

# Czech Republic

## Production incentives

### Incentives and How They Work

The incentive program was developed by the Ministry of Culture and is administered by the Czech Audiovisual Fund. The incentives apply to Czech and foreign audiovisual works produced in the Czech Republic.

Incentives take the form of a refund of 25 - 35 % of the eligible costs spent on audiovisual production. The cash rebate is paid directly to applicants through the Czech Audiovisual Fund after production is completed in the Czech Republic.

The Czech Republic has been offering incentives for film and series production since June 2010, thus joining not only a number of European countries but also regions in the USA, Canada, and Australia that offer them.

Incentives apply to films intended for distribution in cinemas and to certain types of television production. These can be both domestic and international projects.

The first criteria is passing a cultural test as part of the registration process. The project must also meet the following minimum runtime and eligible expenditure criteria.

### Criteria

Eligible Expenditures	Brief Characteristics	Incentive Amount
Czech	Goods and services provided and paid to companies or individuals registered to pay income tax in the Czech Republic	25% / 35%
International	International costs paid to foreign cast and crew who pay withholding tax in the Czech Republic	66% on the withholding tax actually paid in the Czech Republic

- The amount of the incentive is calculated as a return on Czech and certain international eligible costs up to CZK 450 million per project.
- The registration fee is CZK 60,000.
- Incentive calculations are governed by European Commission rules
- The basis for the calculation can be a maximum of 80% of the total budget.
- The sum of all state aid paid out may not exceed 50% of the total budget.

Eligible Projects	Incentive Amount	Minimum Runtime	Minimum Czech Spend
feature film	25%	60 minutes	CZK 18mil. (873 956 USD)
fictional series	25%	20 minutes x number of episodes	CZK 7.5mil. x number of episodes (364 148 USD)
animated film	35%	60 minutes	CZK 5mil. (242 765 USD)
animated series	35%	5 minutes x number of episodes	CZK 5mil. lump sum (242 765 USD)
documentary film	25%	60 minutes	CZK 2.5mil. (121 383 USD)
documentary series	25%	20 minutes x number of episodes	CZK 2.5mil. x number of episodes (121 383 USD)
digital production	35%	see relevant project type above	

## How to apply

Projects can be filed throughout the year.

You will then receive the Decision on Filing.

- Within 6 months of delivery of the Decision on Filing, production must be commenced (production includes: pre-production – principal photography – post-production).
- Subsequently, within the following 3 months, at least 10 shooting days have to be completed.
- In case of digital production (without shooting), a progress report needs to be submitted to the Fund every 6 months.

Your Czech production service company will submit these documents, in Czech language:

- culture test
- project synopsis
- script
- treatment of at least 3 pages, for documentary works
- shooting schedule / timeline
- budget for overall and eligible expenses
- financial plan
- the co-production contract (if the applicant is also a co-producer)
- service contract.

The culture test is evaluated by a Czech Audiovisual Fund committee. The production incentives department will inform your Czech service production company of the results.

You can claim costs incurred up to 6 months before the application for filing is submitted.

The incentive amount may be increased only once, and by no more than 15%.

Apply for payment within 3 years of the issue of the Decision on Filing.

## Cultural test

The project must reach at least 13.5 points out of a total of 27 points, while also reaching a minimum of 4 points in the Cultural Criteria.

All point allocations shall be reviewed by a Czech Audiovisual Fund.

### Cultural criteria max 12 points

1 Story is based on events that are part of European culture	0 – 1 points
2 Story is based on a personality from European culture	0 – 1 points
3 Storyline is connected with a European setting	0 – 2 points
4 Film is based on a work of cultural importance	0 – 1 points
5 Film focuses on current themes in European society	0 – 1 points
6 Film reflects important European values	0 – 1 points
7 Film focuses on European culture, customs or traditions	0 – 1 points
8 Film is based on events affecting European society	0 – 1 points
9 Film contributes to the development of its genre	0 – 1 points
10 Final version of the film is in any language of the EEA	0 – 2 points

### Production criteria max 15 points

11 Filmmakers are Czech or citizens of EEA member states	0 – 7 points
12 At least 51% of the crew are citizens of EEA countries	0 or 2 points
13 Shooting takes place in the Czech Republic	0 – 2 points
14 Pre-production carried out in the Czech Republic	0 – 2 points
15 Post-production / digital production takes place in the Czech Republic	0 – 2 points

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