by the International Federation of Film Producers Associations (FIAPF), or employs a person managing the enterprise or responsible for audiovisual production who has experience in audiovisual production or co-production of

such an audiovisual work;

3. concluded a co-production agreement for the audiovisual work within the territory of the Republic of Poland or an agreement for the provision of services for audiovisual production within the territory of the Republic of Poland prior to submitting the application for financial support;
4. satisfies the requirements set forth in state aid regulations.

2. Financial support may be granted to an entity providing services for audiovisual production only where neither the producer nor any co-producer of the audiovisual work has its registered office within the territory of the Republic of Poland.
3. Financial support may also be granted to an entrepreneur who is a producer or co-producer of an audiovisual work and has its registered office in another Member State of the European Union or a Member State of the European Free Trade Association (EFTA) that is party to the Agreement on the European Economic Area, provided that the entrepreneur jointly satisfies the following conditions:
    1. it maintains a branch within the territory of the Republic of Poland;
    2. the audiovisual work receiving financial support is produced by that branch.
4. If the audiovisual work is produced by the branch referred to in paragraph 3, the conditions specified in paragraph 1(2)–(4) must be satisfied by that branch.

Article 9.

Financial support shall not be granted to an entrepreneur who is:

1. a media service provider, unless such activity is not its predominant activity within the meaning of the Act of 29 June 1995 on Official Statistics (Journal of Laws of 2018, items 997, 1000, 1629, and 1669);
2. an entity distributing programs by cable, satellite, or information and communication systems;
3. an entity providing hosting or data storage services through information and communication systems;

4. an entity whose parent company, within the meaning of Article 4 §1(4) of the Commercial Companies Code of 15 September 2000 (Journal of Laws of 2017, item 1577, and of 2018, items 398, 650, 1544, 2219, and 2244), is an entity referred to in points 1–3.

Article 10.

Financial support shall also not be granted to an entrepreneur who:

1. has outstanding public-law liabilities; or
2. is under receivership, liquidation, bankruptcy proceedings, or restructuring proceedings; or
3. within the 3 years preceding the submission of the application for financial support failed to submit a final report on the works covered by financial support, hereinafter referred to as the "report"; or
4. has failed to repay state aid granted by the Republic of Poland that has been declared unlawful and incompatible with the internal market by a decision of the European Commission; or
5. is an undertaking in difficulty within the meaning of Article 2(18) of Regulation No. 651/2014; or
6. has been convicted by a final judgment for the crimes of perjury, bribery, offenses against the reliability of documents, property offenses, offenses against economic transactions, transactions in money and securities, offenses against the banking system, fiscal offenses, or other offenses related to conducting business activity or committed for financial gain, or whose partner or member of a governing body is a natural person convicted by a final judgment for such offenses; or
7. within the 3 years preceding the submission of the application for financial support grossly breached a co-financing agreement referred to in Article 23(3) of the Act of 30 June 2005 on Cinematography by failing to settle the co-financing in accordance with that agreement.

Article 11.

Financial support shall not be granted for the production of audiovisual works of an advertising nature or for works:

1. resulting from the recording of:
   a. performances of literary, literary-musical, musical, or pantomime works,
   b. political, social, cultural, religious, economic, or sporting events,
   c. events from private life,
   d. pornographic content;
2. prepared for purposes of science, education, technology, promotion, information, or instruction;
3. prepared for the internal use of churches or other religious organizations.

Article 12.

Within the financial support allocated for a given year, the Institute shall allocate at least 10% of support to the production of animated films and animated series.

Article 13.

1. The amount of financial support together with other sources of state aid may not exceed, in aggregate, 50% of the total costs of production of the audiovisual work.
2. The amount of financial support together with other sources of state aid granted for the production of an audiovisual work may not exceed, in aggregate, 70% of the total costs of production of the audiovisual work in the case of production of a difficult audiovisual work having limited commercial potential because it:
   1. is intended for audiences up to 12 years of age; or
   2. is intended to promote Polish historical or cultural heritage worldwide and, at the same time, the Polish qualifying costs of its audiovisual production exceed by at least twofold the minimum value of Polish qualifying costs entitling the applicant to submit an application.
3. The amount of financial support together with other sources of state aid granted for the production of an audiovisual work may not exceed, in aggregate, 60% of the total audiovisual production costs in the case of an international co-production of an audiovisual work in which one of the countries of origin of the producers or co-producers of the audiovisual

work is the Republic of Poland, and the remaining producers or co-producers originate from other Member States of the European Union or Member States of the European Free Trade Association (EFTA) that are parties to the Agreement on the European Economic Area. This limit shall not apply to the difficult work referred to in paragraph 2.

4. The production costs referred to in paragraphs 1–3 shall mean costs falling within the catalogue specified in Article 54(5) of Regulation No. 651/2014.

Article 14.

1. Financial support shall be granted in the amount of 30% of the Polish qualifying costs, provided that the Polish qualifying costs constituting the basis for calculating the financial support may not exceed 80% of the total audiovisual production costs.
2. Where the amount of financial support together with other sources of state aid exceeds the financial support limits specified in Article 13(1)–(3), financial support shall be granted in an amount lower than that specified in paragraph 1 so that financing from public sources does not exceed the limits specified in Article 13(1)–(3).
3. The amount of financial support granted for a single audiovisual work may not exceed PLN 15,000,000.
4. The aggregate amount of financial support that may be granted to a single entrepreneur in a given calendar year may not exceed PLN 20,000,000.

Article 15.

1. Polish qualifying costs shall include justified and necessary costs of:
    1. production preparation incurred in connection with the scouting of non-studio locations for audiovisual production;
    2. carrying out audiovisual production;
    3. set design and costumes;
    4. acquisition of technical equipment used for audiovisual production;
    5. travel, accommodation, and meals;
    6. editing and post-production;
    7. production of animation and special effects;

8. engagement of persons for the production of the audiovisual work, including income taxes and social security contributions;
9. rights and licenses for music and archival materials used in the audiovisual production;
10. production of formats enabling access to the audiovisual work for persons with disabilities, including audio description and subtitles for the deaf and hard of hearing.

2. Costs of acquiring goods or services shall be regarded as Polish qualifying costs if:
    1. the entrepreneur supplying the goods or services has its registered office or branch within the territory of the Republic of Poland, operates within the territory of the Republic of Poland, and is entered in the appropriate register;
    2. the goods and services, including rental or lease of technical infrastructure, are acquired or provided within the territory of the Republic of Poland.
3. Costs including fees, remuneration, and other benefits intended for persons engaged in the production of the audiovisual work under agreements other than employment agreements shall be regarded as Polish qualifying costs if they are subject to tax liability within the meaning of tax regulations and fall within the catalogue specified in Article 54(5) of Regulation No. 651/2014.
4. Costs including fees, remuneration, and other benefits intended for persons engaged in the production of the audiovisual work under employment agreements shall be regarded as Polish qualifying costs if they include labor costs of employees of the entrepreneur who received financial support, or of its co-producers or subcontractors, who are subject to unlimited tax liability pursuant to the Act of 26 July 1991 on Personal Income Tax (Journal of Laws of 2018, item 1509, as amended).
5. Polish qualifying costs shall not include value added tax or costs related to the business operations of producers or co-producers that are not directly connected with the audiovisual production or the provision of services for audiovisual production constituting the subject matter of the financial

support.

Chapter 4

Procedure for Granting and Settling Financial Support

Article 16.

1. An entrepreneur intending to obtain financial support may submit an application for the issuance of a certificate confirming satisfaction of the qualification test criteria, hereinafter referred to as the "certificate."
2. The application for issuance of a certificate shall contain:
    1. the entrepreneur's business name;
    2. the registered office and address, telephone number, e-mail address, number of entry in the Register of Entrepreneurs of the National Court Register or information concerning entry in the Central Registration and Information on Business Activity, as well as the entrepreneur's Tax Identification Number (NIP) and REGON statistical number;
    3. specification of the audiovisual work constituting the subject matter of the application, including specification of the title, language, literary source material, planned running time, genre and type of audiovisual work, director, screenwriter, cinematographer, and composer of the audiovisual work, an indication whether the financial support concerns audiovisual production or the provision of services for audiovisual production, and specification whether the audiovisual work is a difficult work referred to in Article 13(2);
    4. the estimated amount of financial support;
    5. the screenplay of the audiovisual work.
3. A completed qualification test shall be attached to the application for issuance of a certificate.
4. The qualification test shall contain a set of criteria and corresponding scores used to assess whether a given audiovisual work:
    1. makes use of Polish or European cultural heritage;
    2. locates the action within the territory of the Republic of Poland;
    3. is produced within the territory of the Republic of Poland;
    4. ensures the participation in the audiovisual production of Polish

employees, collaborators, or entities providing services for audiovisual production;

5. ensures the participation of Polish film infrastructure.

5. The Institute shall examine the application for issuance of a certificate within no more than 28 calendar days from the date of its submission.

Article 17.

1. Following a favorable examination of the application for issuance of a certificate, the Institute shall issue the certificate.
2. The certificate shall contain:
    1. the entrepreneur's business name;
    2. a description of the audiovisual work for which financial support is to be granted;
    3. the date of issuance of the certificate.
3. A certificate may be issued if the audiovisual work obtains at least 51% of the total possible points in the qualification test.
4. The certificate shall remain valid for 4 years from the date of its issuance.

Article 18.

1. The Institute shall grant financial support on the basis of an application submitted by an entrepreneur, hereinafter referred to as the "applicant."
2. The application shall be submitted no earlier than 12 months prior to commencement of the works to be covered by financial support and no later than prior to commencement of such works. The applicant shall be obligated to commence the works covered by financial support no later than 12 months from the date of submission of the application.
3. The application shall contain:
    1. the applicant's business name;
    2. the registered office and address, telephone number, e-mail address, number of entry in the Register of Entrepreneurs of the National Court Register or information concerning entry in the Central Registration and Information on Business Activity, as well as the applicant's Tax Identification Number (NIP) and REGON statistical

number;

3. information regarding the applicant's turnover in the tax year preceding submission of the application;
4. information confirming that the applicant satisfies the conditions for granting financial support;
5. specification of the audiovisual work constituting the subject matter of the application, including specification of the title, language, literary source material, planned running time, genre and type of audiovisual work, director, screenwriter, cinematographer, and composer of the audiovisual work, an indication whether the financial support concerns audiovisual production or the provision of services for audiovisual production, and specification whether the audiovisual work is a difficult work referred to in Article 13(2);
6. specification of the works covered by financial support;
7. information concerning the audiovisual work confirming satisfaction of the conditions for granting financial support, including specification of the number of points obtained in the qualification test, the amount of planned Polish qualifying costs, and the amount and percentage share of public funds in the financing of the audiovisual production;
8. specification of the dates for commencement and completion of the works related to the audiovisual production covered by financial support, together with the dates of individual stages of implementation thereof;
9. the estimated amount of financial support sought by the applicant;
10. the amount of the total planned costs of production of the audiovisual work with respect to the works covered by the application for financial support and, in relation to audiovisual production, the planned amount of the total audiovisual production budget;
11. specification of the locations of the works covered by financial support and the number of shooting days or days of audiovisual production or audiovisual post-production within the territory of the Republic of Poland and in other states;

12. the business name, registered office, and address of the producers or co-producers of the audiovisual work;
13. the names, surnames, citizenships, and functions performed by individual members of the film crew confirming satisfaction of the qualification test criteria;
14. the information specified in Article 37(5) of the Act of 30 April 2004 on Proceedings in Matters Concerning State Aid (Journal of Laws of 2018, item 362).

4. The applicant shall attach to the application:
    1. a copy of the co-production agreement or agreement for the provision of services for audiovisual production translated into Polish by a sworn translator;
    2. a certificate issued by the tax office confirming the absence of arrears in taxes and other liabilities subject to the provisions of the Act of 29 August 1997 – Tax Ordinance (Journal of Laws of 2018, item 800, as amended), issued no earlier than 30 days prior to submission of the application;
    3. a certificate issued by the Social Insurance Institution confirming the absence of arrears in social security contributions, not older than 30 days;
    4. a declaration confirming the absence of the circumstances referred to in Article 10;
    5. information concerning the experience of the applicant's employees or collaborators engaged in audiovisual production;
    6. the audiovisual production schedule;
    7. the audiovisual production financing plan, together with copies of documents confirming satisfaction of the conditions for granting financial support translated into Polish by a sworn translator, confirming at least 75% of the total financing value, in particular agreements and decisions concerning co-financing from sources other than financial support;
    8. the audiovisual production budget together with a spending plan related to audiovisual production within the territory of the Republic

of Poland and the territories of other states;

9. the synopsis and screenplay of the audiovisual work;
10. confirmation of acquisition of rights to the screenplay or literary source material of the audiovisual work;
11. the completed qualification test.

5. The Institute shall collect a fee for examination of the application. The fee shall be paid into the Institute's bank account. The fee shall amount to 0.05% of the estimated value of the financial support sought by the applicant, but not more than PLN 1,000.
6. The Institute shall publish on its official website in the Public Information Bulletin information regarding the method for submitting and examining applications, as well as the application template.
7. Where, for justified reasons, the applicant is unable to submit the agreement for the provision of services for audiovisual production referred to in paragraph 4(1), or the documents referred to in paragraph 4(9) and (10), the Director of the Institute may decide that other documents may be submitted to the Institute on the basis of which examination of the application will be possible.

Article 19.

1. The applicant may submit an application if, at the time of submission, it has documented financing for at least 75% of the costs of the works to be covered by financial support, falling within the catalogue specified in Article 54(5) of Regulation No. 651/2014.
2. Where the applicant submits an application concerning financing for the provision of services for audiovisual production, such financing shall be documented in an amount of at least 75% of the costs of the works to be covered by financial support to which such services relate, falling within the catalogue specified in Article 54(5) of Regulation No. 651/2014.

Article 20.

1. The Institute shall examine the application and notify the applicant in writing of its decision within 28 calendar days from the date of submission thereof.
2. Where an application does not satisfy the requirements referred to in Article

18(3), or where the documents referred to in Article 18(4) have not been attached to the application, the Institute shall return the application to the applicant and notify the applicant in writing of the identified deficiencies and of the possibility of resubmitting the application.

3. Where evaluation of the budget referred to in Article 18(4)(8) indicates that the budget items are inadequate in relation to the production assumptions and the screenplay, the Institute shall present comments on the budget to the applicant together with written justification and shall request the applicant to submit a revised budget within the time period specified in the request, not exceeding 60 days.
4. Where a revised budget is not submitted, the Institute shall determine the maximum amount of a given type of qualifying cost that will be recognized as eligible for settlement under the financial support and shall present such amount to the applicant in writing within 14 days following expiration of the deadline for submission of the revised budget by the applicant.
5. In the cases referred to in paragraphs 3 and 4, the time limit specified in paragraph 1 shall run from the date of submission by the applicant of the revised budget or from the date on which the Institute presents the maximum amount of the qualifying cost eligible for settlement under the financial support.
6. In the cases referred to in paragraph 3, the time limit specified in paragraph 1 shall run from the date of submission by the applicant of properly prepared documents.
7. The Institute shall examine applications in the order of their submission until exhaustion of the funds allocated for financial support provided for in the Institute's financial plan for the given year.
8. The Institute shall notify the applicant in writing that the application has not been examined due to exhaustion of the financial resources referred to in paragraph 7. Where the application is not examined, the Institute shall refund the fee referred to in Article 18(5).
9. The Institute shall create a reserve list of applications to be examined in the event that an applicant resigns from the financial support granted thereto in a given calendar year.

Article 21.

1. Examination of the application shall take place after verification that the conditions for granting financial support have been satisfied, including the conditions specified in the qualification test.
2. Financial support may be granted if the application obtains at least 51% of the total possible points in the qualification test.

Article 22.

1. Within 28 calendar days from the date of notifying the applicant of the granting of financial support, the Institute shall enter into a financial support agreement with the applicant. The Director of the Institute may, upon the applicant's request, extend the deadline for execution of the financial support agreement, but not for longer than 3 months.
2. The Institute may withdraw from the financial support agreement if, within 3 months from the commencement date of the works covered by financial support specified in such agreement, the applicant or its co-producers fail to commence such works.
3. Following withdrawal from the financial support agreement, the applicant may resubmit an application for financial support concerning the same audiovisual work only once.

Article 23.

The financial support agreement shall specify in particular:

1. a description of the audiovisual work to which the financial support relates;
2. the amount of financial support granted for the given audiovisual work;
3. the commencement and completion dates of the works covered by financial support, together with the dates of the individual stages of implementation thereof, as well as the deadlines for submission of the report;
4. specification of materials related to the audiovisual production to be provided by the entrepreneur receiving the financial support for use by the Institute within the framework of the promotional activities specified in Article 3(6);

5. the date or dates of disbursement of the financial support;
6. the amount of contractual penalties for untimely submission of the report by the applicant;
7. the conditions for termination of the financial support agreement.

Article 24.

1. Following execution of the financial support agreement, the Institute shall disburse the financial support into an escrow bank account managed by the Institute and designated exclusively for financial operations related to financial support at Bank Gospodarstwa Krajowego.
2. The entrepreneur to whom financial support has been granted may withdraw the funds accumulated in the escrow account referred to in paragraph 1 after the Institute has positively verified the report in accordance with Article 26(1).
3. Where the amount of financial support resulting from the settled Polish qualifying costs is lower than the amount of funds accumulated in the escrow account referred to in paragraph 1, the Institute shall allocate the remaining funds in the escrow account to support other audiovisual works.
4. Transfer of funds to the escrow account referred to in paragraph 1 shall satisfy the purpose for which the financial support was granted within the meaning of Article 168(5) of the Act of 27 August 2009 on Public Finance (Journal of Laws of 2017, item 2077, as amended).

Article 25.

1. Upon completion of the works covered by financial support, the entrepreneur that received the financial support shall submit to the Institute a report containing:
    1. the business name of the entrepreneur to whom the financial support was granted;
    2. the registered office and address, telephone number, e-mail address, number of entry in the Register of Entrepreneurs of the National Court Register or information concerning entry in the Central Registration and Information on Business Activity, as well as the Tax

Identification Number (NIP) and REGON statistical number of the entrepreneur to whom the financial support was granted;

3. specification of the audiovisual work constituting the subject matter of the application, including specification of the title, language, literary source material, planned running time, genre and type of audiovisual work, director, screenwriter, cinematographer, and composer of the audiovisual work, an indication whether the financing concerns audiovisual production or the provision of services for audiovisual production, and specification whether the audiovisual work is a difficult work referred to in Article 13(2);
4. a brief description of the course of the individual stages of the audiovisual production covered by financial support;
5. data concerning the audiovisual production costs necessary for verification of the financial support due;
6. data concerning satisfaction of the conditions specified in the qualification test;
7. data concerning the course of the audiovisual production necessary to confirm satisfaction of the conditions specified in the application;
8. the amount and percentage share of public funds obtained from sources other than financial support;
9. identification of the producers or co-producers of the audiovisual work.

2. The following shall be attached to the report:
    1. a list of incurred Polish qualifying costs together with documents confirming:

a. incurrence of the costs of acquisition of goods or services constituting Polish qualifying costs, in particular invoices, bills, and confirmations of payment for goods or services,

b. payment of fees, remuneration, and other benefits constituting labor costs of persons engaged in audiovisual production during the audiovisual production period, in particular agreements concluded with natural persons (employment agreements, service agreements, mandate contracts, or contracts for specific work), as well as confirmations of payment of remuneration under such agreements;

2. the qualification test completed on the basis of data current at the time of submission of the report;
3. a list containing the names, surnames, and functions of individual members of the film crew, as well as information on the number of shooting days within the territory of the Republic of Poland.

3. The entrepreneur shall provide the Institute free of charge with one unused copy of the audiovisual work and documentary materials related to the audiovisual production, including the screenplay, editing list, dialogue list, still photographs, posters, credits list, and advertising materials, within 30 days following completion of the audiovisual production, but no later than on the date of commencement of distribution of the audiovisual work.

Article 26. 1. The Institute shall verify the report and determine whether:

1. the report satisfies the requirements referred to in Article 25;
2. at least 51% of the maximum number of points obtainable were awarded in the qualification test completed on the basis of data current as of the date of submission of the report;
3. the works covered by the financial support were carried out in accordance with the financial support agreement;
4. the economic and financial opinion concerning the report indicates that the costs presented therein constitute Polish qualifying costs.
5. The Institute shall carry out the verification referred to in paragraph 1 within no more than 90 calendar days from the date of receipt of the report. The Director of the Institute shall notify the entrepreneur in writing of the date of completion of the verification and of its result.
6. In the event that the Institute conducts an inspection referred to in Article 28(1)(2), the time limit specified in paragraph 2 shall run from the date of completion of the inspection.

Article 27. 1. The economic and financial opinion concerning the report shall be prepared by an audit firm selected by the Institute from the list referred to in paragraph 2 and shall include an assessment of whether the costs presented in the report constitute Polish qualifying costs.

2. The Institute shall maintain a list of audit firms issuing opinions concerning

reports. In establishing the list, the Institute shall be guided by the necessity for the audit firm to possess the qualifications necessary for the verification of audiovisual production financing.

Article 28. 1. The Institute may conduct inspections of entrepreneurs to whom financial support has been granted with respect to the audiovisual production or the provision of services for audiovisual production for which financial support was granted to the entrepreneur, for the purpose of verifying:

1. the timely performance of works covered by the financial support in accordance with the deadlines specified in the financial support agreement; or
2. the accuracy of the information contained in the report and in the appendices thereto.
3. The Institute may conduct an inspection during the period from the date of execution of the financial support agreement until the date of completion of the verification of the report.
4. The inspection referred to in paragraph 1(2) may not be conducted for a period longer than 2 months.
5. Inspections shall be conducted by employees of the Institute or by audit firms from the list referred to in Article 27(2), on the basis of written authorization granted by the Director of the Institute.
6. The authorization shall contain:
7. an indication of the legal basis for the inspection;
8. the date and place of issuance;
9. the first and last name of the person authorized to conduct the inspection, hereinafter referred to as the “authorized person”;
10. the designation of the entrepreneur;
11. the date of commencement and completion of the inspection;
12. the scope of the inspection.
13. The authorized person shall have the right to:
14. enter the registered office of the entrepreneur to whom financial support has been granted, as well as the premises and facilities where the audiovisual production was or is being carried out or where the service for audiovisual production covered by financial support was or is being provided;

15. request documents related to expenditures incurred for the audiovisual production or the service for audiovisual production included among the Polish qualifying costs, including agreements and accounting documents;
16. inspect documentation concerning the financial support agreement, including accounting documents, agreements, photographic documentation, and audiovisual documentation from the audiovisual production process;
17. request written explanations related to the granting and settlement of the financial support.

Article 29. 1. Following the inspection, the authorized person shall prepare an inspection report, which shall contain:

1. the business name and address of the entrepreneur;
2. an indication of the legal basis for the inspection;
3. the first and last name of the authorized person and the date of issuance of the authorization to conduct the inspection;
4. the date of commencement and completion of the inspection, including an indication of days constituting interruptions in the inspection;
5. the scope and subject matter of the inspection;
6. a description of the factual findings established as a result of the inspection, including identified irregularities, the reasons for their occurrence, their scope and consequences, as well as the first and last names and functions (positions) of the persons responsible for the irregularities;
7. an indication of the basis for the findings made;
8. in the event of a subsequent inspection, information concerning the implementation of post-inspection recommendations issued as a result of the previous inspection;
9. an instruction concerning the right, method, and deadline for submitting objections to the findings contained in the inspection report, as well as the right to refuse to sign the report;
10. a notation regarding the submission of objections to the findings contained in the inspection report and the position taken with respect thereto by the authorized person;
11. a discussion of corrections, deletions, and supplements made to the inspection report;

12. the signature of the authorized person and an indication of the place and date of signing the inspection report;
13. the signature of the entrepreneur and an indication of the place and date of signing the inspection report or, in the event of refusal to sign the inspection report, a notation of such fact.
14. The inspection report shall be signed by the authorized person and the entrepreneur.
15. Prior to signing the inspection report, the entrepreneur may submit written reasoned objections to the findings contained in the inspection report within 14 days from the date of receipt thereof.
16. In the event objections to the findings contained in the inspection report are submitted, the authorized person shall, within 14 days from the date of receipt thereof, analyze the objections and, where necessary, undertake additional inspection activities.
17. If it is determined that the objections to the findings contained in the inspection report are justified in whole or in part, the authorized person shall amend or supplement the inspection report.
18. If the objections to the findings contained in the inspection report are not accepted in full, the authorized person shall leave the inspection report unchanged.
19. The entrepreneur may refuse to sign the inspection report by submitting, within 7 days from the date of receipt thereof, a written explanation of the reasons for the refusal.
20. In the event of refusal to sign the inspection report, the authorized person shall attach the written explanation of the reasons for the refusal thereto.
21. Refusal by the entrepreneur to sign the inspection report shall not constitute an obstacle to the signing of the report by the authorized person.

Article 30. 1. If, as a result of the inspection, it is determined that the entrepreneur is not performing the obligations arising from the Act or the financial support agreement, the Director of the Institute shall issue post-inspection recommendations calling upon the entrepreneur to remedy the irregularities or provide explanations.

2. The remedying of irregularities or the provision of explanations shall take

place within the time limit indicated by the Director of the Institute, which shall not be shorter than 30 days from the date of service of the post-inspection recommendations upon the entrepreneur.

3. If, after the expiry of the time limit referred to in paragraph 2, the entrepreneur fails to remedy the identified irregularities or the explanations provided by the entrepreneur prove insufficient, the Director of the Institute may specify measures that should be implemented by the entrepreneur in order to remedy the irregularities, together with a time limit for their implementation.
4. Failure to comply with the measures referred to in paragraph 3 shall constitute grounds for withdrawal from the financial support agreement by the Director of the Institute.

Article 31. 1. The minister competent for culture and protection of national heritage shall specify, by way of Regulation:

1. a detailed list of costs that may constitute Polish qualifying costs and a detailed list of costs excluded from qualification as Polish qualifying costs pursuant to Article 15(5);
2. the minimum planned durations of audiovisual works and the minimum values of Polish qualifying costs entitling an applicant to apply for financial support — separately for particular types of audiovisual works;
3. the template for the application for issuance of a certificate;
4. the template for the application for financial support;
5. the template for the qualification test together with the detailed qualification test criteria and the corresponding scoring assigned thereto;
6. the template for the report.
7. The Regulation referred to in paragraph 1 shall take into account, as appropriate:
8. costs the incurrence of which is necessary for audiovisual production and the expenditure of which shall contribute to the development of the Polish audiovisual industry;
9. the need to adapt the financial support system to market conditions and current directions in the development of audiovisual production;

10. changes occurring in the conditions for co-financing audiovisual production in territories other than the Republic of Poland;
11. methods of production and post-production of particular types of audiovisual works;
12. the impact of audiovisual production on strengthening the creative and economic potential of the Polish audiovisual production market;
13. the efficiency of the procedure for granting financial support and verification of compliance with the conditions for granting and payment of financial support;
14. the necessity of standardizing documents used in the procedure for granting and settling financial support.

Chapter 5

Amending, Transitional, and Final Provisions

Article 32. The following amendments are introduced to the Act of 30 June 2005 on Cinematography (Journal of Laws of 2018, item 597):

1. in Article 8(1), in point 9, the period shall be replaced with a semicolon and points 10 and 11 shall be added, reading as follows:

"10. supporting audiovisual production on the terms specified in the Act of 9 November 2018 on Financial Support for Audiovisual Production (Journal of Laws of 2019, item 50);

11. assigning to each film exhibited in a cinema an individual identifier published on the Institute's Public Information Bulletin website.";

12. in Article 11, paragraph 3 shall be repealed;
13. in Article 18(1):
    a. point 7 shall be repealed,
    b. point 8 shall be added, reading as follows:

"8. revenues from penalties imposed pursuant to Article 19b.";

4. after Article 19, Articles 19a and 19b shall be added, reading as follows:

"Article 19a. 1. An entity operating a cinema shall provide the Institute with:

1. daily data concerning the number of viewers, the number of tickets sold and accepted entitlement documents, and revenues from ticket sales with respect to each film exhibited on a given day;
2. monthly data concerning revenues from the exhibition of films and

advertisements in the cinema.

3. If the entity operates more than one cinema, it shall provide the Institute with the data referred to in paragraph 1 separately for each cinema.
4. The data referred to in paragraph 1:
5. in point 1, shall be transmitted twice a week: on the first day that is not a public holiday following each Sunday — for Friday, Saturday, and Sunday, and on the day that is not a public holiday preceding each Saturday — for Monday, Tuesday, Wednesday, and Thursday;
6. in point 2, shall be transmitted on the first day of the month that is not a public holiday following the month to which the data relate

— by means of an information and communication technology system using electronic documents within the meaning of Article 3(2) of the Act of 17 February 2005 on the Computerization of Activities of Entities Performing Public Tasks (Journal of Laws of 2017, item 570 and of 2018, items 1000, 1544, and 1669) or by means of an electronic form made available on the Institute's Public Information Bulletin website.

4. The minister shall specify, by way of Regulation:
5. the electronic format for transmitting the data referred to in paragraph 1;
6. the templates for forms used to provide the Institute with the data referred to in paragraph 1, together with explanations concerning the manner of completing such forms

— taking into account the necessity of simplifying, streamlining, and standardizing the data transmission process.

Article 19b. 1. An entity operating a cinema that fails to provide the data referred to in Article 19a, or fails to provide such data within the prescribed time limit, shall be subject to a monetary penalty in the amount from PLN 1,000 to PLN 100,000.

2. The monetary penalty referred to in paragraph 1 shall be imposed by the Director by way of decision.
3. In determining the amount of monetary penalties, the Director shall take into account prior violations of data transmission obligations by the entity operating the cinema, the scope and type of data not provided or not provided within the prescribed time limit, and the scale of the activity conducted by

the entity.

4. The monetary penalty shall be paid into the Institute's bank account.
5. The monetary penalty shall be paid within 14 days from the date on which the decision imposing the penalty became final.
6. The provisions of Division IVa of the Act of 14 June 1960 — the Code of Administrative Procedure (Journal of Laws of 2018, item 2096) shall apply to monetary penalties.
7. The Institute shall be the creditor of receivables arising from the monetary penalties referred to in paragraph 1, within the meaning of the provisions on administrative enforcement proceedings.
8. The minister shall be the higher-level authority competent to examine complaints against decisions of the creditor of receivables arising from the monetary penalties referred to in paragraph 1.".

Article 33. 1. In the years 2019–2027, the minimum limit of state budget expenditures constituting the financial effects of the Act shall amount to PLN 100,000 thousand annually, whereas in the years 2018–2027 the maximum limit of state budget expenditures constituting the financial effects of the Act shall amount to:

1. in 2018 — PLN 50,000 thousand;
2. in 2019 — PLN 210,738 thousand;
3. in 2020 — PLN 216,006 thousand;
4. in 2021 — PLN 221,406 thousand;
5. in 2022 — PLN 226,940 thousand;
6. in 2023 — PLN 232,614 thousand;
7. in 2024 — PLN 238,430 thousand;
8. in 2025 — PLN 244,390 thousand;
9. in 2026 — PLN 250,500 thousand;
10. in 2027 — PLN 265,762 thousand.
11. In the event of exceeding or risk of exceeding the maximum expenditure limit adopted for a given budget year, referred to in paragraph 1, a corrective mechanism shall be applied consisting in limiting expenditures related to the operating costs of the Institute.
12. The minister competent for culture and protection of national heritage shall

be the authority responsible for monitoring the use of the expenditure limit referred to in paragraph 1 and for implementing the corrective mechanism referred to in paragraph 2.

Article 34. The Act of 16 July 1987 on State Film Institutions (Journal of Laws of 2017, item 2006) shall cease to have effect.

Article 35. This Act shall enter into force upon the expiration of one month from the date of promulgation, with the exception of the provisions of Article 32 point 3(b) and point 4, which shall enter into force upon the expiration of 12 months from the date of promulgation.