

National Assembly of the Republic of Armenia, Law No HO-302-N

Adopted: 30 June 2021

ON CINEMATOGRAPHY

Signed: 15 July 2021

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15 October 2023

LAW OF THE REPUBLIC OF ARMENIA

Adopted on 30 June 2021

ON CINEMATOGRAPHY

CHAPTER 1

GENERAL PROVISIONS

The objective of this law is to ensure the development of the field of cinematography in the Republic of Armenia, create adequate legal guarantees and support the production, distribution, screening and promotion of national films, ensuring the preservation and accessibility of film heritage and film chronicle.

Article 1. Subject matter of the Law

1. This Law shall define the principles of state policy in the field of cinematography, objectives and forms of state support, powers of state bodies and other bodies and shall regulate the legal, organisational and financial relations pertaining to the activities in cinematography.

Article 2. Legislation on cinematography

1. Relations pertaining to cinematography shall be regulated by the Constitution of the Republic of Armenia (hereinafter referred to as the "Constitution"), international treaties of the Republic of Armenia (hereinafter referred to as "International treaties"), this Law, other laws of the Republic of Armenia (hereinafter referred to as "the Law"), as well as other regulatory legal acts adopted in accordance with this Law.
2. Where international treaties prescribe norms other than those stipulated by this Law, the norms of the international treaties shall apply.

Article 3. Main concepts used in this Law

1. The main concepts used in this Law shall be as follows:
 - (1) **national film** – a film that meets the conditions indicated in Article 13 of this Law;
 - (2) **supporter** – a legal or natural person, who shall gratuitously allocate funds for film production, distribution and preservation without interference in those processes and acquisition of property rights;
 - (3) **classification** – differentiation of a film in accordance with age restriction criteria prescribed for viewers;
 - (4) **capital fund** – reserve fund generated or replenished from State Budget and on account of allocations made by the supporters, as well as other funds not prohibited by law;
 - (5) **subtitling** – placing a text containing speech or other comments of the film actors in the frame;
 - (6) **feature film** – a film with a duration of 52 or more minutes;
 - (7) **short film** – a film with a duration of up to 52 minutes;
 - (8) **cinematography** – field of culture and art which includes the integrity of professional, creative, production, technical, scientific and educational activities pertaining to the film production, distribution, screening;
 - (9) **cinema** – a place with one or more halls designated for 50 and more viewers for display of

- films on the screen through appropriate technical means;
- (10) **film heritage** – the preprint material of the film, the original film or the copy thereof, accessories needed for film production (stage gear, furniture, clothes, devices, equipment, objects, constructions), movable and immovable property inherited, preserved, transferred to the next generations and falling under public domain;
 - (11) **film registry** – database created for the purpose of organising the statistical record keeping of national films;
 - (12) **film chronicle** – documentary material, which reflects in chronological order the sequential image of events or facts for its further use;
 - (13) **film festival** – an event held by competitive or non-competitive program and established procedure for the purpose of screening films selected in one and more than one nominations;
 - (14) **dubbing** – sound recording of simultaneous translation of syllabic articulation of the speech of the film actors;
 - (15) **co-production** – film production meeting the conditions indicated in part 1 of Article 26 of this Law;
 - (16) *(point 16 repealed starting from 15 October 2023 – Law HO-291-N of 12 September 2023 (the Law contains a final part and a transitional provision))*
 - (17) **audio presentation** – brief verbal description of film episodes for persons with visual impairments;
 - (18) *(point 18 repealed starting from 15 October 2023 – Law HO-291-N of 12 September 2023 (the Law contains a part and a transitional provision))*
 - (19) *(point 19 repealed starting from 15 October 2023 – Law HO-291-N of 12 September 2023 (the Law contains a final part and a transitional provision))*
 - (20) **beneficiary** – an economic entity having received state registration in the Republic of Armenia, whereto, pursuant to this Law, funds shall be allocated;
 - (21) **creative team** – working group engaged in film production, including the scriptwriter, production or general director, camera or general operator, art director or production

designer, composer of film music, sound producer, video editor, film editor, animator, costume designer, designer, make-up artist, actors performing primary, secondary and tertiary roles;

- (22) **release certificate** – document attesting the right to put into circulation the original film, its print or prints;

- (23) **economic entity** – legal entity engaged in entrepreneurial activity in the field of cinematography;

- (23.1) **cash rebate** – partial refund of monetary costs incurred by filmmakers for products and services directly related to film production acquired from residents of the Republic of Armenia;

- (24) **film** – an audiovisual work created on the basis of creative plan developed as a result of joint efforts of the creative team, fixed on a filmstrip or on other types of carriers and intended for presentation to the public by respective technical means;

- (25) **film commissioner** – a legal or natural entity carrying out functions of boosting and disseminating the attractiveness of the Republic of Armenia as a favourable country for film production, as well as providing support to filmmakers in different stages of film production;

- (26) **film distributor** – an economic entity carrying out distribution of a film;

- (27) **film exhibitor** – economic entity organising film screening;

- (28) **filmmaker** – economic entity having acquired exclusive property rights over the film based on the contracts concluded with the creative team, who initiates the film production and bears responsibility for it;

- (29) **film production** – activity carried out by the filmmaker aimed at making a film with the engagement of creative team, by using technical and other means;

- (30) **original film** – the first print of the finally approved version of the film conforming by its qualitative criteria to the format of the preprint material of the film;

- (31) **preprint material of the film** – negative, dupe negative, image and soundtrack, originals of music, sound mixing and magnetic soundtracks, master print and other materials kept on

tangible mediums and necessary for preservation and reproduction of a film;

- (32) **film project** – a set of documents on film production based on which the decision on film production or funding is made;
- (33) **film preservation** – activity aimed at long-term preservation of preprint materials of the film, original film or its print and film project, ensuring its safekeeping and restoration;
- (34) **film distribution** – the process of making the film accessible to the public at large;
- (35) **film screening** – public screening of film in cinemas, wire broadcasting (including cable connection) or wireless broadcasting (including TV or satellite connection).

(Article 3 amended by Law HO-291-N of 12 September 2023 (the Law contains a final part and a transitional provision))

Article 4. Principles of state policy in the field of cinematography

1. The main principles of state policy in the field of cinematography shall be as follows:

- (1) safeguarding the freedom of the creative professionals;
- (2) mandatory nature and continuity of state support;
- (3) transparency of state support;
- (4) improvement of legal framework and manageability of the conflict of interests;
- (5) ensuring of favourable tax policy;
- (6) preservation, distribution and development of film art;
- (7) priority of making and popularising of national films;
- (8) mandatory nature of making and funding of film chronicle;
- (9) protection of copyright and related rights.

Article 5. Objectives and forms of state support in the field of cinematography

1. Objectives of state support in the field of cinematography shall be as follows:

- (1) development of the field of cinematography;
 - (2) making, distribution and preservation of national films;
 - (3) development of education, scientific and information systems;
 - (4) boosting co-production;
 - (5) preservation of film heritage and film chronicle;
 - (6) attraction of foreign investments.
2. Forms of state support in the field of cinematography shall be as follows:
- (1) making investments and provision of guarantees;
 - (1.1) partial refund of monetary funds invested in film production;
 - (2) building and development of supporting infrastructures;
 - (3) ensuring of required production and technical conditions;
 - (4) creating appropriate conditions for appreciation of film art;
 - (5) ensuring favourable funding conditions;
 - (6) funding of making, distribution and preservation of films;
 - (7) funding of film festivals and other events of film art;
 - (8) ensuring participation in the events of film art;
 - (9) other support not prohibited by law.

(Article 5 amended by Law HO-291-N of 12 September 2023 (the Law contains a final part and a transitional provision))

Article 6. Exclusion of state interference in the field of cinematography

1. The Republic of Armenia shall ensure the exclusion of interference of state in the creative process in the field of cinematography and guarantee the opportunity for free creation and self-expression.
2. Censorship in the field of cinematography (including through application of mechanisms of state support) shall be prohibited.

CHAPTER 2

POWERS OF THE GOVERNMENT, AUTHORISED STATE BODY AND NATIONAL BODY

Article 7. Powers of the Government

1. The Government shall:

- (1) approve the procedure for funding of the field of cinematography (hereinafter referred to as “state funding”) on account of funds from State Budget;**
- (2) approve the share and limits of state funding for certain film categories;**
- (3) approve the procedure and conditions for issuing, rejecting and terminating of cash rebate;**
- (3.1) approve the list of products, services and works directly related to film production, calculated in the costs subject to cash rebate of investments, and the conditions for establishing the amount of monetary costs subject to rebate and the standards for calculating;**
- (4) approve the procedure for granting and withdrawing of the co-production status;**
- (5) approve the procedure for issuing of the release certificate and its withdrawal;**
- (6) approve the procedure for classification of the film and making an indication on age restriction for the film;**
- (7) approve the procedure for making allocations to the capital fund;**
- (8) approve the procedure for maintaining the film registry and delivering the documents of national film for permanent preservation;**
- (9) exercise other powers provided for by the Constitution and the Law.**

(Article 7 amended by Law HO-291-N of 12 September 2023 (the Law contains a final part and a

transitional provision))

Article 8. Powers of the state administration body authorised by the Government of the Republic of Armenia

1. State administration body authorised by the Government in the field of culture (hereinafter referred to as “authorised state body”) shall:
 - (1) elaborate and implement state policy in the field of cinematography;
 - (2) elaborate programmes and concept papers aimed at development of the field of cinematography;
 - (3) ensure conditions for development of international cooperation in the field of cinematography;
 - (4) ensure conditions for development of education system in the field of cinematography;
 - (5) ensure conditions for development of all types of works of film art;
 - (6) ensure conditions for reproduction, use of the creative potential and full self-expression of young creative professionals;
 - (7) ensure conditions for preservation of film heritage and film chronicle;
 - (8) render – based on the information in the opinions on cash rebate and in the study on the grounds for issuing rebate submitted to the national body – a decision on issuing or rejecting the rebate, and in cases prescribed by law – also on chargeback of rebate to the State Budget or terminating cash rebate and chargeback of the returned financial allocation to the State Budget;
 - (9) *(point 9 repealed starting from 15 October 2023 – Law HO-291-N of 12 September 2023 (the Law contains a final part and a transitional provision))*
 - (10) approve the procedure for organising and holding tenders for the purpose of allocation of state funding in the field of cinematography;
 - (11) approve the procedure for selection of and the criteria for the assessment of the members of the Board of Trustees of the national body of cinematography (hereinafter referred to as

“the Board”) and the Executive Director of the national body (hereinafter referred to as the “Director”);

(12) approve the assessment criteria for specialists in the field of cinematography (hereinafter referred to as “specialist”);

(13) exercise other powers provided for by the Constitution and the Law.

(Article 8 amended by Law HO-291-N of 12 September 2023 (the Law contains a final part and a transitional provision))

Article 9. Powers of the national body

1. The national body shall:

(1) ensure manageability of the conflict of interests;

(2) ensure creation and subsequent maintenance of film registry;

(3) ensure efficient management of the reserve fund;

(4) ensure organising and holding of tenders held for the purpose of state funding;

(5) carry out supervision over expedient use of funds allocated from the State Budget and the capital fund, as well as observance of the conditions prescribed by parts 1 and 2 of Article 19 of this Law;

(6) support making, distribution and preservation of national films;

(7) support making of co-production films;

(8) support participation of national films in the events of film art;

(9) support restoration and digitalisation of film heritage;

(10) examine information on broadcasting and screening of the national film in the cinema, as well as on revenues earned from placing of advertisement during film broadcasting or screening and render an opinion thereon;

(11) examine the documents submitted to receive a co-production status, grant and withdraw a co-production status;

- (12) examine the documents submitted to obtain the release certificate, issue and withdraw the release certificate;
- (12.1) study the documents serving as a ground for partial rebate of investments, and in cases prescribed by the legislation – also for chargeback of rebate to the State Budget or withdrawal of cash rebate and chargeback of the rebated financial allocation to the State Budget, provide an opinion thereon to the authorised state body in order to render a relevant decision;
- (13) exercise other powers provided for by the Law and its Statute.

(Article 9 amended by Law HO-291-N of 12 September 2023 (the Law contains a final part and a transitional provision))

CHAPTER 3

NATIONAL BODY, BOARD AND DIRECTOR OF THE NATIONAL BODY

Article 10. National body

1. The national body is a cultural foundation established by the Republic of Armenia, which has exclusive powers in organising and holding of tenders (hereinafter referred to as “tender”) for the purpose of state funding.
2. The national body is a supporting body and may not acquire property rights over the films funded by or through itself, also it may not carry out entrepreneurial activity related to film production independently or through other economic entity, wherein it has equity participation or possibility to predetermine the decisions of the managerial bodies of the latter or significantly influence the decision-making thereof.

Article 11 Board of the National Body

1. The Board, comprised of seven members, shall be the supreme managerial body of the national

body and shall include:

- (1) head of the authorised state body – ex officio;
 - (2) head of the state body authorised in the field of management of public funds – ex officio;
 - (3) head of the state body authorised in the field of development of branches of economy – ex officio;
 - (4) four specialists (including foreign specialists) – on competitive basis.
2. Pursuant to point 4 of part 1 of this Article the candidate having received maximum sum of total scores set by criteria established by the state authorised body may be selected as a member of the Board for a term of three years, who has higher education in the field of film art and meets one of the following requirements:
- (1) has received a film festival award;
 - (2) is a prize winner of any co-production project;
 - (3) has a work experience of a member of the jury at a film festival.

Article 12. Director of the National Body

1. The management of the current activities of the national body shall be carried out by the director selected on a competitive basis.
2. Adult citizens of the Republic of Armenia with active legal capacity, having higher education and at least three years of professional work experience in the field of art may participate in the competition for selection of a director.
3. The candidate having received maximum sum of total scores set by criteria established by the state authorised body, whose programme on improvement and development of the field of cinematography has been approved by the Board may be selected to the position of director for a term of three years out of three contenders for the position of director.
4. The director may not engage in entrepreneurial activities, hold other positions or perform paid work other than scientific, pedagogical and creative work, and the same person may not be selected to a position of a director for two consecutive terms.

CHAPTER 4

NATIONAL FILM, FILM REGISTRY, PRESERVATION OF THE FILM AND PROPERTY RIGHTS OVER THE FILM

Article 13. National film

1. The national film shall be deemed to be the film intended for screening at the cinema, which meets the following conditions:
 - (1) the majority of the creative team members of the film are citizens of the Republic of Armenia;
 - (2) the scriptwriter and (or) the production director of the film are citizens of the Republic of Armenia;
 - (3) the filmmaker having received state registration in the Republic of Armenia is involved in the film production.

2. The films the property rights whereof have been transferred to the Republic of Armenia hereditarily by way of universal legal succession shall also be considered as national films.

Article 14. Film registry, preservation of the film and the property rights over the film

1. Data on national films, members of creative team thereof and filmmakers shall be collected and recorded in the film registry by the national body as prescribed by the Government.
2. In order to organise the preservation of the film, protection of copyright and related rights and public use of film heritage, the documents of the national film, including preprint materials of the film and the original film shall be delivered for permanent preservation as prescribed by the Government.
3. The exclusive property rights over the film shall pass to the filmmaker under the contract concluded with the filmmaker on making a film for author's remuneration (royalty) paid by the latter to the members of the creative team on the basis of the contract on making a film.

CHAPTER 5

FILM PRODUCTION, FILM DISTRIBUTION AND FILM SCREENING

Article 15. Film production

1. Production of films in public places of the Republic of Armenia shall be carried out in accordance with the requirements prescribed by Law with respect to maintenance of public order, ensuring safety, smooth traffic flow and free movement, protection of health and rights of others, overall responsibility and safekeeping from accidents, use of state or public property and nature protection.
2. The filmmaker may fully or partially delegate the performance of operations prescribed by part 1 of this Article, as well as the performance of other (supporting) operations securing the natural course of film production to the film commissioner.

Article 16. Film distribution

1. Distribution of films in the territory of the Republic of Armenia shall be carried out on the basis of a release certificate.
2. A release certificate shall be issued, where the film meets the following conditions:
 - (1) the film has been classified and the relevant indication on age restriction has been made as prescribed by the Government;
 - (2) Armenian dubbing or visible and clear subtitling of a foreign film has been made, except for musical compositions featured in the film and those episodes which are insignificant or must be in a foreign language according to the creative plan.

IRTEK Point 2 of part 2 of Article 16 shall enter into force starting from
1 January 2030 – Law HO-302-N of 30 June 2021
(the Law contains a final part and a transitional provision).

3. The requirement of point 2 of part 2 of this Article shall not extend to:

- (1) scientific, cultural, educational, cognitive and other similar non-commercial programmes and films intended for improving the command of foreign languages or teaching thereof;
- (2) films designed for national minorities residing in the territory of the Republic of Armenia and intended for screening within the framework of film festivals and other events of film art;
- (3) films broadcasted through satellite or cable connection.

Article 17. Film screening

1. The number of screenings of national films in the territory of the Republic of Armenia by a single broadcaster or by a single cinema may not be less than 15 per cent of the total number of film screenings per month.
2. 10 per cent of revenues earned from placing advertisement during national film broadcasting or screening in the cinema, shall be allocated by the film exhibitors to the capital fund as prescribed by the Government.
3. Film exhibitors shall submit to the national body information on revenues earned from placing advertisement during broadcasting and screening of a national film in the cinema as prescribed by the Government.

CHAPTER 6

CASH REBATE OR ITS REJECTION OR TERMINATION, CHARGEBACK, GRANTING AND WITHDRAWING OF A CO-PRODUCTION STATUS, ISSUANCE OF A RELEASE CERTIFICATE AND ITS TERMINATION

*(title of Chapter 6 edited by Law HO-291-N of 12 September 2023
(the Law contains a final part and a transitional provision))*

Article 18. Issuance, rejection, termination, chargeback of cash rebate

1. The 10-40% of the monetary costs invested for film production may be rebated, where:
 - (1) the filmmaker has applied to the national body with a request for rebating the investments;
 - (2) the documents substantiating the costs directly related to the film production are

available;

- (3) the national body has applied to the authorised state body with its positive opinion on issuing cash rebate.
2. The list of products, services and works calculated in the costs subject to cash rebate and directly related to the film production and the conditions for establishing the amount of monetary costs subject to rebate and the standards for calculating them shall be established by the Government.
3. The costs for products, services and works performed in the amount of the financial means allocated for the given film production at the expense of the capital fund, where available – as prescribed by part 1 of Article 23 of this Law – shall not be calculated in the costs subject to cash rebate.
4. The request for receiving cash rebate shall be rejected, where:
 - (1) facts have become known which certify that unreliable information or false documents have been submitted;
 - (2) the documents submitted do not comply with the requirements of this Law;
 - (3) the documents submitted are inaccurate and inaccuracies are not eliminated within ten working days after notification;
 - (4) the filmmaker, in the course of his or her activities, has destroyed or damaged a historical or cultural monument, object or document of special historical or cultural value or archaeological objects under the protection of the State, has violated the regime for a natural area or object specially protected by the State as prescribed by the legislation, causing property or other essential damage in large amounts as prescribed by the criminal statute, or has refused to compensate for the damage caused to public property or to the property of private persons or restore it to its previous state.
 - (5) the national body, based on the data of the supervision established by the legislation, has provided a negative opinion.
5. Cash rebate shall be terminated, and the allocated funds shall be charged back to the State Budget, where, based on the facts of supervision of the national body or other substantiated facts, it is revealed that the filmmaker having received (or receiving) the rebate prescribed by part 1 of this Article:
 - (1) has submitted unreliable information or false documents;

- (2) has violated the requirements of this Law and other regulatory legal acts;
 - (3) has committed – during the activities for film production – an act providing for administrative or criminal liability, by which he or she has caused damage to the State, the legal or natural person or which has entailed partial or full destruction of property or has committed an act not provided for by the documents reserving the right to film production and not co-ordinated with the relevant authorised bodies.
6. Cash rebate shall be issued, rejected, terminated or returned to the State Budget by the decision of the authorised state body, based on the opinion of the national body or the court act having entered into legal force.
 7. The amount for issuing cash rebate, the proportion and time limits for allocation, the list and format of the documents substantiating the costs subject to rebate, as well as the procedures for rejecting, withdrawing rebate and carrying out (returning) chargeback to the State Budget shall be established by the decision of the Government as provided for by point 3 of part 1 of Article 7 of this Law.

(Article 18 edited by Law HO-291-N of 12 September 2023 (the Law contains a final part and a transitional provision))

Article 19. Granting and withdrawing of a co-production status

1. To receive an initial co-production status before the shooting of the film, the filmmaker shall submit to the national body:
 - (1) the request for initial co-production status;
 - (2) the statement on copyright;
 - (3) the brief synopsis of the film, the preliminary schedule of film production;
 - (4) the preliminary list of creative and technical contributions to the film;
 - (5) the cost estimate of the film;
 - (6) the preliminary funding plan;
 - (7) the co-production contract or memorandum of co-operation.
2. To receive a final co-production status after the shooting of the film has finished, the filmmaker shall submit to the national body:
 - (1) the request on receiving the final co-production status;

- (2) the full package of copyright contracts;
 - (3) the final script of the film;
 - (4) the final list of creative and technical contributions to the film;
 - (5) the statement of expenses of the film;
 - (6) the final funding plan;
 - (7) the co-production contract.
3. The request for granting of the co-production status shall be rejected where:
- (1) information submitted is unreliable;
 - (2) documents submitted do not comply with the requirements of the Law;
 - (3) documents submitted are inaccurate and inaccuracies are not eliminated within ten working days after notification.
4. The co-production status shall be withdrawn, where:
- (1) unreliable information or false documents have been submitted;
 - (2) the requirements of this Law and other regulatory legal acts have been violated.
5. The co-production status shall be granted and withdrawn by the national body as prescribed by the Government.

Article 20. Issuance of a release certificate and its withdrawal

1. To obtain the release certificate before the film distribution the film distributor shall submit to the national body:
 - (1) the request for obtaining a release certificate;
 - (2) the statement on copyright;
 - (3) the statement on classification and audio presentation of the film;
 - (4) the statement on dubbing and (or) subtitling of the film.
2. The request for issuance of the release certificate shall be rejected, where:
 - (1) the information submitted is unreliable;
 - (2) the documents submitted do not comply with the requirements of the Law;

- (3) the documents submitted are inaccurate and inaccuracies are not eliminated within ten working days after notification.
3. The release certificate shall be withdrawn where:
 - (1) unreliable information or false documents have been submitted;
 - (2) the requirements of this Law and other regulatory legal acts have been violated.
4. The release certificate shall be issued and withdrawn by the national body as prescribed by the Government.

CHAPTER 7

STATE SUPPORT IN THE FIELD OF CINEMATOGRAPHY, FUNDING ON ACCOUNT OF STATE BUDGET, FUNDING ON ACCOUNT OF THE CAPITAL FUND AND THE PROCEDURE AND CONDITIONS FOR HOLDING A TENDER

Article 21. State support in the field of cinematography

1. In case investments are made in the territory of the Republic of Armenia for the purpose of film production, the filmmaker may obtain cash rebate, pursuant to the provisions of Article 18 of this Law.
2. *(part 2 repealed starting from 15 October 2023 – Law HO-291-N of 12 September 2023 (the Law contains a final part and a transitional provision))*
3. Persons arriving to the Republic of Armenia for the purpose of film production shall have a right to stay in the territory of the Republic of Armenia without an entry visa for the period set by the film project and engage in film production works without work permit as prescribed by the Government.
4. The temporary import and export of products within the framework of events of film production and film art shall be carried out by simplified and accelerated procedure for customs processes without payment of customs fees.
5. Monetary funds obtained gratuitously by the beneficiaries under the state funding shall be

deemed to be income in the tax year when they or the assets acquired or generated thereby are recognised as expenditure.

6. For the purpose of determining the fiscal basis for film exhibitors the revenues earned by broadcasting and screening of a national film in the cinema, as well as from placing advertisement during broadcasting and screening shall not be deemed as income from the date of entry into force of this Law up to 31 December of 2030 inclusively.

(Article 21 amended by Law HO-291-N of 12 September 2023 (the Law contains a final part and a transitional provision))

Article 22. Funding on account of State Budget

1. Funding of the field of cinematography on account of State Budget shall be carried out by a programme approved by the authorised state body within the limits of annual amounts of separate allocations envisaged by the State Budget of a particular year for making, distribution of films, preservation of film heritage and other measures.
2. State funding does not constitute state order.
3. State funding shall be carried out according to the limits and share approved by the Government for different film categories, which are established separately for:
 - (1) action, documentary and animation film nominations;
 - (2) feature and short films;
 - (3) for development, production and post-production stages of the film;
 - (4) for the statuses of a national film and other co-production film;
 - (5) for the debut film, films for children and teenagers and other quota.
4. The incomplete use of funds designated by the State Budget for funding the field of cinematography during the given year shall not be a ground for failure to designate or designation of less funds in the State Budget of the upcoming year than required for funding the field of cinematography.
5. The funds designated by the State Budget for funding cinematography and not used during the given year shall be allocated to the capital fund.

6. The monetary costs for cash rebate for film production, as prescribed by Article 18 of this Law, shall be financed at the expense of the State Budget.

(Article 22 amended by Law HO-291-N of 12 September 2023 (the Law contains a final part and a transitional provision))

Article 23. Funding on account of State Budget

1. Funding of the field of cinematography on account of the capital fund shall be carried out by annual programme approved by the Board within the limits of annual amounts of income earned by managing the capital fund.
2. Income earned from managing the capital fund shall be provided to beneficiaries for the purpose of making, distribution of films and preservation of film heritage, except for the income amounts not exceeding 10 per cent, which may be used for funding the administrative and management expenses of the national body.
3. The procedure and forms of distribution of income received by managing the capital fund, areas of funding, limits and shares, as well as the extent of funding the administrative and management expenses on their account shall be approved by the Board.
4. The national body shall open an account with the Central Treasury and shall carry out separate record-registration, the information whereof shall be reflected in the statements filed to the Board.

Article 24. Procedure and conditions for holding a tender

1. The state funding in the field of cinematography is carried out on the basis of the results of the tender held as prescribed by the Government.
2. Tenders shall be held at least biannually, in accordance with the schedule established by the national body.
3. Pursuant to the approved regulation of the authorised state body, commissions comprised of at least five members shall be formed for separate tenders held in two or more film categories.
4. The candidate who has a work experience of a member of the jury at a film festival and higher education in the field of art or who has received an award in the film festival and meets any of the following conditions shall be selected as a member of the commission formed pursuant to part 3 of this Article out of specialists (including foreign specialists) having received maximum sum of total scores set by criteria established by the authorised state body:

- (1) has a work experience of a member of the jury at a film festival;
 - (2) has an experience of performing co-production;
 - (3) is a participant having passed the official selection in any co-production programme.
5. Filmmakers having received state registration in the Republic of Armenia shall participate in the tender, the applications filed to which shall meet at least the following conditions:
- (1) there is a right to make a film on the basis of the script;
 - (2) the filmmaker having received state registration in the Republic of Armenia is involved in the film production;
 - (3) a citizen of the Republic of Armenia is included in the creative team.
6. Bids submitted for the tender are evaluated under the following criteria:
- (1) the aesthetic-artistic value of the film;
 - (2) the possibility of international recognition of the film;
 - (3) the potential of feasibility of the film project;
 - (4) the economic substantiation of the film project;
 - (5) the prospect of promotion and representation of the film to public.

CHAPTER 8

INTERNATIONAL COOPERATION AND CO-PRODUCTION

Article 25. International Cooperation

1. International cooperation in the field of cinematography shall be carried out in accordance with international treaties and this Law and shall envisage:
 - (1) co-production;
 - (2) ensuring featuring of national films in film festivals and other events of film art organised in foreign states;
 - (3) organising national film days, weeks and other events of film art in foreign states;
 - (4) ensuring participation of foreign filmmakers and international organisations in film festivals and other events of film art held in the Republic of Armenia;
 - (5) other forms of international cooperation.

Article 26. Co-production

1. The film production which is carried out by foreign filmmakers and filmmakers having received state registration in the Republic of Armenia jointly shall be considered as co-production, where it meets the following conditions:

- (1) involves a filmmaker having maximum share in creative and technical actual contributions to film production, who meets the conditions for recognising the co-production film in his country as national film;
 - (2) involves one or several filmmakers having minimum share in creative and technical actual contributions to film production;
 - (3) a co-production contract containing provisions on distribution of income is in place.
2. The co-production films enjoy the benefits reserved to a national film according to this Law.

CHAPTER 9

LIABILITY

Article 27. Liability for violation of this Law

1. The violation of the requirements provided for by part 1 of Article 16, parts 1 and 3 of Article 17 of this Law shall entail liability as prescribed by the Code of the Republic of Armenia “On administrative offences”.
2. Violation of the requirements provided for by part 1 of Article 15 of this Law and the violations prescribed by point 4 of part 4 and point 3 of part 5 of Article 18 of this Law shall entail liability as prescribed by law.

(Article 27 amended by Law HO-291-N of 12 September 2023 (the Law contains a final part and a transitional provision))

CHAPTER 10

CONCLUDING PART AND TRANSITIONAL PROVISIONS

Article 28. Concluding part and transitional provisions

1. This Law shall enter into force on the tenth day following the day of its official promulgation, except for point 2 of part 2 of Article 16 of this Law, which shall enter into force from 1 January 2030.
2. By virtue of this Law the films made before the entry into force of this Law and meeting the conditions of part 1 of Article 13 of this Law shall be considered as national films.
3. The provisions of Articles 10-23 of this Law shall take effect from the moment of entry into force of decisions of the Government and other regulatory legal acts regulating them.
4. Before adoption of decisions of the Government and other regulatory legal acts regulating the provisions prescribed by this Law, the legal, organisational and financial relations of cinematographic activity shall be regulated by the procedure in effect before the entry into force of this Law.
 - 4.1. Prior to formation of the national body as prescribed by this Law, issuance, rejection of cash rebate and the functions related to termination of the process shall be carried out by the authorised state body.

5. The decisions of the Government and other regulatory legal acts provided for by this Law shall be adopted within six months following the entry into force of this Law.

(Article 28 amended by Law HO-291-N of 12 September 2023 (the Law contains a final part and a transitional provision))

President of the Republic of Armenia

A. Sargsyan

15 July 2021

Yerevan

HO-302-N

Date of official promulgation: 16 July 2021.