



# GOVERNMENT GAZETTE

## OF THE HELLENIC REPUBLIC

14 July 2020

SERIES A

Sheet No 133

### LAW 4704

**Acceleration and simplification of the aid provided in relation to audiovisual works, enhancement of Digital Governance and other provisions.**

#### **THE PRESIDENT OF THE HELLENIC REPUBLIC**

Issue the following law adopted by the Parliament:

#### **CHAPTER A ACCELARATION AND SIMPLIFICATION OF THE AID PROVIDED IN RELATION TO AUDIOVISUAL WORKS IN GREECE**

##### **Article 1 Independent audiovisual work and Investment Plan**

1. Article 20(2) of Law 4487/2017 (Series A 116), is replaced as follows:

"2. Independent audiovisual work: the episode or episode parts or series of television series, the episode or episode parts or the series of a mini-television series, the television movie or film or part thereof, regardless of the running time, the video game. The above can be fiction, documentary, animation as well as video game, cultural or educational. The above independent works are produced for user-experience in linear or non-linear form, in interactive or non-interactive applications and for distribution in multiple platforms, such as free terrestrial video broadcast, pay-television, web-TV, on-demand services, cinema screens, websites of distribution and projection of television and cinema films, social media, in whole or as part of applications and programs for computers, tablets, game consoles and mobile phones."

2. Article 20(4) of Law 4487/2017 is replaced as follows:

"4. Investment plan: the production – including the postproduction – of independent audiovisual work falls within: a) the economic activities 59.11 and 59.12 and concerns all or individual stages of the production process, to wit the stages of production and technical processing / postproduction of an audiovisual work, irrespective of the way it is distributed and its means of transmission and projection to the final recipient; b) economic activity 62.01.21 and concerns the whole process of software development, from original planning to the creation of the final prototype for publication and commercial exploitation."

##### **Article 2 Conditions for qualification for the investment scheme**

Article 23 of Law 4487/2017 is replaced as follows:

"Article 23  
General conditions for qualification for the  
investment scheme

1. To qualify for an investment plan under the scheme hereof relating to the production, including postproduction, of independent audiovisual works it is specified that:

α) as regards cinema or television movies, the total eligible costs incurred in the Greek territory must be at least one hundred thousand (100,000.00) euros for such costs, regardless of the size of the operator;

b) as regards documentaries, the total eligible costs incurred in the Greek territory must be at least sixty thousand (60,000.00) euros for such costs, regardless of the size of the operator; c) as regards short cinema or television films, the total eligible costs incurred in the Greek territory must be at least sixty thousand (60,000.00) euros for such costs, regardless of the size of the operator;

d) as regards an episode or episode cycles of a television or mini-television series regardless of the number of the episodes and the running time:

da) for fiction ones, the total eligible costs incurred in the Greek territory must be at least twenty-five thousand (25.000) euros per episode produced, regardless of the size of the operator;

db) for documentaries or animation, the total eligible costs incurred in the Greek territory must be at least twenty thousand (20.000) euros per episode produced, regardless of the size of the operator;

e) as regards an episode or episode cycles of a television or mini-television series of at least seventy (70) episodes, irrespective of the content, the total eligible costs incurred in the Greek territory must be at least fifteen thousand (15.000) euros per episode produced, regardless of the size of the operator;

f) as regards episode cycles of a television or mini-television series regardless of the number of the episodes and the running time:

fa) for fiction ones, the total eligible costs incurred in the Greek territory must be at least one hundred thousand (100.000) euros for all parts consisting the investment plan to fall within the scheme, regardless of the size of the operator;

fb) for documentaries or animation, the total eligible costs incurred in the Greek territory must be at least sixty thousand (60.000) euros for all parts consisting the investment plan to fall within the scheme, regardless of the size of the operator;

ζ) as regards video games, the total eligible costs incurred in the Greek territory must be at least thirty thousand (30.000) euros regardless of the size of the operator.

2. Independent audiovisual works that fall within the aid scheme are, according to the above categories, the ones that can be distributed in multiple platforms such as free terrestrial video broadcast, pay-television, web-TV, on-demand services, cinema screens, distribution websites and projection of television and cinema films, social media, in whole or as part of applications and programs for computers, tablets, game consoles and mobile phones.

### **Article 3**

#### **Beneficiaries of qualified investment plans**

Article 25 of Law 4487/2017 is amended as follows:

1. Paragraph 2 is replaced as follows:

"2. The legal forms of the undertakings established or having a branch in Greece, whether producing or executing audiovisual works, at the time of the commencement of the works of the investment plan and on the date on which the aid is granted, must be one of the following: a) sole proprietorship, b) commercial undertaking, c) cooperative, d) company operating in the form of a consortium provided that it has been registered with the General Business Registry (G.E.M.I.), its commercial activity is mentioned in its Articles of Association and its code is 59.11 or 59.12 or 62.01.21. In cases a, b and c, companies that are in the process of being set up or merged must have completed publication procedures before the commencement of the works of the investment plan."

2. Paragraph 4 is replaced as follows:

"4. In the case of domestic or foreign producers of audiovisual works which, for the purposes hereof, cooperate with an undertaking established or having a branch in the Greek territory and operating for the purpose of producing audiovisual works or part thereof, the qualification application is submitted by the undertaking that is established or has a branch in the Greek territory and whose object is the production or execution of audiovisual works, and the aid shall be granted to the undertaking expressly designated by the parties in the application for qualification to be the beneficiary of such aid."

3. Paragraph 5(c) is replaced as follows:

"c) companies that perform investment plans that are carried out on behalf of the State and the public sector as well as the Hellenic Parliament Television, under an agreement on the execution of a project, concession or service, with the exception of ERT S.A."

### **Article 4**

#### **Eligible costs**

Article 26(2)(b) of Law 4487/2017 is replaced as follows:

"b) remuneration for scriptwriting and music rights, as well as the remuneration of the director, the screenwriter, the two protagonists and the producer for their total contribution in the production of the audiovisual work shall be counted up to 35% of the total eligible costs and cannot exceed that percentage."

### **Article 5**

#### **Aid percentage**

Article 27 of Law 4487/2017 is amended as follows:

1. Paragraph 2 is replaced as follows:

"2. The amount of the grant is calculated after the certified completion of the investment plan

as a fixed 40% of the value of the total eligible production costs, paid on a one-off basis to the beneficiary.”.

2. Paragraph 4 is replaced as follows:

“4. The aid specified herein may be combined with other State aid, but the total amount of state aid granted cannot cumulatively exceed 50% of the total production costs of the audiovisual work. This threshold is extended to 60% of the total production costs in the case of cross-border production and to 80% of the total production costs in case of production of a difficult audiovisual work. In the above cases that two state aids coincide, the percentage of the aid to be granted is found by deducting the amount of the state aid that has already been granted to the production from the above threshold of the total production costs of the audiovisual work.”.

**Article 6**  
**Simplification of the procedure of applying for the scheme specified herein**

Article 28 of Law 4487/2017 is replaced as follows:

“Article 28  
Procedure of applying for the scheme

1. The National Center for Audiovisual Media and Communication (E.K.O.M.E. S.A.) shall host and handle the applications for the qualification of investment plans for the production of audiovisual works. The procedures provided for in this aid scheme shall obligatorily be carried out through the State Aid Information System (P.S.K.E.) of the Ministry of Development and Investments. The undertaking is entitled to apply for the scheme specified herein up to ten (10) days prior to the start date of the investment plan. The application for qualification and the required supporting documents shall be submitted throughout the year only through the State Aid Information System (P.S.K.E.) to E.K.O.M.E. and the applicant shall be informed electronically of their receipt and entry. E.K.O.M.E. shall keep an electronic archive of all applications for qualification along with the supporting documents.

2. The application for qualification shall include at least the following particulars: a) the name and size of the undertaking, b) the work description, including start and end dates, c) the place(s) of execution of the work, d) the work’s costs list, e) the amount of state aid required for the plan f) a declaration stating the cultural criteria met by the work.

3. The following supporting documents must accompany the application: a) indicative schedule of the works with emphasis on the filming days required in Greece;

b) a detailed budget indicating the costs to be incurred in the Greek territory;

c) a financial plan showing any other State aid and their percentage;

d) summary of the script or the script;

e) a declaration in writing of the investment operator regarding the key cast and the workers who will be employed during the works in Greece,

f) the fees.”.

**Article 7**  
**Acceleration of the assessment procedure of the investment plans**

1. Article 29 of Law 4487/2017 is replaced as follows:

“Article 29  
Assessment procedure

1. The completeness of the submitted applications and of the relevant supporting documents shall be checked by E.K.O.M.E., on the basis of a standard system of completeness control, within ten (10) working days from the submission of the application. Within the above period, E.K.O.M.E. shall also check if the supporting documents comply with the law. Following the relevant check, if it is found that certain supporting documents or information have not been submitted, a detailed list containing the missing supporting documents or information, indicating the obligation for their submission to E.K.O.M.E. within five (5) days, shall be sent to the e-mail that has been stated by the applicant in their application. If the missing documents or data are not submitted within the above deadline, the application is rejected on the ground of incompleteness of the file, the applicant is informed of such rejection at the above e-mail and the fee is forfeited in favor of the State.

2. Upon confirmation of the completeness and legality of the application, its content is assessed on the basis of the principle of time priority by assessment commissions set up by a decision of the President and CEO of E.K.O.M.E., following the recommendations of the competent body. The above three-members commissions shall consist of employees of E.K.O.M.E. or of the Ministry of Digital Governance or of the Ministry of Culture and Sports or of bodies under the supervision of the Ministry of Culture and Sports or the Ministry of Development and Investments or the Ministry of Tourism or the General Secretariat of Communication and Media or of individuals experienced in the field of audiovisual production. In any case, one (1) of the members must be an employee of E.K.O.M.E. and (1) member must be experienced in the production of audiovisual works. If the investment plan for which the application is submitted concerns a cinema film, one (1) of the members of the above commissions

must be an employee of the Greek Film Center proposed by the Management of the Center. The term of office of the commissions is annual, while their members, terms and rules shall be specified in the decision of the Minister of Digital Governance. The members of the commissions shall receive a remuneration, in accordance with the applicable provisions. In order for an investment plan not to be excluded, it must meet the following conditions specified in the relevant proclamation: (a) complete consistency between the application and the investment plan and (b) the solvency of the operator must be documented by the relevant certificates, in particular tax and insurance clearance. If clarification is required on the content of the file, a deadline of five (5) days is set for the operator to provide the relevant commission with. The assessment of the content of the investment plan shall be completed within ten (10) working days from the completion of the check of paragraph 1.

3. Investment plans that meet the legal requirements are qualified for the aid scheme hereof by decision of the Minister of Digital Governance, pursuant to article 109 of Law 4622/2019 (Series A 133), following the recommendations of the commissions of para. 2.

4. Investment plans that do not meet the legal requirements shall be rejected by a reasoned decision of the President and CEO of E.K.O.M.E., following the recommendations of the commissions of para. 2, and the relevant fees are forfeited in favor of the State. The negative decision is posted on P.S.K.E. and sent at the operator's e-mail.

5. The applicant may contest the negative decision of paragraph 4 electronically through P.S.K.E. within five (5) working days from the communication of the relevant deed. The objection shall be addressed to the competent body of the Ministry of Digital Governance pursuant to article 109 of Law 4622/2019 and shall be examined by an Objections Committee established by a decision of the Ministry of Digital Governance, whose term of office shall be annual and which shall be comprised of three (3) employees of E.K.O.M.E. or of the Ministry of Digital Governance. If the objection concerns a decision rejecting an investment plan, for the production of a cinema film, one (1) of the members of the above Committee must be an employee of the Greek Film Center proposed by the Management of the Center. The terms and rules of the Committee shall be specified in the relevant establishment decision. The Committee shall issue a recommendation within ten (10) working days from the date the objection was submitted

and submit it to the competent body of the Ministry of Digital Governance, which shall issue the relevant decision. The negative decision is posted on P.S.K.E. and sent at the operator's e-mail.

6. If the applicant wishes to withdraw their qualification application, until the issue of the decision of paragraphs 4 and 5, they shall submit a relevant request to E.K.O.M.E. and the investment plan shall be rejected on such grounds by a decision of the President and CEO of E.K.O.M.E., while the relevant fee is forfeited in favor of the State."

2. The applications for qualification of article 28 of Law 4487/2017, for which no qualification decision has been issued up to 14 July 2020, shall be assessed in accordance with the provisions of Law 4487/2017, as in force prior to the publication hereof.

#### **Article 8 Acceleration of the confirmation process of the investment plans**

1. Article 30 of Law 4487/2017 is replaced as follows:

"Article 30  
Confirmation and completion  
attestation of the investment plans

1. Investment plans that are qualified for this aid scheme are checked by a control body set up by a decision of the President and CEO of E.K.O.M.E. and which consists of (3) employees of E.K.O.M.E., one (1) of which is experienced in the production of audiovisual works. If the investment plan concerns the production of a cinema film, the body shall consist of (2) employees of E.K.O.M.E. and one (1) employee of the Greek Film Center proposed by the Management of the Center. The members of the body shall receive a remuneration, in accordance with the applicable provisions. In order for the control body to be facilitated and work faster, the President and CEO of E.K.O.M.E. may designate rapporteurs - outworkers who are not members of the control body and submit to it non-binding recommendations to facilitate its work.

2. a. The operator shall, within a reasonable period that may not exceed six (6) months from the completion of the investment, submit through P.S.K.E. a confirmation request accompanied by the supporting documents specified in case c, in order to receive, pursuant to article 31, an attestation certifying the completion of the investment plan on the date of the request, in order for the procedure of the payment of the aid to start. The deadline for the completion of the investment plan may not exceed three (3) years from the date of issue of the qualification decision.

b. The operator must perform at least sixty percent (60%) of the investment plan qualified for the aid specified herein, provided that the total eligible costs incurred in the Greek territory and corresponding to the above performance percentage exceed the minimum eligible costs specified in article 23, otherwise the qualification decision shall be revoked or the completion of the investment plan shall not be attested.

c. The request for the confirmation of the completion of the investment plan shall be accompanied by the following supporting documents: ca) evidence of compliance with the cultural criteria; cb) the final list with the workers in the production; cc) the final schedule of filming days and places in the Greek territory; cd) the relevant invoices with proof of payment, ce) a solemn declaration of the beneficiary of the investment that the information submitted is true, cf) a final report by a chartered accountant, the cost of which is borne by the beneficiary, cg) audiovisual material certifying the implementation of the object, as this was approved in the qualification phase, ch) solemn declarations attesting that the accumulation terms, as approved in the qualification phase, have not changed.

3. The control body shall check the submitted supporting documents, draw up the relevant report and: a) if no serious deficiencies are found or if the investment is complete, recommend in writing to the President and CEO of E.K.O.M.E. that a decision on the completion of the investment plan be issued; b) if serious deficiencies are found in the investment, recommend in writing to the competent body of the Ministry of Digital Governance, pursuant to article 109 of Law 4622/2019 that the qualification decision be revoked. The above control procedure shall be completed within twenty (20) working days from the date of submission of the confirmation request. In the event of deficiencies, the period shall be extended for (20) working days from the date of submission of supplementary documents.

4. The completion of the investment plan is certified by a certifying decision issued by the President and CEO of E.K.O.M.E., following a recommendation in writing of the competent body.

5. The operator may request at any time from the start of the works to the completion of the investment plan that E.K.O.M.E. issues a temporary attestation on the consistency between the costs incurred and what is specified in the qualification decision. The above request must be accompanied by the supporting documents provided in para. 2(c) (ca)(cd) and (ce), as well as the relevant report by a chartered accountant of the operator, otherwise it

is rejected. The control body of para. 1 shall check the request and the supporting documents within (5) working days and recommend to the President and CEO of E.K.O.M.E. the issue or non-issue of a temporary attestation. The temporary attestation is issued solely on the basis of the request and the supporting documents of the second indent hereof and subject to the attestation of the completion of the investment plan in accordance with para. 1. If the operator submits such a request, they shall not be allowed to request the amendment of the qualification decision. If the qualification decision is revoked, the temporary attestation is automatically rendered invalid.”.

2. The confirmation of the completion specified in article 30 of Law 4487/2017 and the amendment of the qualification decision specified in article 32 of Law 4487/2017 regarding investment plans qualified for the aid scheme up to 14 July 2020 shall be in accordance with the provisions of Law 4487/2017, as in force prior to the publication hereof. As regards the procedure for the confirmation of the completion of the investment plans, article 30 of Law 4487/2017 shall be applied, as in force after the publication hereof.

#### **Article 9 Revocation of the qualification decision**

Article 31 of Law 4487/2017 is replaced as follows:

“Article 31  
Revocation of the qualification decision

1. The qualification decision shall be revoked if the audiovisual work does not meet, where appropriate, the cultural criteria shown in tables A, B, C, D and E as well as the terms and rules for qualification for the aid scheme hereof.

2. The operator may request his withdrawal at any phase of implementation of the investment. In this case, the competent body of the Ministry of Digital Governance shall revoke the qualification decision following the recommendation in writing of the President and CEO of E.K.O.M.E.

3. In the event of revocation of the qualification decision, the fees of article 28 hereof shall be forfeited in favor of the State.”.

#### **Article 10 Publication of the decisions of the aid granted for the production of audiovisual works**

Article 37 of Law 4487/2017 is amended as follows:

1. Paragraph 2 is replaced as follows:

“2. Summaries of qualification decisions, of their amendments and revocations as well as the summaries of the completion decisions are posted on diavgeia.gr and do not have to be published in

the Government Gazette.”.

2. Paragraph 4(a) is replaced as follows:

"4. Any information regarding the implementation of this scheme shall be posted on the website of E.K.O.M.E. and of the Ministry of Digital Governance."

**Article 11**  
**Enabling clause**

Article 38 of Law 4487/2017 is replaced as follows:

"Article 38  
Enabling clause

By a joint decision of the Ministries of Development & Investments and Digital Governance, the present aid scheme is proclaimed and specific issues on its implementation are specified, such as eligible costs, their calculation, the required supporting documents accompanying the application for qualification and the request for confirmation of the completion of the investment plan, the procedure for the submission of the requests, the fees provided for herein, the start and end dates of the investment plans, where appropriate, the members and terms of operation of the commissions specified herein and of the control body, issues relating to the amendment of the qualification decision and any other issue relating to the subject hereof."

**Article 12**  
**Incentives to promote**  
**audiovisual works**

Article 71E of Law 4172/2013 (Series A 167) is amended as follows:

1. Para 1 is replaced as follows:

"1. Thirty percent (30%) of the eligible costs of each audiovisual work that are incurred in Greece shall be deducted from the taxable income of the natural or legal entity that is a taxpayer in Greece, pursuant to the provisions of article 3, and invests in the production of audiovisual works, as described in article 20 of Law 4487/2017, or is an undertaking operating in line with the provisions of article 25(1) of Law 4487/2017."

2. Para. 4 is replaced as follows:

"4. a) Para. 1, as regards the part relating to the taxation of undertakings operating in line with the provisions of article 25(1) of Law 4487/2017, shall be implemented in compliance with Regulation (EE) 651/2014 and in particular Chapter J-General Provisions and article 54 thereof combined with the provisions of Chapter D of Law 4487/2017.

b) Aid granted to the undertakings of para. 1, are accumulated with the investment incentive of Chapter D of Law 4487/2017, as well as any other state aid granted to them, in compliance with the union law on state aid.

3. Para. 7 is replaced as follows:

"7. By a joint decision of the Ministries of Finance

and Digital Governance and of the President of the Independent Authority for Public Revenue, the eligible costs are specified as well as the categories of the audiovisual works, the procedure and the deadline for the control of the observance of the terms and conditions that are specified in the provisions of the above paragraphs, as well as the terms and conditions, the procedure and any other specific issue relating to the implementation of the present article."