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DECISIONS

No. 31548

Determining the eligible costs, the categories of audiovisual works, the procedure and the control time concerning the observance of the terms and conditions stipulated in the provisions of the article 71E of the Law No 4172/2013 (Government Gazette 167/A), as well as the conditions, the terms, the procedure and every other detail necessary to implement this article.

**THE MINISTERS
OF FINANCE - STATE
AND THE GOVERNOR OF THE INDEPENDENT AUTHORITY FOR PUBLIC
REVENUE (IAPR)**

Having regard to:

A. The provisions

1. Of the Commission's (EU) General Block Exemption Regulation No. 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (Official Journal of the European Union L 187 of 26.06.2014, p. 1-178) and particularly the provisions of Chapter 1 and Chapter 2 as well as the provisions of article 54;
2. Of Law No. 4487 pertaining to an "Electronic system for the provision of TV advertising air-time, amendment of Law No 3548/2007 for the introduction of a regional and local press register, the special barcode marking on print editions, the establishment of a statutory framework to promote the production of audiovisual works in Greece and other provisions" (Government Gazette 116/A) and particularly the provisions of Chapter D thereof, as currently in force;
3. Of Law No. 4172/2013 on "Income taxation, urgent implementation measures for Law No. 4046/2012, Law No. 4093/2012 and Law No. 4127/2013 and other provisions" (Government Gazette 167/A) and particularly the provisions of article 71E, paragraph 7, as currently in force;
4. Of Law No 4623/2019 regarding "Regulations of the Ministry of Interior, provisions on digital governance, pension arrangements and other urgent matters" (Government Gazette 134/A) and particularly the provisions of article 57;
5. Of Law No 4389/2016 regarding "Emergency provisions for the implementation of the agreement on fiscal objectives and structural reforms, as well as other provisions" (Government Gazette 94/A) and particularly the provisions of Chapter A establishing "an Independent

Authority for Public Revenue” and more specifically the provisions of article 7, the first paragraph of article 14 and article 41, as currently in force;

6. Of the Presidential Decree 81/2019 on the “Creation, merging, renaming and abolition of Ministries as well as the definition of their responsibilities – Transfer of services and responsibilities between Ministries” (Government Gazette 119/A), as currently in force;

7. Of the Presidential Decree 83/2019 on the “Appointment of the Deputy Prime Minister, Ministers, Alternate Ministers and Deputy Ministers” (Government Gazette 121/A and 126/A about error corrections), as currently in force;

8. Of the Presidential Decree 40/2020 on the “Organisation of the Ministry of Digital Governance” (Government Gazette 85/A) and particularly the provisions of article 16;

9. Of article 90 of the “Code of rules for the Government and Government Agencies” ratified by the first article of the Presidential Decree 63/2005 (Government Gazette 98/A) in combination with the article 119, paragraph 22 of the Law No. 4622/2019 (Government Gazette 133/A).

B. The joint Decision No. 339/18.07.2019 of the Prime Minister and the Minister of Finance regarding the “Assignment of responsibilities to the Deputy Minister of Finance Apostolos Vesypoulos” (Government Gazette 3051/B).

C. The Prime Minister’s Decision No Y6/2019 regarding the “Assignment of responsibilities to the State Minister” (Government Gazette 2902/B)

D. The Cabinet Act No. 1/2001.2016 regarding the “Selection and appointment of the Secretary General placed at the General Secretariat of Public Revenue of the Ministry of Finance (Issue for Specially Positioned Employees and Administrative Bodies of Public or Broader Public Sector Entities No. 18) in combination with the provisions of article 41, paragraph 10 of the Law No. 4389/2016 and the IAPR Administrative Board Decision No. 3913/30.11.2017 (Issue for Specially Positioned Employees and Administrative Bodies of Public or Broader Public Sector Entities No. 689) on the “Renewal of the IAPR Governor’s term of office”, as well as the Minister of Finance’s Decision No. 5294 EE 2020/17.01.2020 regarding the “Renewal of the IAPR Governor’s term of office” (Issue for Specially Positioned Employees and Administrative Bodies of Public or Broader Public Sector Entities No. 27).

E. The Decision No. 1007/09.01.2019 adopted jointly by the Minister of Finance, the Minister of Digital Policy, Telecommunications and Media, the Minister of Culture and Sports as well as the Governor of the Independent Authority for Public Revenue, which “determines the eligible costs, the categories of audiovisual works, the procedure and the control time concerning the observance of the terms and conditions stipulated in the provisions of the article 71E of the Law No 4172/2013 (Government Gazette 167/A), as well as the conditions, the terms, the procedure and every other detail necessary to implement this article” (Government Gazette 38/B), as amended by the Decision No. A.1220/07.06.2019 (Government Gazette 2383/B).

F. The Decision No 149/31.7.2020 adopted jointly by the Minister of Development and Investments as well as the State Minister, pertaining to the “Announcement of a scheme to

encourage the production of audiovisual works in Greece, in accordance with Chapter D of the Law No. 4487/2017 (Government Gazette 116/A), and the concretisation of more specific issues of this law” (Government Gazette 3272/B).

G. The Opinion No. ΓΝ 064/2020 (Supreme Court Decision No. 92363 ΕΞ 2020/ 24-08-2020) of the Central State Aid Unit of the Ministry of Finance.

H. The proposal No. οικ. 25284 ΕΞ 2020/15.09.2020 on fiscal implications, submitted by the General Directorate of Financial Services of the Ministry of Digital Governance.

I. The fact that the provisions of this decision do not cause any cost to the regular budget, have decided the following:

Article 1

1. Every producer (natural person, legal person or legal entity) who is going to produce an audiovisual work and wishes to have the work qualified for the provisions of this decision should keep a Special Bank Account in a Greek Credit Institution and submit an Application for Qualification to the National Centre of Audiovisual Media and Communication, through the online platform of the State Aid Information System. The following supporting documents should accompany the application:

i. Printed application form completed and signed by the producer or the legal representative of the applicant (business);

ii. Tax and social security clearance certificate of the applicant natural person or the applicant business according to its articles of incorporation;

iii. Script summary;

iv. Detailed budget of the audiovisual work and list of the main contributors;

v. Shooting schedule, shooting sites and processing labs;

vi. Detailed financing plan analysing the funding sources, accompanied by all proofs of coverage (co-production agreements, decisions of public or international organisations etc.);

vii. Copyright acquisition agreements with the scriptwriter and the director;

viii. Co-production agreement;

ix. Production Service Company Contracts, accompanied by general information of third parties;

x. Certificate issued by the responsible tax office regarding the kind of activity exercised by the natural or legal person or the legal entity;

xi. One hundred (100) Euro administrative fee.

2. In order for the beneficial provisions of this decision to apply, the payable receipts/invoices must be issued by the main producer of the audiovisual work or by the executive producer/production service company of the work or, in case of a co-production, by every producer according to their percentage of participation in the production.

3. With the exemption of audiovisual works containing digital games, the below costs are restrictively identified as eligible, according to the provisions of this decision:

COPYRIGHT COSTS.

Script.

Directing.

Music.

Expenses made to obtain licences over pre-existing works.

SALARIES FOR THE CREW, THE CAST AND THE EXECUTIVE PRODUCER/PRODUCTION SERVICE COMPANY

Salaries for staff, technicians, actors and executive producers/production service companies (including taxes and social security contributions, as provided by Greek laws in force).

For example:

Art Direction Department.

Production Department.

Cast (lead actors, stunt performers, background performers, photodoubles, stand-ins etc.).

Art & Design Department (set decoration, constructions, props etc.)

Technical equipment (cranes, rails, tripods etc.)

Special Effects Department.

Animation Department.

Character Design Department (all types of animation, 3D etc.).

Costumes and Costume Design Department.

Makeup, Hair and Prosthetics Department.

Lighting Department.

Camera Department.

Sound Department.

Filming Location Management Department.

Catering.

Music Department.

Image editing department (montage).

Sound editing department (mixing).

Music editing department.

Visual Effects Department.

Dubbing, re-recording of dialogues Automated Dialogue Replacement (ADR) and ambient sound effects (Foley).

On-the-spot specialised services during shootings (doctors, nurses, vets etc.).

Script consultants.

Salary for the executive producer/production service company.

PRODUCTION DESIGN AND IMPLEMENTATION.

Research and production design.

Search for filming locations (including transfer, accommodation, meals and per diem costs).

Salaries for artists/creatives and/or the production department during the search for a filming site (including taxes and social security contributions, as provided by Greek laws in force).

Various administrative permits from the relevant bodies or authorities (filming permits, fees for authorising the use of public and archaeological sites in order to produce the audiovisual work etc.).

Construction, purchase and rental of props as well as set arrangement and decoration.

Set construction.

Studio and set rental.

Rental and arrangement of set sites.

Animal use.

Fixed infrastructure and furnishing rental at the filming location (home appliances, cookers, WCs, caravans, portable dressing rooms and other similar items).

Rental of movable and immovable property.

Specialised vehicle hire (police vehicles, security vehicles, ambulances, fire engines etc.).

Costume creation, rental and purchase.

Expenses related to character design as well as to set and background creation and construction in animation (expenses for services, rental or purchase of supplies in animation audiovisual works).

Special effects, supplies and movie weapons.

Makeup, hairstyle and prosthetics (ex. wigs).

Additional expenses for shooting sites (cleaning, essential items).

TECHNICAL EQUIPMENT.

Supplies and rental of technical equipment.

Supplies and rental of lighting equipment.

Supplies and rental of camera equipment (cameras etc.).

Supplies and rental of recording equipment.

TRAVELS, ACCOMMODATION AND MEALS.

Transfer costs (hire of buses and every other vehicle deemed necessary for transfers during the production).

Fuel, tolls and other relevant costs (ex. parking fees).

Tickets (flight, ferry, train, bus tickets).

Accommodation expenses for staff employed during the production of the audiovisual work.

Meals and similar services (ex. filming canteen expenses etc.).

MONTAGE - EDITING

Final image, sound and music editing.

Expenses for dubbing, subtitling, dialogue re-recording (ADR- Automated Dialogue Replacement) and ambient sound effects (Foley).

Snapshots.

Rental of equipment and software for animation movies. Rental of other kinds of software and programmes, which are essential for the production of the audiovisual work.

Special effects.

Expenses for the use of archival material.

OTHER EXPENSES.

General office expenses related to a location other than the permanent seat of the applicant's business:

Rental of office spaces, office furniture and storerooms.

Rental of office equipment (telephone, fax, computers, photocopiers and other similar items).

Stationery.

Public utility, telephone and internet bills.

Courier, post and customs services.

Use and filming fees for the production.

Expenses for administrative fees required for the qualification procedure of this decision.

Expenses for legal and accounting services as well as for consulting services which are causally linked either to the production or to the preparation of the application for qualification to be submitted.

Social security expenses.

3. A. The below costs are restrictively identified as eligible in particular for audiovisual works containing digital games:

COPYRIGHT COSTS.

- Script.
- Source code
- Music
- Expenses made to obtain licences over pre-existing works
- Expenses for rights to use images - celebrities' voices (voices of actors, musicians, athletes etc.)
- Character design

SALARIES FOR THE CREW, THE CAST AND THE EXECUTIVE PRODUCER/PRODUCTION SERVICE COMPANY

Salaries for staff, technicians, actors and executive producers/production service companies (including taxes and social security contributions, as provided by Greek laws in force).

For example:

- Game development department
- Game design department
- Game production department
- Art direction and design department
- Dubbing department
- Music technology, sound design, dialogue re-recording and ambient sound effects (Foley) department
- Actors and dancers for motion capture
- Technical installation department
- Special Effects Department
- Animation Department
- Character Design Department (all types of animation, 3D etc.)
- Catering
- On-the-spot specialised services during shootings (playtesters, doctors, nurses etc.).
- Research and development department

- Copywriters, scriptwriters, script consultants
- Salary for the executive producer/production service company

DESIGN AND IMPLEMENTATION OF THE PRODUCTION

- Research and production design
- Game Design Document
- Technical Design Document
- Salaries of all contributors (development, production, design, artistic execution of the game), including taxes and social contributions, as provided by Greek laws in force.
- Authorisations to use archival material
- Rental of studios, special effect machines etc.
- Rental of movable and immovable property (does not refer to fixed costs)
- Testing during the alpha and beta production phase (debugging, playtesters, usability and UX research etc.)

TECHNICAL EQUIPMENT

- Supplies and rental of equipment for motion capture, rendering, 3D scanning, recording, camerawork etc.
- Supplies and rental of testing equipment (playtesting)
- Supplies and rental of special equipment (VR, mobile devices for testing etc.)
- Technical installation supplies

TRAVELS, ACCOMMODATION AND MEALS

- Transfer costs (hire of buses and every other vehicle deemed necessary for transfers during the production)
- Fuel, tolls and other relevant costs (ex. parking fees)
- Tickets (flight, ferry, train, bus tickets)
- Accommodation expenses for staff employed during the production of the audiovisual work.
- Meals and similar services (ex. filming canteen expenses etc.)

MONTAGE - EDITING

- Final image, sound and music editing
- Expenses for dubbing, subtitling, dialogue re-recording (ADR- Automated Dialogue Replacement) and ambient sound effects (Foley).
- Snapshots.
- Rental of equipment and software for digital games. - Rental of other kinds of software and programmes, which are essential for the production of the audiovisual work (ex. Unity, Adobe Cloud Suite, Maya, 3Ds MAX, Toon Boom Harmony).
- Special effects.
- Expenses for the use of archival material.

OTHER EXPENSES

- General office expenses related to a location other than the permanent business head office of the applicant:
 - Rental of office spaces, office furniture and storerooms.
 - Rental of office equipment (telephone, fax, computers, photocopiers and other similar items).
 - Stationery.
 - Public utility, telephone and internet bills.
 - Courier, post and customs services.
 - Use and filming fees for the production.
 - Expenses for administrative fees required for the qualification procedure of this decision.

- Expenses for legal and accounting services as well as for consulting services which are causally linked either to the production or to the preparation of the application for qualification to be submitted.
- Social security expenses.

4. The provisions of Chapter D of the Law No. 4487/2017 (Government Gazette 116/A), as specified with the Joint Ministerial Decision no. ΑΠ 149/31.7.2020 Annex 2 (Government Gazette 3272/B), shall apply for the calculation of the total eligible costs of the production.

4.A. All legal invoices/receipts concerning the eligible costs are issued in the name of the producer of the audiovisual work or in the name of the executive producer/production service company, in case a production service company contract is submitted to the National Centre of Audiovisual Media and Communication for the given audiovisual work.

4.B. The eligible expenses do not necessarily need to be incurred within the same accounting period, in which the investor's funds are deposited. In case the funds are not deposited at the time when the expense was incurred, the cost is deducted from the taxable income of the year, during which the expense was done, and not of the fiscal year, during which the funds were deposited to the Special Bank Account kept at a Greek Credit Institution.

5. After the above supporting documents and invoices/receipts for the eligible costs are checked, the National Centre of Audiovisual Media and Communication confirms the eligibility for the given audiovisual work, according to the procedure provided in the article 30 of the Law No. 4487/2017, as currently in force, to certify the completion of investment plans.

6. The definitions of the article 20 of the Law No. 4487/2017 (Government Gazette 116/A) as well as the definitions of the article 2 of the European Commission Regulation No. 651/2014 (Official Journal of the European Union L 187/1 26.6.2014) (hereinafter GBER) shall apply for the purposes of this decision, regarding the deductible percentage of eligible costs from the taxable income together with other aid allowances received by the natural or legal person or by the legal entity or by the business operating in accordance with the provisions of article 25, paragraph 1 of the Law No. 4487/2017 for the same audiovisual work.

7. The GBER provisions shall apply for issues, which may not be regulated by the provisions of the Law No. 4487/2017 or the provisions of this decision.

Article 2

1. For the enforcement of the provisions stipulated in article 71E of the Law No. 4172/2013, the amounts paid by legal persons, legal entities, natural persons exercising business activities as well as businesses operating in accordance with the provisions of article 25, paragraph 1 of the Law No. 4487/2017 and corresponding to thirty percent (30%) of the eligible costs for each audiovisual work are deducted from the taxable income of the natural or legal person or the taxable income of the legal entity, as this results from the income tax declaration of the fiscal year these amounts correspond to.

As far as it concerns the taxation of businesses operating in accordance with the provisions of article 25, paragraph 1 of the Law No. 4487/2017, the first paragraph of the article 71E of the Law No. 4172/2013 shall be applied subject to the (EU) Regulation No. 651/2014 and

particularly the Chapter I - Common Provisions and the article 54 thereof in combination with the provisions of Chapter D of the Law No. 4487/2017. The aid granted to businesses of the previous subpart is aggregated with the investment incentives of Chapter D of the Law No.4487/2017, as well as with any other state aid granted to those businesses, according to the EU state aid law.

2. In case a loss emerges following the deduction of the above mentioned expenses, the loss is transferred according to the provisions of article 27 of the Law No. 4172/2013.

3. Regarding natural persons who do not exercise business activities, the thirty percent percentage (30%) of the eligible costs is deducted from their taxable income, in proportion to each income category they may belong to.

4. If the audiovisual work cannot be completed within 36 months following the submission of the application to qualify for the favourable provisions of the law due to failure of the producer and inability to find a new producer, the National Centre of Audiovisual Media and Communication is obliged to notify the responsible fiscal authority and the legal persons, the legal entities, the natural persons exercising business activities as well as the businesses operating in accordance with the provisions of article 25, paragraph 1 of the Law No. 4487/2017, which paid funds in order to invest in productions, by sharing a relevant document with them within one month following the non-completion of the work. The amounts paid, which have been deducted from the taxable income of the natural or legal person or the legal entity according to the first paragraph of this article, are added to the income tax declaration of the fiscal year, during which notification of the failure to complete the work has been sent.

Article 3

1. This decision is valid for the fiscal year 2020 and henceforth and pertains to applications aiming at qualification for the aid scheme of the Law No. 4487/2017 concerning investment plans submitted from 15th July 2020.

2. The Decision No. 1007/09.01.2019 adopted jointly by the Minister of Finance, the Minister of Digital Policy, Telecommunications and Media, the Minister of Culture and Sports as well as the Governor of the Independent Authority for Public Revenue (Government Gazette 38/B), as amended by the Decision No. A.1220/07.06.2019 (Government Gazette 2383/B), is repealed.

This decision shall be published in the Government Gazette.

Athens, 10th November 2020

The Deputy Minister of Finance

**APOSTOLOS
VESYROPOULOS**

The State Minister

**KYRIAKOS
PIERRAKAKIS**

The Governor of
The Independent Authority for Public Revenue

GEORGIOS PITSILIS