

EUROPEAN COMMISSION

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Subject: State Aid SA.45797 (2016/N) – Slovenia Prolongation of the scheme N 325/2010 - Co-financing of the creation of media programmes

Dear Sir,

1. **PROCEDURE**

- (1) On 28 June 2016 the Slovenian authorities notified the prolongation of State aid scheme No N325/2010 (SA.31311) – Co-financing of the creation of media programmes. On 25 August 2016, the Slovenian authorities submitted additional information.
- (2) By decision of 16 November 2010 (N $3205/2010^{1}$) the Commission had authorised the current scheme until 31 December 2016. This scheme was a prolongation of the scheme which was originally approved on 3 May 2005 (N $536a/2004^{2}$)

2. DETAILED DESCRIPTION OF THE MEASURE

- (3) The scheme is called "Co-financing of the creation of media programmes".
- (4) The notified scheme consists of a prolongation of the previously authorised scheme until 31 December 2020. All other elements of the scheme remain unchanged.

Mr Karl ERJAVEC Minister za zunanje zadeve Republike Slovenije Prešernova cesta 25 SI-1001 Ljubljana

¹ <u>http://ec.europa.eu/competition/elojade/isef/case_details.cfm?proc_code=3_N325_2010</u>

² http://ec.europa.eu/competition/elojade/isef/case_details.cfm?proc_code=3_N536a_2004

- (5) The legal basis of the scheme is the Slovenian Media Act and the Slovenian Decree on carrying out regular annual tenders for co-financing the creation of media programmes.
- (6) The budget amounts to EUR 12 million in total for the period of 1 January 2017 till 31 December 2020, with annual budgets of approximately EUR 3.5 million.
- (7) The object of the aid is to support the creation of media programmes by means of direct grants. The grants are given by the Slovenian Ministry of Culture and originate for 100% from the state budget.
- (8) The aid intensity will vary between 20% and 50% of the total cost of the selected projects.
- (9) The scheme does not contain any territorial spending obligations.

3. ASSESSMENT OF THE MEASURE

3.1. Existence of State aid

(10) As already set out in the State aid cases N 536a/2004 and N 325/2010 the measure constitutes State aid within the meaning of Article 107(1) TFEU.

3.2. Compatibility of the measure

- (11) The envisaged measure is a prolongation of a scheme which was approved by the Commission under Article 107(3) (c) and (d) TFEU.
- (12) In the preceding decisions of the Commission on this scheme, the measure was approved on the basis of the 2001 Cinema Communication³. Published on 15 November 2013, the new Cinema Communication⁴ ("2013 Cinema Communication") updated these rules for the assessment of state aid for films and other audiovisual works under Article 107 (3) (d) of the TFEU. The aid can be justified if the aid scheme complies a) with the general legality principle and b) with the specific compatibility criteria set out in the 2013 Cinema Communication.
- (13) The prolongation of the scheme and the adoption of the 2013 Cinema Communication do not affect the assessment done in the previous decisions with regard to the cultural character of the scheme, the territorial spending obligations, the aid intensity or the aid granted for specific production activities.
- (14) With regard to transparency, the Commission notes that the Slovenian authorities committed that they will put in place the transparency mechanisms of the Cinema Communication, as modified by the Communication from the Commission of 21 May 2014⁵.

³ Communication from the Commission to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions on certain legal aspects relating to cinematographic and other audiovisual works (OJ 43, 16.02.2002, p.6).

⁴ Communication from the Commission on State aid for films and other audiovisual works (OJ C332, 15.11.2013, p. 1).

⁵ Communication from the Commission amending the Communications from the Commission on EU Guidelines for the application of State aid rules in relation to the rapid deployment of broadband networks,

(15) The prolongation of the aid scheme is therefore considered compatible with the 2013 Cinema Communication and with Article 107(3) (c) and (d) TFEU.

4. CONCLUSION

The Commission has accordingly decided not to raise objections to the aid on the grounds that it is compatible with the internal market pursuant to Article 107(3)(c) and (d) of the Treaty on the Functioning of the European Union.

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Your request should be sent electronically to the following address:

European Commission, Directorate-General Competition State Aid Greffe B-1049 Brussels <u>Stateaidgreffe@ec.europa.eu</u>

> Yours faithfully For the Commission

Margrethe VESTAGER Member of the Commission

on Guidelines on Regional State aid for 2014-2020, on State aid for firms and other audiovisual works, on Guidelines on State aid to promote risk finance investments and on Guidelines on State aid to airport and airlines (OJ C198, 27.06.2014, p. 30).