

Act II of 2004

on Motion Pictures¹

In order to enrich and preserve the values of the Hungarian motion picture culture, to develop the Hungarian motion picture industry and to make it internationally competitive, to create a support scheme that promotes the efficient use of resources that serve developing the motion picture culture, as well as to establish a legislative background that serves this purpose and is aligned with the regulations of the European Union, the Parliament of Hungary has adopted the following act:²

Chapter I

GENERAL PROVISIONS

Title 1

Scope

Section 1

(1) This Act shall apply to the production, distribution and archiving of Hungarian films and films produced with Hungarian participation as well as to the distribution of films in Hungary.

(2)³ This Act shall not apply to audiovisual works produced by economic operators within the meaning of the Code of Civil Procedure (hereinafter referred to as "the economic operator") and other entities, as well as public entities for the purpose of performing their tasks, exclusively for internal use, furthermore, to audiovisual media services defined in specific other act, and multimedia works marketed for the purpose of play.

(3)⁴ This Act shall apply to subsidies that serve the purpose of achieving the objectives of the motion picture industry if the source of these subsidies is any appropriation determined in the Act on the Central Budget, or in the budget of a municipal government or national minority self-government, a contribution laid down in Subsection (2c) of Section 31/B, or if the subsidy is granted by a foundation set up by the municipal government or national minority self-government, or by a public foundation.

Title 2

¹ Promulgated on 13 January 2004.

² Amended by Subsection (3) of Section 17 of Act CLXIX of 2011, Paragraph a) of Subsection (2) of Section 11 of Act CVI of 2019.

³ Amended by Point 1 of Subsection (3) of Section 226 of Act CLXXXV of 2010, Paragraph a) of Subsection (2) of Section 19 of Act CCLII of 2013.

⁴ Established by Section 70 of Act LXVII of 2016, effective as of 17 July 2016. Amended by Paragraph a) of Section 23 of Act CLXIII of 2016.

Interpretative Provisions

Section 2

For the purposes of this Act:

1. 'motion picture industry' shall mean the totality of activities that are in the scope of motion picture culture and the motion picture industry, as well as all persons pursuing such activities;

2.1 'cinematographic work' shall mean any cinematographic work within the meaning of Act LXXVI of 1999 on Copyright (hereinafter referred to as "Copyright Act"), including a film shot as a trailer for a game application available on a computer or other platform, and excluding news programs, current affairs magazine programs, sport broadcast, talk-shows, game shows, quiz shows and talent shows, and advertising spots subject to the Act on the Basic Requirements and Certain Restrictions of Commercial Advertising Activities;

3. 'makers of a film' shall mean the authors of literary and musical works produced for the purpose of a film, the director of the film and all persons who have contributed creatively to developing the film as a whole, as well as authors of other works used in the film;

4.2 'film producer' shall mean any legal person that initiates and organizes the implementation of a cinematographic work in his own name, arranging financing and coordinating other conditions, and holding the rights to exploit the cinematographic work and the right of licensing such exploitation;

5.3 'Hungarian film producer' shall mean a film producer established in Hungary whose scope of activities include film, cinematographic production;

6.4 'international coproduction film' shall mean any cinematographic work produced by film producers established in different states, which is classified as such by a bilateral or multilateral international agreement or the laws of the states concerned;

6a.5 'coproduction film' shall mean any cinematographic work jointly produced by Hungarian film producer where the rights and obligations of each film producer are set out in a coproduction agreement;

6b.6 'other international coproduction film' shall mean any cinematographic work produced by film producers established in different states not subject to any bilateral or multilateral international agreement, where the rights and obligations of each film producer are set out in a coproduction agreement and in Hungary the film avails of indirect subsidies only;

7.7 a) 'Hungarian film' shall mean any cinematographic work in which Hungarian participation reaches at least 75 points based on the table set out in Annex 1;

b) 'film with Hungarian participation' shall mean any cinematographic work in which Hungarian participation reaches at least 30 points based on the table set out in Annex 1;

c) 'other film with Hungarian participation' shall mean any cinematographic work in which Hungarian participation reaches at least 15 points based on the table set out in Annex 1;

1 Established by Subsection (1) of Section 1 of Act CXII of 2018, effective as of 1 January 2019.

2 Established by Subsection (1) of Section 2 of Act CLXIX of 2011. Amended by Subsection (3) of Section 19 of Act CCLII of 2013.

3 Established by Subsection (1) of Section 25 of Act XXXIX of 2014, effective as of 7 October 2014.

4 Established by Subsection (2) of Section 2 of Act CLXIX of 2011, effective as of 1 January 2012.

5 Enacted by Subsection (2) of Section 2 of Act CLXIX of 2011, effective as of 1 January 2012.

6 Enacted by Subsection (1) of Section 2 of Act CXCIX of 2012, effective as of 16 December 2012.

7 Established by Subsection (2) of Section 2 of Act CLXIX of 2011. Amended by Point 2 of Subsection (1) of Section 28 of Act CXCIX of 2012.

d) 'other film' shall mean any cinematographic work in which Hungarian participation is below 15 points based on the table set out in Annex 1;

8.1 'cinematographic work originally produced in Hungarian' shall mean any cinematographic work that falls within any of the following categories:

a)² the language used by the director and the members of the crew (during postproduction by the narrator) is mostly Hungarian,

b) the language predominantly used by the actors during shooting (by the narrator during postproduction) is the language spoken by an ethnic minority in Hungary, if the film is related to the life and culture of that ethnic minority in Hungary;

9-10.³

11.4

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13.⁶

14.7 'sponsor' shall mean any entity or institution engaged in the support of motion picture industry objectives;

15.⁸ 'film distribution' shall mean the public performance, making available to the public of cinematographic works, furthermore making the original or reproduced copies of a cinematographic work accessible to the public, in particular

a) by marketing, or offering films for marketing,

b) by operating cinemas, or

c) by publishing, selling, renting or lending cinematographic works on any media;

16.⁹ 'cinema' shall mean a facility used regularly or occasionally for the purpose of presentation of cinematographic works to the public for an entrance fee, and registered as such under Section 19/L;

17. 'cinema operation' shall mean any business activity for presenting films to the public, in cinemas;

17a.¹⁰ 'cinema operator' shall mean any natural or legal person engaged in cinema operation;

18.¹¹ 'film distributor' shall mean any natural person, company or any other entity engaged in the distribution of films on commercial basis;

19. 'film plan development' shall mean the overall research, production, planning and organizational works aiming at the creation, merchantability and sale, and feasibility and later realization of film plans and scripts;

20.¹² 'film production' shall mean the process covering all phases of production from authoring through the organization, economic and technical activities for the preparation of production of the film up to producing the first original copy of the film; the first original copy of the film shall mean the first final copy suitable for presentation to the public;

1 Established by Subsection (2) of Section 2 of Act CLXIX of 2011, effective as of 1 January 2012.

2 Established by Subsection (1) of Section 3 of Act CXCIX of 2012, effective as of 16 December 2012.

3 Repealed by Point 1 of Subsection (2) of Section 29 of Act CXCIX of 2012, effective as of 16 December 2012.

4 Repealed by Subsection (1) of Section 18 of Act CLXIX of 2011, effective as 1 January 2012.

5 Repealed by Point 1 of Subsection (2) of Section 29 of Act CXCIX of 2012, effective as of 16 December 2012.

6 Repealed by Subsection (1) of Section 18 of Act CLXIX of 2011, effective as 1 January 2012.

7 Amended by Point 3 of Subsection (1) of Section 28 of Act CXCIX of 2012.

8 Established by Subsection (2) of Section 1 of Act CXII of 2018, effective as of 1 January 2019.

9 Established by Subsection (2) of Section 1 of Act CLXIII of 2016, effective as of 16 December 2016.

10 Enacted by Subsection (2) of Section 9 of Act CCXII of 2015, effective as of 31 December 2015.

11 Established by Subsection (3) of Section 1 of Act CLXIII of 2016, effective as of 16 December 2016.

12 Established by Subsection (4) of Section 1 of Act CXCIX of 2012, effective as of 16 December 2012.

20a.1 'film production company' shall mean a legal person organizing the production of a film on the basis of a contract for the production of a film, and by this activity it does not qualify as film producer for that film;

20b.2 'Hungarian film production company' shall mean any film production company established in Hungary and registered by the motion picture authority;

21.3 'preparation of film production' shall mean creative and organizational activities aimed at ensuring the material, technical and organizational conditions for film production, preceding the start of shooting the film;

22.4

23.5 'film produced on order' shall mean any cinematographic work produced with the involvement of a company qualifying as film production company for that film;

24.6 'film not produced on order' shall mean any cinematographic work produced with the involvement of a company qualifying as Hungarian film producer for that film;

25.7 'direct cost of film production' shall mean any payment made under the conditions laid down in this Act, included in the budget of the given film financially settled by the producer of the film, for films produced on order by the Hungarian company involved in the production and confirmed by an accounting document;

26.8

27.9 'EEA Member State' shall mean any Member State of the European Union and any State that is a party to the Agreement on the European Economic Area, furthermore, any other country whose citizens are enjoying the same treatment as nationals of States who are parties to the Agreement on the European Economic Area by virtue of an agreement between the European Community and its Member States and a State that is not a party to the Agreement on the European Economic Area;

28.10 'cinematographic work of cultural value on the basis of genre' shall mean any feature film, short feature film, experimental film, documentary, scientific documentary, animation, short film, television film and television series, subject to the exceptions set out in a government decree;

29.11 'direct Hungarian cost of film production' shall mean the sub-group of direct costs of film production incurring in the form of an obligation to pay tax or other public dues, or the incurrance of which leads to an obligation to pay tax or other public dues in Hungary and complies with the requirements set out in this Act;

30.12 'motion picture training' shall mean the acquisition or development of any special expertise or competence that can be used during film production with the view to satisfy the motion picture industry's needs for qualified professionals;

31.13 'public area' shall mean any land under Point 13 of Section 2 of Act LXXVIII of 1997 on the Formation and Protection of the Built Environment;

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- 1 Enacted by Subsection (6) of Section 2 of Act CLXIX of 2011. Amended by Subsection (3) of Section 19 of Act CCLII of 2013.
 - 2 Established by Subsection (2) of Section 25 of Act XXXIX of 2014, effective as of 7 October 2014.
 - 3 Established by Subsection (5) of Section 1 of Act CXCIX of 2012, effective as of 16 December 2012.
 - 4 Repealed by Point 1 of Subsection (2) of Section 29 of Act CXCIX of 2012, effective as of 16 December 2012.
 - 5 Established by Subsection (7) of Section 2 of Act CLXIX of 2011. Amended by Paragraph a) of Subsection (16) of Section 51 of Act LXXXIV of 2013.
 - 6 Established by Subsection (7) of Section 2 of Act CLXIX of 2011, effective as of 1 January 2012.
 - 7 Established by Subsection (7) of Section 2 of Act CLXIX of 2011, effective as of 1 January 2012.
 - 8 Repealed by Point 1 of Subsection (2) of Section 29 of Act CXCIX of 2012, effective as of 16 December 2012.
 - 9 Enacted by Subsection (1) of Section 123 of Act I of 2007, effective as of 1 July 2007.
 - 10 Established by Subsection (3) of Section 1 of Act CXII of 2018, effective as of 1 January 2019.
 - 11 Established by Subsection (8) of Section 2 of Act CLXIX of 2011. Amended by Paragraph a) of Section 20 Act CCXII of 2015.
 - 12 Enacted by Section 71 of Act LXVII of 2016. Amended by Paragraph b) of Subsection (2) of Section 11 of Act CVI of 2019.
 - 13 Enacted by Section 71 of Act LXVII of 2016, effective as of 17 July 2016.

32.1 'major national monument' shall mean any site under Point 8 of Section 7 of Act LXIV of 2001 on the Protection of Cultural Heritage;

33.2 'reproduced copy' shall mean a medium carrying, and which provides a durable record of, cinematographic works or other works protected by copyright in a form suitable for identification;

34.3 'resident private individual' shall mean:

a) any Hungarian citizen with a place of residence in Hungary registered in accordance with the Act on Records of the Personal Data and Addresses of Citizens, who usually resides in the territory of Hungary;

b) any EEA national and his or her family member with a place of residence in the territory of Hungary registered in accordance with the Act on Records of the Personal Data and Addresses of Citizens, who usually resides in the territory of Hungary;

c) a third-country national holding a EC or national permanent residence permit, who usually resides in the territory of Hungary;

35.4 'usual residence' shall mean when a Hungarian or EEA national, or third-country national usually resides in the territory of Hungary, and who has a registered place or residence in the territory of Hungary without interruption over a period of three years preceding the starting date of production period (preparation) provided for in Subsection (2a) of Section 31/B.

Title 3⁵

Sections 3-5⁶

Chapter I/A⁷

NATIONAL FILM ASSETS AND THEIR PROTECTION⁸

Title 1⁹

Components of National Film Assets¹⁰

Section 5/A¹¹

1 Enacted by Section 71 of Act LXVII of 2016, effective as of 17 July 2016.

2 Enacted by Subsection (4) of Section 1 of Act CXII of 2018, effective as of 1 January 2019.

3 Enacted by Section 3 of Act CXXXV of 2021, effective as of 1 January 2022.

4 Enacted by Section 3 of Act CXXXV of 2021, effective as of 1 January 2022.

5 Repealed by Point 2 of Subsection (2) of Section 29 of Act CXCIX of 2012, effective as of 16 December 2012.

6 Repealed by Point 2 of Subsection (2) of Section 29 of Act CXCIX of 2012, effective as of 16 December 2012.

7 Enacted by Section 2 of Act CXCIX of 2012, effective as of 16 December 2012.

8 Enacted by Section 2 of Act CXCIX of 2012, effective as of 16 December 2012.

9 Enacted by Section 2 of Act CXCIX of 2012, effective as of 16 December 2012.

10 Enacted by Section 2 of Act CXCIX of 2012, effective as of 16 December 2012.

11 Enacted by Section 2 of Act CXCIX of 2012, effective as of 16 December 2012.

(1)¹ The national film assets, other than works forming part of the public service media assets under Act CLXXXV of 2010 on Media Services and on the Mass Media (hereinafter referred to as "Media Act"), as well as use and other rights related to such works, shall comprise:

a) with regard to cinematographic works provided for in the Copyright Act, all rights accruing to the State such as

aa) economic rights under Section 3 of Act XVI of 1884 on Copyright,

ab) economic rights under Sections 3 and 74 of Act LIV of 1921 on Copyright,

ac) economic rights under Subsection (3) of Section 41 of Act III of 1969 on Copyright,

ad) rights of use under Section 64 and Subsection (1) of Section 66 of the Copyright Act,

ae) rights held under Section 82 of the Copyright Act as holder of rights related to copyright;

b) ownership rights accruing to the State of copies of the cinematographic works subject to the rights set out in Paragraph *a)*, including sound recordings of cinematographic works, and copies of other copyright works created for the purpose of production and distribution in Hungary of cinematographic works, as well as use rights of such copyright works accruing to the State.

(2) The elements of national film assets shall be owned by the State.

(3)² In respect of national film assets, the Nemzeti Filmintézet Közhasznú Nonprofit Zártkörűen Működő Részvénytársaság (*National Film Institute Public-Benefit Nonprofit Private Limited Company*) (hereinafter referred to as "NFI") shall have authority to enter into agreements for the acquisition of ownership or use rights on behalf of the Hungarian State without prior consent of the person exercising ownership rights.

Title 23

Magyar Nemzeti Filmarchívum (*Hungarian National Film Archives*)⁴

Section 5/B⁵

(1)⁶ The NFI shall perform task related to the collection, processing, preservation, digitalization of the material, written, digital and other documents of the Hungarian and universal motion picture culture in a manner that it operates the Magyar Nemzeti Filmarchívum as its organizational unit and as a public collection within the meaning of Act CXL of 1997 on the Protection of Cultural Goods, Museum Institutions, Public Library Services and Cultural Education.

(2)⁷ Within the context of operating the Magyar Nemzeti Filmarchívum, the NFI shall attend to films transferred under its care on the strength of law or in any other way, as well as other copyright works not recognized as cinematographic works under this Act, together with other related documents.

1 Established by Subsection (1) of Section 2 of Act CXII of 2018, effective as of 1 January 2019.

2 Established by Section 2 of Act CVI of 2019, effective as of 31 December 2019.

3 Established by Subsection (1) of Section 60 of Act CIV of 2016, effective as of 1 January 2017.

4 Established by Subsection (1) of Section 60 of Act CIV of 2016, effective as of 1 January 2017.

5 Established by Subsection (1) of Section 60 of Act CIV of 2016, effective as of 1 January 2017.

6 Amended by Paragraph a) of Section 26 of Act CXII of 2018, Paragraph a) of Subsection (1),

Paragraph c) of Subsection (2) of Section 11 of Act CVI of 2019.

7 Established by Section 3 of Act CXII of 2018. Amended by Paragraph a) of Subsection (1) of Section 11 of Act CVI of 2019.

(3)¹ The NFI shall contribute to the development of Hungarian motion picture culture by professional services and research activities, and to promote education in relation to motion picture culture.

Title 32

Rules for the Management of National Film Assets³Section 5/C⁴

(1)⁵ Management rights concerning national film assets shall be exercised by the NFI.

(2)⁶ Distribution of cinematographic works appertaining to the national film assets shall be performed by the NFI taking into account distribution market opportunities, the interest vested in the diversity of the works to be distributed, the quality of the available copies and the quality standards on distribution. Furthermore, the NFI shall exercise the use rights provided for in Paragraph *b*) of Subsection (1) of Section 5/A of other copyright works appertaining to the national film assets. The NFI shall not enter into a distribution agreement on unlimited use, in territorial or temporal terms, or for the whole of national film assets.

(3)⁷ The NFI may enter into an agreement for the distribution of cinematographic works not subject to copyright or related rights and other copyright works with the asset manager of those works.

Section 5/D⁸

(1)⁹ Any revenue received by the NFI from the use of cinematographic and other copyright works appertaining to the national film assets shall be used, after the disbursement of royalties under Subsection (2), for the purposes set out in this Chapter.

(2)¹⁰ All royalties accruing in the context of the use of cinematographic and other copyright works appertaining to the national film assets due to the holders of copyright and related rights shall be paid by the NFI, except for the use under Section 5/E.

(3)¹¹ Subsections (1) and (2) shall also apply when a distribution agreement is concluded between the NFI and the asset manager of other copyright works.

Section 5/E¹²

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- 1 Amended by Paragraph a) of Subsection (1), Paragraph c) of Subsection (2) of Section 11 of Act CVI of 2019.
 - 2 Enacted by Section 2 of Act CXIX of 2012, effective as of 16 December 2012.
 - 3 Enacted by Section 2 of Act CXIX of 2012, effective as of 16 December 2012.
 - 4 Established by Subsection (2) of Section 60 of Act CIV of 2016, effective as of 1 January 2017.
 - 5 Amended by Paragraph a) of Subsection (1) of Section 11 of Act CVI of 2019.
 - 6 Established by Section 4 of Act CXII of 2018. Amended by Paragraph b) of Subsection (1) of Section 11 of Act CVI of 2019.
 - 7 Established by Section 4 of Act CXII of 2018. Amended by Paragraph a) of Subsection (1) of Section 11 of Act CVI of 2019.
 - 8 Established by Section 5 of Act CXII of 2018, effective as of 1 January 2019.
 - 9 Amended by Paragraphs a), c) of Subsection (1) of Section 11 of Act CVI of 2019.
 - 10 Amended by Paragraph a) of Subsection (1) of Section 11 of Act CVI of 2019.
 - 11 Amended by Paragraph a) of Subsection (1) of Section 11 of Act CVI of 2019.
 - 12 Established by Section 6 of Act CXII of 2018, effective as of 1 January 2019.

(1) The Médiaszolgáltatás-támogató és Vagyonkezelő Alap (*Media Service Support and Asset Management Fund*) (hereinafter referred to as "MTVA") may use cinematographic works and other motion picture works, and parts thereof, appertaining to the national film assets in order to perform its tasks under the Media Act, and it may license their use for public service media providers in performing its tasks pursuant to the Media Act. The right of licensing use may not be extended to third parties.

(2)¹ For the purpose of exercising its functions provided for in Section 5/C, the NFI may use copyright works, and parts thereof, classified as public service media assets, with the MTVA exercising ownership rights under Section 100 of the Media Act, as well as other intellectual property falling outside the scope of public service media assets, but in respect of which the MTVA has use rights.

(3)² The MTVA and the NFI shall comply with requests for use under Subsections (1) and (2) by the deadline and in the manner requested by the other party, unless it is impossible or excluded by virtue of law, and/or if it constitutes a breach of copyright.

(4)³ The NFI and the MTVA shall enter into an agreement laying down the terms and conditions for use under Subsections (1) and (2) and for licensing such use, and the remuneration for such use having regard to Subsections (3) and (5), subject to prior consent of the Media Council of the Nemzeti Média- és Hírközlési Hatóság (*National Media and Infocommunications Authority*) (hereinafter referred to as "Media Council").

(5) In calculating the remuneration referred to in Subsection (4), only the costs incurred in connection with the use of complete cinematographic and other audiovisual works, and parts thereof, appertaining to the national film assets, as well as works forming part of the public service media assets and other intellectual works managed by the MTVA may be taken into consideration. The user performs the payment of royalties for copyrights and related rights arising from use.

Chapter II

SUPPORT FOR MOTION PICTURE CULTURE AND THE MOTION PICTURE INDUSTRY

Title 1

Principles of the Support Scheme for the Motion Picture Industry⁴

Section 6⁵

In the course of operating the support scheme for the motion picture industry, particularly the following objectives and principles must be implemented:

- a) increasing the number of Hungarian films and films produced with Hungarian participation,
- b) making the production and financing of films easier to plan,
- c) ensuring that films are completed and reach the audience,

1 Amended by Paragraph a) of Subsection (1) of Section 11 of Act CVI of 2019.

2 Amended by Paragraph a) of Subsection (1) of Section 11 of Act CVI of 2019.

3 Amended by Paragraph a) of Subsection (1) of Section 11 of Act CVI of 2019.

4 Amended by Point 7 of Subsection (1) of Section 28 of Act CXCIX of 2012.

5 Amended by Point 8 of Subsection (1) of Section 28 of Act CXCIX of 2012.

- d)¹
 e) mobilization of own resources found in the industry and promoting investments into the motion picture industry,
 f)² preserving the existing values of Hungarian motion picture culture beyond the borders and supporting the creation of new values.

Section 73

(1) Supporting the objectives of the motion picture industry shall be implemented by means of:

- a)⁴ budget subsidies granted from the central budget and subsidies granted by municipal governments, national minority self-governments from their own budget, and subsidies granted from the contribution set out in Subsection (2c) of Section 31/B (hereinafter referred to collectively as "direct support"), and
 b)⁵ subsidies granted from funds originating from the complementary subsidy set out in Act LXXXI of 1996 on Corporate Tax and Dividend Tax (hereinafter referred to as "Corporate Tax Act"), provided in view of the tax allowance provided for in the Corporate Tax Act or the tax offered by a taxpayer subject to corporate tax by way of disposition, made available via the state tax authority under Section 31/D (hereinafter referred to as "indirect support").

(2) The provisions of the Act on Public Finances on granting budget support shall not apply to the indirect support above-specified.

Title 26

Status, Organization, Sources of Revenue and Support Activity of the Nemzeti Filmintézet Közhasznú Nonprofit Zártkörűen Működő Részvénytársaság (*National Film Institute Public-Benefit Nonprofit Private Limited Company*)

Section 87

(1)⁸ The NFI shall allocate the resources earmarked to motion picture industry objectives in accordance with the provisions set out in this Act.

(2)⁹ The NFI is established by the Magyar Nemzeti Vagyonkezelő Zrt. (*Hungarian National Asset Management Zrt.*) (hereinafter referred to as "MNV Zrt."), operating in the form a single-member public benefit nonprofit private limited company, whose share is not negotiable. The Statutes of the NFI shall be adopted by the MNV Zrt.

Section 91⁰

(1) The NFI shall be managed by the executive board.

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- 1 Repealed by Subsection (1) of Section 18 of Act CLXIX of 2011, effective as 1 January 2012.
 - 2 Amended by Point 9 of Subsection (1) of Section 28 of Act CXCIX of 2012, Paragraph c) of Subsection (2) of Section 11 of Act CVI of 2019.
 - 3 Established by Section 3 of Act CXCIX of 2012, effective as of 16 December 2012.
 - 4 Established by Section 72 of Act LXVII of 2016, effective as of 17 July 2016. Amended by Paragraph a) of Section 23 of Act CLXIII of 2016.
 - 5 Established by Section 10 of Act CXXII of 2015, effective as of 31 December 2015.
 - 6 Established by Section 3 of Act CLXIX of 2011, effective as of 1 January 2012.
 - 7 Established by Section 3 of Act CLXIX of 2011, effective as of 1 January 2012.
 - 8 Amended by Point 10 of Subsection (1) of Section 28 of Act CXCIX of 2012, Paragraph a) of Subsection (1) of Section 11 of Act CVI of 2019.
 - 9 Amended by Paragraph b) of Subsection (16) of Section 51 of Act LXXXIV of 2013, Paragraph c) of Subsection (2) of Section 19 of Act CCLII of 2013, Paragraph b) of Subsection (1) of Section 11 of Act CVI of 2019.
 - 10 Established by Section 3 of Act CVI of 2019, effective as of 31 December 2019.

(2) The support functions of the NFI shall be performed by the Panels operating within the NFI, in the manner set out in the NFI's Support Policy.

(3) The Panels are mandated by the executive board, defining their members and the number of panelists, the professional requirements and the remuneration of panelists.

Section 9/A1

(1)² The revenue of the NFI shall comprise the central budget subsidy and other revenues of the NFI.

(2)³ Funding for the public functions of the NFI under Chapter II shall be provided from the central budget. That expenditure shall be provided for in the revenue and expenditure budget chapter for State property. The NFI shall cover its expenses related to the tasks under Chapter I/A from the central budget subsidies and from the revenue under Subsection (1) of Section 5/D.

(3)⁴ The NFI shall use its other revenues generated during its operation for motion picture industry objectives set out in this Act.

(4)⁵ In the course of performing its tasks, the NFI must pay attention to serving different needs of society and ensuring the diversity of the Hungarian motion picture industry. To this end, it shall - in particular - provide opportunity for the presentation of different generations of film-makers, workshops, and trends to the broadest extent possible, on the basis of equal opportunities, with the view to realizing their creative goals. Therefore, in the course of developing the distribution system, it shall determine the proportions of each sub-area, strike balance between the aspects of authors, film producers, distributors and viewers, including artistic and economic considerations.

(5)⁶ The NFI shall be eligible to pursue film production and film distribution activities either directly or via a company it has established, in which case it shall not qualify as sponsor within the meaning of this Act.

Section 9/B⁷

(1) The tasks of the NFI shall, in particular, cover the following:⁸

a) operation of the support scheme for the motion picture industry through the allocation of subsidies;

b) development of principles for applications, with special regard to

ba) equal opportunities for applicants, the clarity, transparency and comparability of applications,

bb)⁹ ensuring the continuous presence of the Hungarian motion picture art and industry in the domestic and the European film market as well as film markets outside Europe,

bc)¹⁰ promotion of the disbursement of Hungarian and universal motion picture culture in Hungary,

bd) ensuring the continuity of tendering;

1 Enacted by Section 3 of Act CLXIX of 2011, effective as of 1 January 2012.

2 Amended by Paragraph b) of Subsection (1) of Section 11 of Act CVI of 2019.

3 Established by Subsection (1) of Section 4 of Act CVI of 2019, effective as of 31 December 2019.

4 Amended by Paragraph a) of Subsection (1) of Section 11 of Act CVI of 2019.

5 Amended by Point 2 of Subsection (1) of Section 29 of Act CXCIX of 2012, Paragraph e) of Subsection (1), Paragraph b) of Subsection (2) of Section 11 of Act CVI of 2019.

6 Established by Subsection (2) of Section 4 of Act CVI of 2019, effective as of 31 December 2019.

7 Enacted by Section 3 of Act CLXIX of 2011, effective as of 1 January 2012.

8 Amended by Paragraph a) of Subsection (1) of Section 11 of Act CVI of 2019.

9 Amended by Paragraphs b), d) of Subsection (2) of Section 11 of Act CVI of 2019.

10 Amended by Paragraph c) of Subsection (2) of Section 11 of Act CVI of 2019.

c) continuous monitoring and control of the completion of cinematographic works and the achievement of other supported objectives, as well as the use of subsidies, and promoting the international distribution of cinematographic works and their enrolment to film festivals, starting from the award of the subsidy;

d) international representation of the motion picture industry, maintenance of international relations, facilitating the joining of the international motion picture tendering system;

e)¹ support to the Hungarian motion picture art beyond the borders and promoting its continuous presence in the domestic and European film markets as well as in film markets outside of Europe;

f)² management and exploitation of property rights obtained by contract with regard to the films produced by using subsidies under this Act, in accordance with the provisions set out in the NFI Support Policy and in the grant agreement concluded with the beneficiary,

g)³ management and exploitation of assets owned or managed by the NFI;

h)⁴ drawing up concepts concerning the further improvement of the support scheme for the motion picture industry;

i)⁵ business association referred to in Subsection (9) of Section 35;

j)⁶ support to motion picture training by using the resources under Subsection (2c) of Section 31/B, operating its support scheme, organizing training courses and promoting motion picture professions;

k)⁷

l)⁸ organizing events for the motion picture industry.

(2)⁹ The NFI shall determine the rules applicable to tenders and subsidy awards that ensure the enforcement of the principles and conditions for applications and subsidies as set out in this Act in its statutes and/or its Support Policy. The NFI shall publish its Support Policy on its website.

Title 3

Specific Provisions Relating to the Asset Management Rights of the Nemzeti Filmintézet Közhasznú Nonprofit Zártkörűen Működő Részvénytársaság (*National Film Institute Public-Benefit Nonprofit Private Limited Company*)¹⁰

Section 10¹¹

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- 1 Amended by Paragraph d) of Subsection (2) of Section 11 of Act CVI of 2019.
 - 2 Amended by Point 11 of Subsection (1) of Section 28 of Act CXCIX of 2012, Paragraph a) of Subsection (1) of Section 11 of Act CVI of 2019.
 - 3 Amended by Paragraph a) of Subsection (1) of Section 11 of Act CVI of 2019.
 - 4 Amended by Point 12 of Subsection (1) of Section 28 of Act CXCIX of 2012.
 - 5 Amended by Paragraph a) of Section 20 of Act CLXXVIII of 2020.
 - 6 Established by Subsection (1) of Section 7 of Act CXII of 2018, effective as of 1 January 2019.
 - 7 Repealed by Paragraph b) of Section 20 of Act CLXXVIII of 2020, effective as of 1 March 2021.
 - 8 Enacted by Subsection (2) of Section 7 of Act CXII of 2018, effective as of 1 January 2019.
 - 9 Amended by Paragraph c) of Subsection (16) of Section 51 of Act LXXXIV of 2013, Paragraph d) of Subsection (2) of Section 19 of Act CCLII of 2013, Paragraph b) of Subsection (1) of Section 11 of Act CVI of 2019.
 - 10 Established by Subsection (1) of Section 8 of Act CXII of 2018. Amended by Paragraph d) of Subsection (1) of Section 11 of Act CVI of 2019.
 - 11 Established by Subsection (2) of Section 8 of Act CXII of 2018, effective as of 1 January 2019.

(1)¹ The activities of the NFI performed under this Act relating to asset management - including the utilization of certain specific assets - shall constitute a public task. On the strength of this Act the NFI shall be exempt from the obligation of replacement provided for in Subsection (7) of Section 27 of Act CVI of 2007 on State Property.

(2)² In connection with the implementation of value-added investment, renovation by the NFI, the creation or acquisition of a new asset, no obligation of reimbursement shall arise between the person exercising ownership rights and the NFI in relation to the asset management right. The NFI shall fulfill its record-keeping obligation relating to any growth in State property - without clearing with the person exercising ownership rights - by way of compliance with the obligation of data disclosure under the Government Decree on the Management of State Property for the inventory records maintained by the person exercising ownership rights.

(3)³ The NFI shall be entitled to exercise the ownership rights provided for in Subsection (8) of Section 11 of Act CXCVI of 2011 on National Assets, as well as the obligations stemming from ownership, with the proviso that in respect of State-owned real estate properties, in administrative proceedings initiated by the NFI for construction works the consent of the person exercising ownership rights shall be considered given.

(4)⁴ The NFI shall carry out improvements and investments with a view to preserving and improving the value of the assets it manages, and shall perform other public functions relating to such assets. On the strength of this Act the NFI shall be entitled to carry out works where any demolition is involved, and to dispose assets based on its own asset disposal policy, with the proviso that the NFI shall be required to destroy waste from demolition and from the disposal of any asset from those it manages, and to deposit them at a waste collection facility, and shall be entitled to enter into a contract with the person exercising ownership rights for selling recyclable material which are not considered waste. The proceeds from the sale of recyclable material shall accrue to the NFI, with the proviso that the NFI shall use such proceeds preserving the value of the assets it manages, for augmenting such assets or for their target-specific maintenance.

(5)⁵ In carrying out the public functions relating to copies appertaining to the national film assets, the NFI shall be entitled to dispose assets in accordance with Subsection (4).

Section 116

The ownership and use rights acquired under Subsection (3) of Section 5/A for the State (hereinafter referred to collectively as "acquisition of rights"), shall - at the same time - be transferred on the strength of this Act to the NFI for the purpose of management free of charge, within the framework of the NFI's asset management contract for national film assets, with the proviso that the responsibility for keeping records on such assets (including rights) lies with the NFI, and the person exercising ownership rights shall be notified about the acquisition of rights by 31 May of the following year in the form and with the content required by the person exercising ownership rights.

Title 4

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- 1 Amended by Paragraphs b), e) of Subsection (1) of Section 11 of Act CVI of 2019.
 - 2 Amended by Paragraphs b), e) of Subsection (1) of Section 11 of Act CVI of 2019.
 - 3 Amended by Paragraphs a), f) of Subsection (1) of Section 11 of Act CVI of 2019.
 - 4 Amended by Paragraphs b), f) of Subsection (1) of Section 11 of Act CVI of 2019.
 - 5 Amended by Paragraph a) of Subsection (1) of Section 11 of Act CVI of 2019.
 - 6 Established by Section 5 of Act CVI of 2019, effective as of 31 December 2019.

Rules on the Allocation of Financial Support

Section 12

(1)¹ Direct support to the motion picture industry is provided on the basis of tender or individual application, depending on the characteristics of the cinematographic work, in particular its script, budget, artistic value, the identity of the authors, producers, and actors of the film, or the nature of any other objective worthy of support.

(2)² Direct subsidies may be awarded in the form of repayable subsidies or grants. In the case of repayable subsidies, the sponsors shall determine the method and level of repayment.

(3) Under this Act, support may be granted for the purposes of the following activities of the motion picture industry:

- a) film plan development;
- b) preparation of film production;
- c) film production;
- d)³ film distribution, and marketing activities designed to facilitate film distribution and film sales;
- e) film copy renovation and archiving;
- f) research and training in the motion picture industry;
- g)⁴ organization of events for the motion picture industry, and participation in events and film festivals;
- h) preparation and dissemination of publications for the motion picture industry;
- i) infrastructure development.

(4)⁵ For the purposes of setting the cap for the support that can be awarded for the purposes of activities set out in Subsection (3), all support granted for cinematographic works must be taken into account. In calculating the support limit set out in Section 13, production preparation support granted for a cinematographic work shall be taken into account.

(5)⁶ The MTVA may conclude an agreement with NFI on supporting cinematographic works, subject to prior approval from the Media Council.

(6)⁷ With the view to coordinating the allocation of funds available for supporting motion picture industry objectives, the NFI may enter into an agreement with the sponsor on providing support to specific motion picture industry activities set out in Subsection (3), including in particular the monitoring and professional appraisal of settlements.

(7)⁸

(8)⁹ No support under this Act may be granted to activities aimed at the production, distribution, and archiving of films to be classified in category VI in accordance with Section 21. Moreover, no support may be granted to television programs not qualifying, on the basis of their genre, as cinematographic works of cultural value.

1 Established by Subsection (1) of Section 4 of Act CLXIX of 2011. Amended by Point 13 of Subsection (1) of Section 28 of Act CXCIX of 2012.

2 Established by Subsection (1) of Section 4 of Act CLXIX of 2011. Amended by Point 14 of Subsection (1) of Section 28 of Act CXCIX of 2012.

3 Established by Subsection (2) of Section 4 of Act CLXIX of 2011, effective as of 1 January 2012.

4 Established by Subsection (3) of Section 4 of Act CLXIX of 2011, effective as of 1 January 2012.

5 Enacted under Subsection (1) of Section 2 of Act XXXVIII of 2008. Amended by Point 15 of Subsection (1) of Section 28 of Act CXCIX of 2012.

6 Established by Subsection (4) of Section 4 of Act CLXIX of 2011. Amended by Point 16 of Subsection (1) of Section 28 of Act CXCIX of 2012, Paragraph g) of Subsection (1) of Section 11 of Act CVI of 2019.

7 Established by Section 6 of Act CVI of 2019, effective as of 31 December 2019.

8 Repealed by Subsection (1) of Section 18 of Act CLXIX of 2011, effective as 1 January 2012.

9 Established by Subsection (5) of Section 4 of Act CLXIX of 2011, effective as of 1 January 2012.

(9)¹ Indirect support shall be granted consistent with the direct cost of production of the cinematographic work and with direct Hungarian cost of film production.

(10)² The basis for indirect support for cinematographic works shall be 100 per cent of the direct cost of film production if at least 80 per cent of the film's direct production costs qualify as direct Hungarian cost of film production. For cinematographic works not reaching this ratio the basis for indirect support shall be the direct Hungarian cost of film production multiplied by 1.25.

Section 12/A³

(1) Support under this Act may be granted in connection with cinematographic works that meet the cultural requirements:

- a) specified for film production in Subsection (2),
- b) specified for film distribution in Subsection (3).

(2) For film production, cinematographic works shall be considered to comply with cultural requirements if it scores at least 16 points based on the criteria set out in Annex 2 in the manner that it scores points in at least four of the criteria listed in Paragraphs a)-n), and

a) it qualifies as European coproduction film provided that it is produced with Hungarian participation, or

- b) it complies with at least two of the conditions listed in Paragraphs a)-h).

(3) For film distribution, cinematographic works shall be considered to comply with cultural requirements if, based on the criteria set out in Annex 2, it complies with at least two of the conditions listed in Paragraphs a)-h).

Section 12/B⁴

Section 13⁵

(1)⁶ Unless otherwise provided in this Act, the level of support under this Act may range up to 50 per cent of the film's production budget for any cinematographic work, and of the Hungarian contribution for international coproduction films.

(1a)⁷ If in an international coproduction film, apart from the Hungarian film producer at least one film producer from an EEA Member State participates, the level of support under this Act may be up to 60 per cent of the Hungarian contribution.

(2)⁸ The level of support for a Hungarian film produced for presentation in cinema and pertaining to the feature film, full-length feature documentary, popular scientific and animation genre, may be up to 100 per cent of the film's production budget, and of the Hungarian contribution for international coproduction films, if the film's production budget does not exceed 237 million forints for a Hungarian film and 467 million forints for an international coproduction film.⁹

1 Enacted by Subsection (2) of Section 2 of Act XXXVIII of 2008. Amended by Point 18 of Subsection (1) of Section 28 of Act CXCIX of 2012.

2 Enacted by Subsection (2) of Section 2 of Act XXXVIII of 2008. Amended by Point 4 of Subsection (1) of Section 29 of Act CXCIX of 2012.

3 Established by Section 4 of Act CXCIX of 2012, effective as of 16 December 2012.

4 Repealed by Point 3 of Subsection (2) of Section 29 of Act CXCIX of 2012, effective as of 16 December 2012.

5 Established by Section 4 of Act XLV of 2006, effective as of 1 April 2006.

6 Established by Section 5 of Act CXCIX of 2012, effective as of 16 December 2012.

7 Enacted by Subsection (1) of Section 26 of Act XXXIX of 2014, effective as of 7 October 2014.

8 Established by Section 4 of Act XXXVIII of 2008. Amended by Subsection (2) of Section 17 of Act CLXIX of 2011, Point 19 of Subsection (1) of Section 28 of Act CXCIX of 2011, Section 28 of Act XXXIX of 2014.

9 See Section 73 of Act CLXIX of 2010.

(3)¹ The level of support for a Hungarian film may be up to 100 per cent of the film's production budget, and of the Hungarian contribution for international coproduction films, if the film is originally produced in the Hungarian language, furthermore it is likely that the film's production budget will not be recovered even through all revenues coming from all form of distribution. If the film's production budget is recovered during distribution, any amount exceeding the production budget shall be repaid to the sponsor.

(3a)² The level of support for a Hungarian film may be up to 100 per cent of the film's production budget, and of the Hungarian contribution for international coproduction films, if an international coproduction film is produced, in addition to the Hungarian film producer, with the participation of at least one film producer from a country listed by the Development Assistance Committee of the Organization for Economic Cooperation and Development.

(4)³ The level of subsidy for a Hungarian film pertaining to the documentary, animation, scientific documentary, experimental film or short film genre may be up to 100 per cent of the film's production budget, and of the Hungarian contribution for international coproduction films, if the resources required to produce the film contributing to the cultural diversity cannot be provided otherwise. This rule shall not apply to feature films produced to be presented in cinema.

(5)⁴ The limit defined in Section (2) shall be increased annually:

a)⁵ for Hungarian films, by the consumer price index published by the Központi Statisztikai Hivatal (*Central Statistics Office*) for the previous year,

b)⁶ for international coproduction films, in view of the proportion between the Hungarian and non-Hungarian contribution, by the level of the price index set out in Paragraph a) and the rate of Eurozone inflation.

These amended limits shall be laid down in the annual Budget Act.⁷

(6)⁸ When setting the limits referred to in Subsection (2) the submission of the application for the support to the film under this Act shall be governing, which is the date of,

a)⁹ in the case of direct support, the publication of the tender notice, or for support not to be provided on the basis of a tender, submission of the individual application for assistance,

b)¹⁰ in the case of indirect support, the submission of the application related to the establishment of eligibility for support.

1 Established by Section 4 of Act XXXVIII of 2008. Amended by Subsection (2) of Section 17 of Act CLXIX of 2011, Points 19 ND 20 of Subsection (1) of Section 28 of Act CXCIX of 2011, Section 28 of Act XXXIX of 2014.

2 Enacted by Subsection (2) of Section 26 of Act XXXIX of 2014, effective as of 7 October 2014.

3 Established by Section 4 of Act XXXVIII of 2008. Amended by Subsection (2) of Section 17 of Act CLXIX of 2011, Point 19 of Subsection (1) of Section 28 of Act CXCIX of 2011.

4 Established by Section 4 of Act XXXVIII of 2008. Effective from 31 July 2008 on the basis of OKM Resolution 1/2008 (VII. 30.). Applies to cases opened subsequently. See also Subsections (2)-(3) of Section 10 of Act XXXVIII of 2008.

5 Amended by Subsection (3) of Section 31 of Act XXXII of 2008.

6 Amended by Subsection (2) of Section 17 of Act CLXIX of 2011.

7 See Section 90 of Act CII of 2008, Section 86 of Act CXXX of 2009, Section 69 of Act CLXXXVIII of 2011, Section 66 of Act CCIV of 2012, Section 62 of Act CCXXX of 2013, Section 69 of Act C of 2014, Section 67 of Act C of 2015, Section 69 of Act XC of 2016, Section 70 of Act 2017.

8 Established by Section 4 of Act XXXVIII of 2008. Amended by Point 21 of Subsection (1) of Section 28 of Act CXCIX of 2012.

9 Amended by Point 3 of Subsection (1) of Section 29 of Act CXCIX of 2012.

10 Amended by Point 3 of Subsection (1) of Section 29 of Act CXCIX of 2012.

(7)¹ At least 60 per cent of a direct support provided for film production purposes must be used by the beneficiary for covering the direct Hungarian costs of film production. The sponsor may prescribe an even higher ratio, however, it may not exceed 80 per cent of the support provided. If the script of the cinematographic works makes shooting on original sites necessary, the sponsor may give consent for the beneficiary to use up to 60 per cent of the support provided for non-direct Hungarian costs of film production.

(8)² Unless otherwise provided for by law, the Hungarian producer of a film with Hungarian participation and international coproduction film with Hungarian participation shall be entitled to the same rights and have the same obligations as the producers of a Hungarian film.

(9)³ Direct support may be awarded to Hungarian films and films with Hungarian participation. This restriction shall not apply to support to the distribution of films classified as "art".

(10)⁴ As regards the same eligible costs, the combined total of State aid provided under this Act and other State aid may not exceed the amount determined according to Subsections (1)-(4) at present value.

Section 14

(1)⁵ Persons and economic operators defined in Section 28 and registered by the motion picture authority shall be eligible to receive direct and indirect support under this act, provided that they comply with the provisions of this Act and the conditions defined by the sponsor.

(2)⁶ In the cases under Paragraphs *b*) and *c*) of Subsection (3) of Section 12 only the film producer, and in the case of Paragraph *d*) only the film distributor and the film producer may be awarded direct support.

(3)⁷ No support under this Act may be awarded:

a)⁸ if the beneficiary is not registered, or has been deregistered by the motion picture authority;

b) if the beneficiary has any overdue tax, contribution or other public dues owed to the state;

c) if the beneficiary failed to comply with his obligation to provide a mandatory copy for archiving under the relevant legislation;

d)⁹ if the beneficiary failed to give account of the use of support granted by the sponsor, his statement of account has not been accepted by the sponsor, or has overdue unpaid liabilities to the sponsors;

e)¹⁰ to an economic operator that has any executive officer or owner who has been the executive officer of any economic operator during the three years preceding the date of submission of the application for support that failed to give account of the use of a support granted by the sponsor, whose statement of account has not been accepted by the sponsor;

1 Established by Section 5 of Act CLXIX of 2011. Amended by Point 22 of Subsection (1) of Section 28 of Act CXCIX of 2012.

2 Established by Section 5 of Act CLXIX of 2011, effective as of 1 January 2012.

3 Established by Subsection (2) of Section 51 of Act LXXXVI of 2013, effective as of 1 July 2013.

4 Enacted by Section 9 of Act CXII of 2018, effective as of 1 January 2019.

5 Amended by Paragraph *b*) of Subsection (3) of Section 138 of Act CIX of 2006, Point 24 of Subsection (1) of Section 28 of Act CXCIX of 2012.

6 Established by Subsection (1) of Section 6 of Act CXCIX of 2012, effective as of 16 December 2012.

7 Amended by Point 25 of Subsection (1) of Section 28 of Act CXCIX of 2012.

8 Amended by Paragraph *b*) of Subsection (3) of Section 138 of Act CIX of 2006, Point 5 of Subsection (1) of Section 29 of Act CXCIX of 2012.

9 Amended by Points 22 and 26 of Subsection (1) of Section 28 of Act CXCIX of 2012.

10 Amended by Point 28 of Subsection (1) of Section 28 of Act CXCIX of 2012.

*f)*¹ to any economic operator the owners of which include an economic operator that failed to give account of the use of direct support granted by the sponsor used during three years preceding the submission of the application for support, or whose statement of account has not been accepted by the sponsor;

g) to a beneficiary undergoing bankruptcy, liquidation or dissolution proceedings;

*h)*² to a beneficiary who fails to comply with the conditions set out in the legislation on distinguished labor relations;

*i)*³ to a legal persons established in an EEA Member State without a branch in Hungary by the disbursement date of any support under this Act at the latest.

(4)⁴ The sponsors may waive the condition for exclusion specified in Paragraph *d)* of Section (3) not earlier than three years after the expiry of the reporting deadline. No such waiver may be granted in the case of unpaid past due obligations until those are cleared.

(5)⁵ The Nemzeti Filmiroda (*National Film Office*) (hereinafter referred to as „Film Office”) may waive condition for exclusion set out in Paragraphs *c)* and *h)* of Subsection (3) in cases of exceptional circumstances if, for the obligation under Paragraph *c)* the client complies with obligation by the deadline set by the Film Office, or compliance with that obligation would be contrary to the contractual obligations for a film produced on order, and the client is able to provide prima facie evidence for this; and, in the case of Paragraph *h)*, it is justified by the achievement of the public interest under this Act, after considering all circumstances of the case. For the purposes of this Subsection, cases of exceptional circumstances shall mean where the gravity of the infringement in any individual case is disproportionately small relative to the social usefulness of achieving the objectives set out in this Act.

(6)⁶ Direct subsidies may be granted only after a contact is concluded between the beneficiary and the sponsor. If the supported objective is not achieved due to a breach of contract by the beneficiary, the beneficiary shall be required to repay the support to the sponsor.

(7)-(8)⁷

Section 14/A⁸

(1) No direct support may be awarded to an officer of the sponsor vested with responsibility to decide on the award of support, and to his close relatives (hereinafter referred to as “close relative”) under the Civil Code (hereinafter referred to as “Civil Code”), and to any applicant entity where the above person holds an executive office with authorization to sign for that entity, or holds a share embodying majority control under the provisions of the Civil Code on companies.

1 Amended by Point 28 of Subsection (1) of Section 28 of Act CXCIX of 2012.

2 Enacted by Section 5 of Act XLV of 2006. Amended by Point 6 of Subsection (1) of Section 29 of Act CXCIX of 2012.

3 Enacted by Section 5 of Act XXXVIII of 2008. Amended by Point 27 of Subsection (1) of Section 28 of Act CLXIX of 2012, Subsection (3) of Section 19 of Act CCLII of 2013, Paragraph a) of Section 19 of Act CLXXVIII of 2020.

4 Amended by Point 29 of Subsection (1) of Section 28 of Act CXCIX of 2012.

5 Established by Subsection (2) of Section 6 of Act CXCIX of 2012. Amended by Points 1, 2 of Section 35 of Act LXXVI of 2020.

6 Amended by Points 29 and 30 of Subsection (1) of Section 28 of Act CXCIX of 2012.

7 Repealed by Paragraph a) of Section 25 of Act CLXIII of 2016, effective as of 16 December 2016.

8 Established by Subsection (1) of Section 19 of Act CCLII of 2013, effective as of 15 March 2014.

(2) Any officer of the support organization who decides or makes recommendation on the award of support may not participate in the evaluation of the tender or the application for support if this person or his close relative is the author, within the meaning of the Copyright Act, of the cinematographic works affected by the tender (application for support) or the tenderer (applicant) or his close relative is engaged with the tenderer (applicant) under contract of employment or other similar relationship for the performance of work, or provides services to the tenderer via a company in which he is a member or shareholder.

(3) No remuneration paid to any officer of the support organization who decides or makes recommendation on the award of support, and his close relatives for the activity performed in connection with the supported cinematographic works and during his appointment as officer as set out in Subsection (2) can be accounted for at the expense of the support.

(4) The relevant officer shall make a written statement on conflict of interest before the evaluation of the tender. If the executive affected or the officer responsible to make recommendation makes a false statement on conflict of interests or provides untrue data, his appointment shall be terminated by operation of law.

(5)¹ If the law sets out a different conflict of interests rule for the relevant sponsor, the more stringent of these two sets of rules must be applied. For the purposes of this Act the members of NFI executive board, and the members of the NFI Panel shall qualify as officers vested with decision-making authority on supports.

Section 15

(1)² Direct support may be granted by way of tender for activities defined in Paragraphs *a)-e)* Subsection (3) of Section 12, with the exception set out in Subsection (1a) hereof. Unless otherwise provided by the law, a sponsor may grant individual assistance to the extent and subject to the conditions laid down in its support policy if the achievement of the objectives selected by way of tender in advance cannot be ensured otherwise.

(1a)³ Support to the distribution of cinematographic works classified as "art" may also take place on the basis of an individual application.

(2)⁴ Direct support may be disbursed for the purposes of film productions where the sponsor established that the film producer applying for support possesses:

- a)* a production and budget plan at an appropriate level of completion, which is required for starting production,
- b)* sufficient funds covering the film's production budget, calculated excluding the amount of support applied for,
- c)* the consent from holders of copyrights and related rights for film adaptation and for the distribution of the film, and/or the contracts on these subjects.

(3)⁵ In addition to the conditions defined in Paragraphs *a)* and *b)* of Subsection (2), direct support may be allocated for the production of an international coproduction film only if the Hungarian film producer has title of ownership to the first original negative or an original copy suitable for reproduction of the cinematographic works and/or is entitled to make a copy thereof that is suitable for presentation. For international coproduction films the condition set out in Paragraph *c)* of Subsection (2) shall be complied with in respect of one of the film's producers.

1 Amended by Subsection (3) of Section 11 of Act CVI of 2019.

2 Established by Subsection (3) of Section 51 of Act LXXXVI of 2013, effective as of 1 July 2013.

3 Enacted by Subsection (3) of Section 51 of Act LXXXVI of 2013, effective as of 1 July 2013.

4 Amended by Points 29 and 32 of Subsection (1) of Section 28 of Act CXCV of 2012.

5 Amended by Subsection (2) of Section 17 of Act CLXIX of 2011, Point 32 of Subsection (1) of Section 28 of Act CXCV of 2011.

(4)¹ The sponsor shall make its decisions in possession of accurate information on the supported works and/or the tenders, upon thorough consideration of all circumstances. The sponsor shall be required to continuously monitor and verify the realization of the supported objective and to take all measures consistent with this Act that ensure the completion of the production of the supported cinematographic works.

Section 16²

Section 17³

(1) The minister designated by decree of the Government as specified in Subsection (2) of Section 18 shall decide annually on the support to cinemas classified as "art" and the distribution of films classified as "art"

(2) An application for support to the distribution of cinematographic works classified as "art" may be submitted only if the date when the decision on the classification of the cinematographic works as "art" has become final is earlier than the first day of distribution of the cinematographic works in Hungary.

Chapter III⁴

MOTION PICTURE AUTHORITY⁵

Title 16

The Motion Picture Authority⁷

Section 18⁸

(1) The motion picture authority shall perform administrative tasks related to the operation of the motion picture industry.

(2)⁹ The Film Office shall function as motion picture authority. The Film Office is an independent department of the ministry of the minister designated by decree of the Government (hereinafter referred to in this Section as "body designated by the Government"), it may not be bound by instructions in connection with its regulatory duties and shall carry out its regulatory activities independently from all other organs.

(3) Detailed rules for the organization and tasks of the Film Office shall be specified in the Organizational and Operational Regulations of the body designated by the Government.

1 Established by Section 7 of Act CLXIX of 2011. Amended by Points 22 and 33 of Subsection (1) of Section 28 of Act CXCIX of 2012.
2 Repealed by Subsection (1) of Section 18 of Act CLXIX of 2011, effective as of 1 January 2012.
3 Established by Section 3 of Act CLXXVIII of 2020, effective as of 1 January 2021.
4 Established by Section 10 of Act CLXIX of 2011, effective as of 1 January 2012.
5 Established by Section 10 of Act CLXIX of 2011, effective as of 1 January 2012.
6 Established by Section 10 of Act CLXIX of 2011, effective as of 1 January 2012.
7 Established by Section 10 of Act CLXIX of 2011, effective as of 1 January 2012.
8 Established by Section 7 of Act CVI of 2019, effective as of 1 January 2020.
9 Amended by Point 3 of Section 35 of Act LXXVI of 2020.

(4) The body designated by the Government shall succeed the Nemzeti Média- és Hírközlési Hatóság (*National Media and Infocommunications Authority*) in terms of the organization and tasks of the Film Office.

Title 21

Powers and Responsibilities of the Motion Picture Authority²

Section 193

(1) The Film Office shall perform the following tasks within the framework of its regulatory authority:⁴

a) it shall classify cinematographic works in accordance with this Act with the view to protecting minors, and shall impose the sanctions set out in this Act for any infringements to these classification rules;

b) it shall classify cinematographic works as worthy of support due to their artistic value or their compliance with cultural requirements, as well as cinemas and movie theaters distributing such films in accordance with this Act;

c)⁵ it shall keep the official register on motion picture organizations and natural persons applying for support under this Act, on natural and legal persons engaged in the operation of cinemas, on natural and legal persons engaged in distribution activities, as well as of cinematographic works eligible for support and films not receiving any support, of the cinematographic works distributed and films classified as "art", furthermore cinemas and movie theaters classified as "art", in the manner set out in this Act and in the decree of the minister designated by decree of the Government under Subsection (2) of Section 18 for the purpose of regulatory inspections carried out by the Film Office;

d) it shall classify cinematographic works for the production of which support under this Act is requested into the categories identified as Hungarian film, film with Hungarian participation, film with other Hungarian participation or other film;

e) it shall verify and certify the fact of compliance with cultural requirements;

f)⁶ it shall verify, establish and certify in accordance with this Act the eligibility to use any support under this Act and issues the certificate on the support;

g) it shall keep statistics in the motion picture industry;

h) it shall act ex officio or upon request in its competence and powers in any procedure related to the general administrative supervision of compliance with the provisions of this Act and other legislation adopted by authorization of this Act, as well as official decisions adopted by it under its competence;

i) it shall perform other tasks concerning the motion picture industry as set out in this Act or in other legislation adopted by authorization of this Act.

(1a)⁷ The Film Office shall process data contained in the register referred to in Paragraph c) of Subsection (1) until the time when the activities to which the register pertains are terminated.

1 Established by Section 10 of Act CLXIX of 2011, effective as of 1 January 2012.

2 Established by Section 10 of Act CLXIX of 2011, effective as of 1 January 2012.

3 Established by Section 10 of Act CLXIX of 2011, effective as of 1 January 2012.

4 Amended by Paragraph a) of Section 12 of Act CVI of 2019.

5 Established by Subsection (1) of Section 11 of Act CXII of 2018. Amended by Paragraphs a), b) of Section 12 of Act CVI of 2019.

6 Amended by Points 36 of Subsection (1) of Section 28, Point 7 of Subsection (1) of Section 29 of Act CXCIX of 2012.

7 Enacted by Subsection (2) of Section 11 of Act CXII of 2018. Amended by Paragraph a) of Section 12 of Act CVI of 2019.

(2) The Film Office, acting within a capacity other than a public authority, shall perform the following tasks:¹

a) it shall perform reporting activities in the motion picture industry, on the basis of its own records;

b) it shall issue the coproduction certificates set out in international agreements, in accordance with the procedure set out in those agreements;

c) it shall perform the tasks set out in Section 33;

d) it shall perform other tasks concerning the motion picture industry as set out in this Act or in other legislation adopted by authorization of this Act.

(3)² For any registration and classification activities performed by the Film Office under this Act an administrative service fee specified in the decree of the minister designated by decree of the Government under Subsection (2) of Section 18 shall be payable.

(4)³ The Film Office's revenue from activities shall constitute revenue for the body designated by the Government, and may be used solely for covering the operating costs and improvement expenses of the Film Office. Any surplus accumulated in the Film Office's budget in the form of residual amounts that have been committed by 31 December of that fiscal year may be used in the following years in accordance with the terms set out in the legal statement underlying the commitment.

Chapter III/A⁴

PROCEDURES OF THE MOTION PICTURE AUTHORITY⁵

Title 16

Application of the General Rules on Administrative Proceedings⁷

Section 19/A⁸

(1)⁹ The Film Office (in this Chapter hereinafter referred to as "Authority") shall act in accordance with Act CL of 2016 on General Public Administration Procedures (hereinafter referred to as "Administrative Procedure Act"), subject to the derogations set out in this Act.

(2)¹⁰ The client may lodge an appeal against any decision of the Authority adopted in first instance, with the exception of decisions that cannot be appealed by law.

(3)¹¹ Against any decision and rulings that may be appealed individually the support organization affected based on the subject of that individual administrative case shall also have a right of appeal.

1 Amended by Paragraph a) of Section 12 of Act CVI of 2019.

2 Amended by Paragraphs a), b) of Section 12 of Act CVI of 2019.

3 Enacted by Section 4 of Act CLXXVIII of 2020, effective as of 1 January 2021.

4 Enacted by Section 11 of Act CLXIX of 2011, effective as of 1 January 2012.

5 Enacted by Section 11 of Act CLXIX of 2011, effective as of 1 January 2012.

6 Enacted by Section 11 of Act CLXIX of 2011, effective as of 1 January 2012.

7 Enacted by Section 11 of Act CLXIX of 2011, effective as of 1 January 2012.

8 Enacted by Section 11 of Act CLXIX of 2011, effective as of 1 January 2012.

9 Established by Subsection (1) of Section 235 of Act L of 2017. Amended by Paragraph a) of Subsection (4) of Section 11 of Act CVI of 2019.

10 Established by Subsection (1) of Section 235 of Act L of 2017. Amended by Paragraph b) of Subsection (4) of Section 11, Paragraph a) of Section 13 of Act CVI of 2019.

11 Amended by Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019.

(4)¹ The Authority may open proceedings in matters falling within its competence ex officio, except where the proceedings may be opened only upon request according to this Act. Said applications may not be submitted at one-stop government windows.

(5)² If the Authority becomes aware of any infringement outside the subject of the individual administrative case which, however, are closely or indirectly related to that case, it may ex officio extend its proceedings to that particular issue, before passing a decision. The parties involved shall be notified of the ex officio extension of the proceedings in accordance with the relevant provisions of the Administrative Procedure Act. On the ex officio extension of the proceedings, the administrative time limit shall be extended by the period of time applicable to the particular proceedings.

(6)³ In the absence of competence, the Authority shall be entitled to reject the application, without examination of the competent authority or referral of the case, and/or terminate the proceedings.

(7)⁴ If there is any change in the data or facts underlying the Authority's definitive decision in an administrative case falling within its competence under this Act, the client shall be required to notify the Authority thereof within fifteen days from the effective date of that change or when the client became aware thereof.

(8)⁵ The Authority shall be entitled to initiate administrative proceedings on the basis of the change notification referred to in Subsection (7) or other official knowledge with the view to examining whether that change in the data or facts that the administrative decision is based on indeed affects the merit of that decision. Where the Authority concludes that the change in the data and facts affects the merit of that administrative decision, it shall amend or withdraw that decision in ex officio administrative proceedings, as appropriate based on the content of that change.

(9)⁶ In the event of failure to comply with the notification obligation referred to in Subsection (7), the Authority may order the film producer to pay the administrative fine under Paragraph c) of Subsection (8) of Section 19/H.

(10)⁷ The client holding rights under the Authority's definitive resolution may be replaced by the civil law successor, if this succession facilitates the achievement of the objectives set out in this Act and it poses no risk to the use of public funds and the accounting thereof. The successor may apply for the establishment of this succession within forty days after that succession.

(11)⁸ The Authority shall establish the fact of the succession by way of a ruling.

Title 29

Confidentiality¹⁰

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- 1 Established by Subsection (2) of Section 235 of Act L of 2017. Amended by Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019.
 - 2 Amended by Paragraph a) of Section 236 of Act L of 2017, Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019.
 - 3 Amended by Paragraph b) of Section 236 of Act L of 2017, Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019.
 - 4 Amended by Point 38 of Subsection (1) of Section 28 of Act CXCIX of 2012, Paragraph c) of Section 236 of Act L of 2017, Paragraph d) of Subsection (4) of Section 11 of Act CVI of 2019.
 - 5 Amended by Paragraph c) of Subsection (4) of Section 11 of Act CVI of 2019.
 - 6 Amended by Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019, Paragraph a) of Section 71 of Act CLXVIII of 2020.
 - 7 Enacted by Section 7 of Act CXCIX of 2012. Amended by Paragraph d) of Section 236 of Act L of 2017, Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019.
 - 8 Enacted by Section 7 of Act CXCIX of 2012. Amended by Paragraph a) of Section 237 of Act L of 2017, Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019.
 - 9 Enacted by Section 11 of Act CLXIX of 2011, effective as of 1 January 2012.
 - 10 Enacted by Section 11 of Act CLXIX of 2011, effective as of 1 January 2012.

Section 19/B¹

(1)² Persons currently or formerly employed by the Authority in government service relationship or in any other work-related relationship shall keep confidential any personal data, classified information and business secrets they may have learnt in relation to the operation and actions of the Authority as well as any other data, fact or circumstance that the Authority is not required to make available to the public - except for any disclosure or supply of data to other organizations under the relevant legislation -, during the term of their employment and after the termination thereof.

(2) The persons mentioned in Subsection (1) may not disclose unlawfully any data, facts or circumstance they obtained in connection with the performance of their official duties, nor shall they be allowed to use or reveal such information to third persons.

Electronic Communication³*Section 19/C⁴*

(1) A natural person who is engaged in the pursuit of any activity governed under this Act shall be required to maintain communication electronically in proceedings related to such activities, falling within the competence of the Authority.

(2) Electronic communication shall be governed by the Act on the General Rules for Trust Services for Electronic Transactions subject to the derogations provided for in this Section.

(3) In the case of electronic communication, the client shall present its submissions through the Authority's information system for supporting the completion and submission of electronic forms according to the provisions set out in the President's decree on electronic communication, on an electronic form or enclosed with an electronic form. The Authority shall execute such submissions with an advanced electronic signature and a time stamp.

(4) Where an application is submitted by means other than a standard form - or other than an electronic form in the case of electronic communication -, the Authority shall advise the natural person client within eight days to re-submit the application by way of electronic means using the appropriate form within the prescribed deadline, indicating also the legal ramifications of non-compliance. In the event of non-compliance the Authority may decide to reject the application, except if:

a) the Authority failed to make publicly available within the prescribed time limit a downloadable version of the printed or other form that can be completed, or

b) the electronic administration service required for the matter on hand, the related regulated electronic administration service or other associated service was not available temporarily or permanently.

Administrative Time Limits, Suspension of Proceedings⁵*Section 19/D⁶*

1 Enacted by Section 11 of Act CLXIX of 2011, effective as of 1 January 2012.

2 Amended by Paragraph e) of Subsection (4) of Section 11 of Act CVI of 2019.

3 Enacted by Section 11 of Act CLXIX of 2011, effective as of 1 January 2012.

4 Established by Section 12 of Act CXII of 2018, effective as of 1 July 2020.

5 Established by Section 8 of Act CXCIX of 2012, effective as of 16 December 2012.

6 Established by Section 5 of Act CLXXVIII of 2020, effective as of 1 January 2021.

(1) In proceedings of the motion picture authority falling within the scope of this Act there shall be no recourse to summary proceedings.

(2) Where a final decision in a proceeding requires the preliminary judgment of an issue where the decision lies with another authority, or the case cannot be reliably resolved without a decision in another proceeding under the competence of the same authority that closely relates to the case on hand, the authority shall suspend the proceedings.

Clarification of the Facts¹

Section 19/E²

(1)³ In ascertaining the relevant facts of a case, the Authority may also apply the regulations of the Administrative Procedure Act relating to ascertaining the relevant facts of a case and regulatory inspections, subject to the exceptions set out in Subsections (2)-(7).

(2)⁴ The Authority shall have powers to inspect, examine and make duplicates and extracts of any and all medium containing data, document and deeds - even if containing secrets protected by law - related to the producing and production, support under this Act, distribution and archiving of cinematographic works, and/or film distribution.

(3) The Authority may order the client, other parties to the proceedings, the agents and employees of such parties and persons in other relationships with the client and other parties to the proceedings to supply data and information in a comparable format defined by the Authority, as well as other information either verbally or in writing.

(4)⁵ The Authority shall have the right on a duly justified basis, where the establishment of the facts cannot be expected from other means of evidence, to oblige persons and organizations, other than the client and other parties to the proceedings, to disclose data, supply means of evidence with a view to ascertaining the relevant facts of the case. The person subject to the order to report data and submit means of proof may bring administrative action against this ruling. The filing of the statement of claim shall have suspensive effect.

(5) When deemed necessary for establishing the facts of the case, the Authority shall have the right to order the client to make representations, indicating also the legal consequences of non-compliance for any failure to comply with this obligation in due time as defined in Section 19/F of this Act.

(6)⁶ With a view to establishing the relevant facts of the case, the Authority shall have the right to order the client to remedy deficiencies, indicating also the legal consequences for non-compliance within the prescribed time limit.

(7) On an exceptional and duly justified basis, the Authority shall have the right to resort to the deeds, data, documents and other means of evidence generated in the course of particular proceedings also for the purposes of another proceeding, where deemed necessary for reducing the procedural burden on clients or for proper and effective application of the law.

(8)⁷ The client's statement shall not be admissible as a substitute for any unavailable evidence, even if obtaining such evidence is impossible, except where the client is ordered by the authority with a view to establishing the relevant facts of the case to make a statement in substitution for unavailable evidence.

1 Enacted by Section 11 of Act CLXIX of 2011, effective as of 1 January 2012.

2 Enacted by Section 11 of Act CLXIX of 2011, effective as of 1 January 2012.

3 Established by Subsection (4) of Section 235 of Act L of 2017, effective as of 1 January 2018.

4 Amended by Point 39 of Subsection (1) of Section 28 of Act CXCIX of 2012.

5 Established by Subsection (5) of Section 235 of Act L of 2017, effective as of 1 January 2018.

6 Amended by Paragraph e) of Section 236 of Act L of 2017.

7 Enacted by Subsection (6) of Section 235 of Act L of 2017, effective as of 1 January 2018.

(9)¹ In establishing the relevant facts of the case, the Authority may order the client to make available to the Authority the original document or a certified copy made thereof.

Administrative Penalty²

Section 19/F³

(1) In case of obstruction of the proceedings, the Authority shall have the right to impose an administrative penalty upon the client, and any other party to the proceedings, and any person who is required to cooperate in the process of establishing the relevant facts of the case if, during the course of the proceedings, such parties act or behave in such a manner as to prolong or obstruct the proceedings or to prevent the actual facts of the case from being established.

(2) The maximum amount of the administrative penalty shall be five hundred thousand forints, one hundred thousand forints in the case of natural persons.

(3) In addition to what is contained in Subsections (1)-(2), the Authority shall have powers - and in case of repeated offence, shall be obliged - to impose a fine upon the infringer's executive officer for any case of obstruction of the proceedings or for breaching or non-compliance with the obligation of data disclosure in an amount not exceeding three million forints.

(4) When setting the amount of the administrative penalty, the Authority shall take into account the infringer's net turnover from the previous year and whether the offense was committed on one or more occasions.

Disclosure of Data⁴

Section 19/G⁵

(1)⁶ The Authority shall issue and forward official certificates on data pertaining to the Hungarian motion picture industry shown in its registers as requested by the European Audiovisual Observatory and other European and international organizations.

(2)⁷ The Authority shall have powers to request persons and organizations to disclose any and all data that are indispensable for the Authority to perform the duties falling within its scope of responsibilities assigned by this Act, also in duly justified cases where such data is qualified as statutory secrets, other than classified information. No remedy shall lie against this request, it may be challenged in an appeal against the official decision issued in cases defined under Subsection (3).

(3)⁸ Where the party required to disclose data fails to meet the request under Subsection (2), or does so improperly, the Authority may adopt an administrative decision to order the party in question to supply the data specified in the request.

(4)⁹ The Authority shall have powers to order persons and organizations covered by this Act to disclose data on a temporary or continuous basis by way of an administrative decision.

1 Enacted by Subsection (6) of Section 235 of Act L of 2017, effective as of 1 January 2018.

2 Enacted by Section 11 of Act CLXIX of 2011, effective as of 1 January 2012.

3 Enacted by Section 11 of Act CLXIX of 2011, effective as of 1 January 2012.

4 Enacted by Section 11 of Act CLXIX of 2011, effective as of 1 January 2012.

5 Enacted by Section 11 of Act CLXIX of 2011, effective as of 1 January 2012.

6 Amended by Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019.

7 Amended by Paragraph c) of Subsection (4) of Section 11 of Act CVI of 2019.

8 Amended by Paragraph b) of Section 26 of Act CXII of 2018. Amended by Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019.

9 Amended by Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019.

(5)¹ The Authority shall have powers to include a clause in its administrative decision to order persons and organizations covered by this Act to supply data by means of remote data transmission from an audit system installed on-site, attached to an administrative register or embedded in the process.

(6)² The client may challenge the decision adopted by the Authority in accordance with Subsections (3)-(5) within fifteen days following the communication of that decision, in an administrative action. The filing of the statement of claim shall have suspensive effect.

(7)³ Where the party required to disclose data fails to comply with the obligation of data disclosure defined under Subsections (3)-(5), or does so improperly, the Authority shall impose an administrative fine in an amount up to five hundred thousand forints.

(7a)⁴ In the actions provided for in Subsection (7) no warning may be issued instead of imposing a fine.

(8)⁵ In respect of the disclosure of data according to this Section, the data provider shall be held responsible for the appropriateness, timeliness, authenticity, correctness, verifiability and validity of the content of such data.

Legal Consequences⁶

Section 19/H⁷

(1)⁸ The Authority may apply legal consequences, in accordance with this Act, for any infringement of the provisions of this Act or any legislation adopted by authorization of this Act.

(2)-(4)⁹

(5)¹⁰ Where, taking into consideration all circumstances of the case, the warning may not be applied or would prove inefficient to ensure compliance with the obligation to bring the infringement to an end, the Authority shall prohibit the unlawful conduct without stating the reasons for dispensing with making a warning, and/or may set obligations to enforce compliance with the provisions of this Act and/or may apply the legal consequences laid down in Subsection (8).

(6)¹¹ In the event of repeated infringement, the Authority shall have power to impose a fine upon the executive officer of the infringing entity consistent with the gravity and nature of the infringement and the circumstances of the case.

(7)¹² The Authority shall apply the legal consequence, depending on the nature of the infringement and the impact of the infringement on the market, and other considerations that may be taken into account in the particular case.

(8) The Authority shall have the right to apply the following legal consequences:¹³

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- 1 Amended by Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019.
 - 2 Established by Subsection (7) of Section 235 of Act L of 2017. Amended by Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019.
 - 3 Amended by Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019, Paragraph b) of Section 71, Paragraph a) of Section 72 of Act CLXVIII of 2020.
 - 4 Enacted by Section 70 of Act CLXVIII of 2020, effective as of 1 January 2021.
 - 5 Enacted by Section 11 of Act CCXII of 2015, effective as of 31 December 2015.
 - 6 Enacted by Section 11 of Act CLXIX of 2011, effective as of 1 January 2012.
 - 7 Enacted by Section 11 of Act CLXIX of 2011, effective as of 1 January 2012.
 - 8 Amended by Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019.
 - 9 Repealed by Paragraph b) of Section 72 of Act CLXVIII of 2020, effective as of 1 January 2021.
 - 10 Amended by Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019, Paragraph c) of Section 71 of Act CLXVIII of 2020.
 - 11 Amended by Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019.
 - 12 Amended by Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019, Paragraph c) of Section 72 of Act CLXVIII of 2020.
 - 13 Amended by Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019.

a)¹ if the film distributor distributes the cinematographic works or the trailer without the age classification by the Authority, or if, despite the Authority's decision the age classification is not or not properly displayed, as well as in the event of the unlawful distribution of a film not listed in the register of distributed cinematographic works, the Authority may impose an administrative fine ranging from ten thousand forints to three million forints upon the film distributor, and/or the person or body responsible for the unlawful situation, including the person or entity placing the cinematographic works into commercial circulation;

b) it may order the infringer to publish a notice on the home page of its website, in a press product or in another specified manner, in the manner and for the duration specified in the decision;

c)² if a person or entity subject to the obligation to disclose data or make a notification under this Act or other legislation adopted by authorization of this Act fails to comply with the data disclosure or notification obligation, or does so belatedly, the Authority may impose an administrative fine between thirty thousand forints to five hundred thousand forints;

d)³ in the event of any breach of the provision of this Act or other legislation adopted by authorization of this Act, other than those covered in Paragraphs a) and c), and in the event of breaching the Authority's administrative decision in another manner not regulated in this Act, the Authority may impose an administrative fine between three thousand forints and one million forints;

e) it may apply other legal consequences provided for in this Act.

(9)⁴ For the purposes of Subsections (6) and (8) repeated infringement shall mean when the infringer committed the unlawful conduct established in the definitive administrative decision on the same legal basis and in breach of the same provisions of legislation, in the same subject.

(10) The legal consequences defined in Subsection (8) may be imposed collectively as well.

(11)⁵ Unpaid administrative fines shall be construed as outstanding public dues enforced as taxes. Any administrative fine paid shall be spent on pursuing the objectives set out in this Act.

(12)⁶ In view of the immediate enforceability under Subsection (6) of Section 21/A, the Authority shall ensure, at the expense of the obliged entity, that the age limit for the film set out in the administrative decision is displayed, where the client fails to display it or inappropriately displays it despite a notice containing a time limit.

Requests, Initiation of Criminal Proceedings⁷

Section 19/⁸

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- 1 Amended by Paragraph c) of Subsection (4) of Section 11 of Act CVI of 2019, Paragraph d) of Section 71 of Act CLXVIII of 2020.
 - 2 Amended by Point 40 of Subsection (1) of Section 28 of Act CXCIX of 2012, Paragraph c) of Section 20 of Act CCXII of 2015, Paragraph c) of Section 23 of Act CLXIII of 2016, Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019, Paragraph b) of Section 71 of Act CLXVIII of 2020.
 - 3 Amended by Point 41 of Subsection (1) of Section 28 of Act CXCIX of 2012, Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019, Paragraph b) of Section 71 of Act CLXVIII of 2020.
 - 4 Amended by Paragraph c) of Section 236 of Act L of 2017.
 - 5 Amended by Paragraph e) of Section 71 of Act CLXVIII of 2020.
 - 6 Amended by Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019.
 - 7 Enacted by Section 11 of Act CLXIX of 2011, effective as of 1 January 2012.
 - 8 Enacted by Section 11 of Act CLXIX of 2011, effective as of 1 January 2012.

(1)¹ Where the Authority detects a circumstance that suggests a reasonable suspicion of an infringement in a case in connection with the use of any support granted under this Act that may lead to defrauding the central budget, the Authority shall notify the tax administration vested with competence and jurisdiction, or shall file a notification or report to the competent body. Pending final or definitive conclusion of the proceedings initiated on the basis of said request or notification or report, the Authority shall suspend the procedure in progress with regard to the relevant beneficiary.

(2)² Where in the procedure under Subsection (1) the court establishes a criminal offense in its final decision, manifested in defrauding the central budget, the beneficiary affected may not be awarded any support under this Act, or an entity whose any executive officer or owner held an executive office at the sponsored organization affected by the criminal offense at the time when the criminal offense had been committed.

(3)³ Where in the proceedings under Subsection (1) an infringement not qualifying as a criminal offense is established by final decision, manifested in defrauding the central budget, the beneficiary affected may not be awarded any support under this Act, or an entity whose any executive officer or owner held an executive office at the sponsored organization affected by the infringement at the time when the criminal offense had been committed.

(4) The Authority shall proceed in accordance with Subsections (1)-(3) if the proceedings referred to in Subsection (1) were initiated by others, but based on the available data and in the absence of a pending procedure a request, notification or report referred to in Subsection (1) would be warranted.

General Administrative Supervision⁴

Section 19/⁵

(1)⁶ Upon request or ex officio, the Authority - within the context of its scope of responsibilities and competence - shall have the right to monitor compliance with the provisions laid down in this Act and other legislation adopted by authorization of this Act, as well as fulfillment of the terms and conditions set out in its official decisions, in support agreements.

(2)⁷ If in the process of monitoring compliance with its official decision the Authority detects any violation of the decision based on the findings of such proceedings, it shall assess - on the basis of all circumstances of the case, the facts revealed by the inspection, the gravity of the infringement and effective enforcement of rights - whether to open enforcement proceedings provided for in the Administrative Procedure Act, or administrative proceedings to apply the legal consequences set out in this Act, alleging violation of the said decision.

(3)⁸ The Authority shall have power to apply the legal consequences under Section 19/H in cases of infringements revealed in the course of general administrative supervision.

1 Established by Section 13 of Act CXII of 2018, effective as of 1 January 2019.

2 Amended by Points 43 and 44 of Subsection (1) of Section 28 of Act CXCIX of 2012.

3 Amended by Points 43 and 44 of Subsection (1) of Section 28 of Act CXCIX of 2012.

4 Enacted by Section 11 of Act CLXIX of 2011, effective as of 1 January 2012.

5 Enacted by Section 11 of Act CLXIX of 2011, effective as of 1 January 2012.

6 Amended by Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019.

7 Amended by Paragraph a) of Section 236 of Act L of 2017, Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019.

8 Amended by Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019.

Title 2/A¹Entitlement for Film Distribution in Hungary²*Section 19/K³*

(1) Distribution activity under Paragraph *a*) of Point 15 of Section 2 and cinema operation activity under Paragraph *b*) of Point 15 of Section 2 by any film distributor falling within the scope of this Act and established in Hungary may be pursued following a notification and registration by the Authority.

(2) Any natural or legal person shall be entitled, within the framework of this Act, to initiate the registration proceedings.

(3) In the procedure related to this notification the Authority shall register the film distributor *ex officio* within eight days following the receipt of the notification under Subsection (1).

(4) If a film distributor is engaged both in film distribution and cinema operation activities, it shall be required to notify separately the distribution and cinema operation activities.

(5) The Authority shall maintain a register on:

a) service providers engaged in distribution activity, and

b) service providers engaged cinema operation activity.

(6) From the registers referred to in Subsection (5) the particulars on the name, contacts of the distributors and a cinema operators, and the name, address and phone number of the cinemas shall be considered public information and accessible on the Authority's website. The Authority shall process the personal data of natural persons engaged in distribution and cinema operation activity for the purpose of monitoring the distribution, and/or cinema operation activity, until their deregistration.

(7) The registers under Subsection (5) shall be construed as official public registers with regard to the data referred to in Subsection (6) apart from the natural personal identification and address identification data.

Title 2/B⁴Notification of the Cinema Operation Activity⁵*Section 19/L⁶*

(1) The cinema operator shall notify to the Authority, at least thirty days before the commencement of the cinema operation, its activity for cinema operation.

(2) This notification shall include:

a) the cinema operator's

aa) name,

ab) home address, or for an entity its registered address,

ac) telephone number and electronic mail address,

1 Established by Section 2 of Act CLXIII of 2016, effective as of 16 December 2016.

2 Established by Section 2 of Act CLXIII of 2016, effective as of 16 December 2016.

3 Established by Section 2 of Act CLXIII of 2016, effective as of 16 December 2016.

4 Established by Section 3 of Act CLXIII of 2016, effective as of 16 December 2016.

5 Established by Section 3 of Act CLXIII of 2016, effective as of 16 December 2016.

6 Established by Section 3 of Act CLXIII of 2016, effective as of 16 December 2016.

ad) for entities other than natural persons, name, telephone number, postal and electronic mail address of its representative, and of the person designated to liaise with the Authority,

ae) registered number, and/or register number, and tax number;

b) name, address of the cinema operated;

c) the number of screens available in the cinema, the capacity of each screen; and

d) the envisaged start date of the cinema operation.

(3) Unless otherwise provided by the law, entities other than natural persons shall enclose the copy of the deed certifying the right of representation with its notification.

(4)¹ If the notifying entity is a company listed in the register of companies, and it has submitted the signature registration certificate of its representative, witnessed and executed by a notary public, or the specimen signature countersigned by an attorney to the court of registry, and the register of companies contains an indication thereof, the Authority shall obtain such document electronically from the register of companies, by way of a direct request.

(5)² After the receipt of the notification the Authority shall verify immediately whether the notification complies with the requirements set out in Subsections (2) and (3). If the notification complies with the requirements set out in Subsections (2) and (3), and the administrative service fee has been paid, the Authority shall notify the notifying entity of this fact within eight days following the receipt of the notification. The cinema operator shall be required to notify the Authority in writing of any change in the notified data, within fifteen days following the effective date of the change.

(6) If a cinema operator fails to commence its cinema operation activity within two years following its registration or interrupts it for longer than five years, the Authority may apply the legal consequences set out in Section 19/H.

(7) The Authority shall ex officio deregister the data specified in Paragraphs *b*) and *c*) of Subsection (2) if a cinema operator fails to commence the cinema operation within two years following its registration or interrupts it for longer than five years, and the legal consequences set out in Subsection (6) may not be applied.

(8) The cinema operation activity must be deregistered if:

a) the cinema operator requested its deregistration, or

b) the legal person terminated without successor.

(9) In the event of a change in the cinema operator's person, the cinema operator having submitted the original notification shall requests to have the relevant records updated as appropriate.

Title 2/C³

Notification of the Film Distribution Activity⁴

Section 19/M⁵

(1) The film distributor shall notify to the Authority, at least thirty days before the commencement of the film distribution activity, its activity for film distribution. The Act on the General Provisions Relating to the Taking Up and Pursuit of the Business of Service Activities shall be applied to this notification.

1 Amended by Section 51 of Act CXXXVI of 2017.

2 Established by Section 6 of Act CLXXVIII of 2020, effective as of 1 January 2021.

3 Enacted by Section 4 of Act CLXIII of 2016, effective as of 16 December 2016.

4 Enacted by Section 4 of Act CLXIII of 2016, effective as of 16 December 2016.

5 Enacted by Section 4 of Act CLXIII of 2016, effective as of 16 December 2016.

(2) This notification shall include, in addition to the data set out in the Act on the General Provisions Relating to the Taking Up and Pursuit of the Business of Service Activities:

- a) the film distributor's
 - aa) telephone number and electronic mail address,
 - ab) for entities other than natural persons, name, telephone number, postal and electronic mail address of its representative, and of the person designated to liaise with the Authority,
 - ac) registered number, and/or register number, and tax number, and
- b) an indication to show whether the notifying entity deals with the distribution of motion pictures in cinemas and/or films on a medium in the framework of its film distribution activity.

(3) Unless otherwise provided by the law, entities other than natural persons shall enclose the copy of the deed certifying the right of representation with its notification.

(4)¹ If the notifying entity is a company listed in the register of companies, and it has submitted the signature registration certificate of its representative, witnessed and executed by a notary public, or the specimen signature countersigned by an attorney to the court of registry, and the register of companies contains an indication thereof, the Authority shall obtain such document electronically from the register of companies, by way of a direct request.

(5) The Authority shall deregister the film distributor, in addition to the cases set out in the Act on the General Provisions Relating to the Taking Up and Pursuit of the Business of Service Activities, if the film distributor other than a natural person terminates without successor.

Title 2/D²

Registration of Films³

Section 19/N⁴

(1) Cinematographic works to be presented in a cinema registered in accordance with Subsection (1) of Section 19/L shall be registered by the film's distributor for the purposes of producing motion picture industry statistical data through the online platform set up by the Authority for this purpose.

(2) Subsection (1) shall not apply to cinematographic works not entering the distribution network which are presented throughout the country in film festivals organized under international agreements or by professional organizations for not more than ten times over any one year.

(3) This registration shall include, with regard to the film intended for presentation to the public,

- a) the proposed title in Hungarian and in the original language;
- b) alternative (English and Hungarian) title, if available;
- c) the international identifier (ISAN), if available;
- d) the domestic distributor and registration number;
- e) the name of its director;
- f) the country of production according to Paragraph c), and/or the coproduction countries;
- g) the year of production according to Paragraph c);

1 Amended by Section 51 of Act CXXXVI of 2017.

2 Enacted by Section 5 of Act CLXIII of 2016, effective as of 1 April 2017.

3 Enacted by Section 5 of Act CLXIII of 2016, effective as of 1 April 2017.

4 Established by Section 7 of Act CLXXVIII of 2020, effective as of 1 January 2021.

- h) its genre;
- i) the running time; and
- j) the planned domestic presentation date.

(4) The distributor shall register the film immediately after the data referred to in Subsection (3) become available, at the latest before the beginning of the classification procedure referred to in Subsection (1) of Section 20 and in Subsection (1) of Section 25. The film shall receive a statistical code once the data specified in Subsection (3) are communicated in full.

(5) In the event of any change in the data specified in Subsection (3), the film distributor shall modify the data registered immediately after the change came to its attention, or at the latest before the beginning of the procedure referred to in Subsection (1) of Section 20, or in the absence thereof three days before the date specified in Paragraph *j*) of Subsection (3) hereof. The Hungarian distributor of the film, its original title and the year of production cannot be modified.

(6) The statistical code assigned during the film's registration may be used in the proceedings of the Authority.

(7) Any other data required for the achievement of the objectives set out in this Act, during the registration the Authority may request other data set out in legislation adopted by authorization of an act, and the film distributor shall be required to notify the Authority of such data.

(8) The Authority shall maintain a register of registrations under this Section and the data and identifiers referred to in Subsections (3)-(6).

Title 2/E¹

ADMINISTRATIVE AGREEMENT²

Section 19/O³

(1) The Authority shall have power to conclude an administrative agreement with a client with a view to a settlement in cases within its competence that is best suitable for the public and for the client alike, in accordance with the provisions of the Administrative Procedure Act, subject to the derogations and additional provisions set out in this Act.

(2) The administrative agreement may be concluded with effect irrespective of the approval of third parties, whose rights and lawful interests are affected by the contract, regarding the contractual terms and conditions that could be imposed on the contractual party by way of the official decision under the relevant legislation.

(3) The Authority shall verify compliance with the provisions of the public contract in the course of an official audit. When under the official audit the Authority finds any infringement of the administrative agreement by the client, it shall assess - on the basis of the findings of the audit, the gravity of the breach, effective enforcement of rights, the social, economic and legal environment and the relevant principles and objectives under this Act, as well as effective enforcement of public interest underlying the agreement - whether to open enforcement proceedings as defined in the Administrative Procedure Act or institute administrative proceedings to apply the legal consequences hereunder, in connection with any violation of the decision.

(4) In the administrative proceedings opened on the basis of the findings of the official audit - on account of breach of contract by the client - the Authority may apply the legal consequences defined in this Act and in the administrative agreement.

1 Enacted by Subsection (9) of Section 235 of Act L of 2017, effective as of 1 January 2018.

2 Enacted by Subsection (9) of Section 235 of Act L of 2017, effective as of 1 January 2018.

3 Enacted by Subsection (9) of Section 235 of Act L of 2017, effective as of 1 January 2018.

(5) As regards the amendment of the administrative agreement, an action brought before the court shall not affect the fulfillment and enforcement of the said agreement and shall not have a suspensory effect on the fulfillment and enforcement of the said administrative agreement.

Title 31

Classification Proceedings, Classification of Films With a View to Protecting Minors²

Section 20³

(1) In order to ensure the healthy intellectual and mental development of minors, films to be marketed in Hungary must be classified into the categories set out in Section 21 and this classification must be published in accordance with the provisions of this Act.

(2)⁴ Subsection (1) shall not apply to cinematographic works not entering the distribution network which are presented throughout the country in film festivals organized under international agreements or by professional organizations for not more than ten times over any one year, as well as to cinematographic works that are presented in a cinema or movie theater referred to in Subsection (2) of Section 25, for not more than three times in any one year.

Section 21⁵

Classification categories for cinematographic works shall be as follows:

- a) Category I shall include films that may be viewed without any age restriction.
- b) Category II shall include films that may trigger fear in a viewer under the age of six or may not be comprehended or may be misunderstood by such viewer owing to his/her age. These films shall be rated as "Not recommended for audiences under the age of six".
- c) Category III shall include films that may trigger fear in a viewer under the age of twelve or may not be comprehended or may be misunderstood by such viewer owing to his/her age. These films shall be rated as "Not recommended for audiences under the age of twelve".
- d) Category IV shall include films which might impair the physical, mental or moral development of minors under the age of sixteen, in particular those that involve gratuitous violence or sexual content, or are dominated by conflict situations resolved by violence. These films shall be rated as "Not recommended for audiences under the age of sixteen".
- e) Category V shall include the films which might impair the physical, mental or moral development of minors, in particular those that are dominated by graphic scenes of violence and/or sexual content. These films shall be rated as "Not recommended for audiences under the age of eighteen".

1 Enacted by Section 11 of Act CLXIX of 2011, effective as of 1 January 2012.

2 Enacted by Section 11 of Act CLXIX of 2011, effective as of 1 January 2012.

3 Established by Section 11 of Act CLXIX of 2011, effective as of 1 January 2012.

4 Established by Section 10 of Act CXCIX of 2012, effective as of 16 December 2012.

5 Established by Section 11 of Act CLXIX of 2011, effective as of 1 January 2012.

*f*¹ Category VI shall include films which may seriously impair the physical, mental or moral development of minors, particularly those that involve pornography or extreme and/or scenes of gratuitous violence. These films shall be rated as "Recommended for adults only". These films can be presented to the public either in a special distribution network, accessible only for adults, or between 22:00 and 5:00 hours in a cinema or other screening location (such as film club), in accordance with Paragraph *b*) of Point 15 of Section 2.

Section 21/A²

(1)³ The film distributor shall apply for the classification at the Authority at least thirty days before the envisaged start date of the distribution. The application shall contain:

a) with regard to the film the distributor intends to distribute:

aa) the title in Hungarian and in the original language,

ab) concise content,

ac) the name of the director and main characters,

ad) running time,

ae) the year of production,

af) its genre,

b) the film distributor's proposal for the classification of the film, based on the categories set out in Section 21;

c) the planned starting date of distribution; and

d) the mode of placing the film on the market.

(1a)⁴ If the data specified in Subsection (1) are not available at the time of submission of the application due to a reason not attributable to or beyond the film distributor's control, the film distributor shall be required to submit such data to the Authority as soon as they become available, at the latest within ninety days following the Hungarian premier of the film. Upon the submission of the application the film distributor shall demonstrate that those data are not available due to a reason not attributable to or beyond the film distributor's control.

(1b)⁵ In the event of failure to comply with the obligation under Subsection (1a) the Authority may apply the legal consequences set out in Paragraph *d*) of Subsection (8) of Section 19/H.

(2)⁶ A copy of the film suitable for viewing must be submitted together with the application

(3) For films produced in a foreign language, if no dubbed or subtitled version of the film is available, a list of dialogues in the Hungarian language must also be submitted.

(4)⁷ The Authority shall decide on the age limit classification category of the film within fifteen days from the notification, on the basis of recommendation made by the Content Rating Committee.

(5) Unless otherwise provided for in this Act, in the absence of an age limit classification established in an administrative decision no advertising activity may be initiated, in particular by using a trailer without age limit classification.

(6)⁸ The decision made by the Authority in the first instance proceedings shall be immediately enforceable notwithstanding any appeal.

1 Established by Section 8 of Act CLXXVIII of 2020, effective as of 1 January 2021.

2 Enacted by Section 11 of Act CLXIX of 2011, effective as of 1 January 2012.

3 Established by Section 9 of Act CLXXVIII of 2020, effective as of 1 January 2021.

4 Established by Section 15 of Act CXII of 2018. Amended by Paragraph *d*) of Subsection (4) of Section 11 of Act CVI of 2019.

5 Enacted by Section 13 of Act CCXII of 2015. Amended by Paragraph *b*) of Subsection (4) of Section 11 of Act CVI of 2019.

6 Established by Section 11 of Act CXCIX of 2012, effective as of 16 December 2012.

7 Amended by Paragraph *b*) of Subsection (4) of Section 11 of Act CVI of 2019.

8 Amended by Paragraph *b*) of Subsection (4) of Section 11 of Act CVI of 2019.

(7)¹ After the adoption of the decision closing the administrative proceeding in the subject of age limit classification, the Authority shall immediately register, in own motion proceedings, the film as well as any data and/or facts the administrative decision is based on in the official register of cinematographic works approved for distribution.

(8) Films not registered in the official register of cinematographic works approved for distribution cannot be distributed.

Section 21/B²

(1)³ Where the film distributor intends to start advertising activity earlier than at least thirty days before the distribution start date (premier), and the copy of the film suitable for the submission under Section 21/A is not yet available, it may request the Authority to classify the trailer in advance on the basis of the categories set out in Section 21 (standalone classification of a trailer). No advertising activity may be initiated by using a trailer without age limit classification.

(2)⁴ The film distributor shall submit an application for the standalone classification of a trailer at the Authority at least thirty days before the envisaged date of commencement of the advertising activity. Any available data from the data specified in Section 21/A, as well as a copy of the trailer in a medium suitable for viewing shall be enclosed with the application. The film distributor may specify, in its reasoned request having regard to the content and foreseeable rating of the cinematographic work in production, the classification category set out in Section 21 it requests as the lowest classification for that trailer, independently from its content.

(3)⁵ The provisions in Subsections (4) and (6) of Section 21/A shall apply accordingly to the standalone classification of a trailer, with the proviso that a standalone classification of a trailer shall not alter the category set out in the decision of first instance made on the age limit classification under Section 21/A, but following the decision of first instance made on the age limit classification the trailer must bear the marking corresponding to the film's age limit classification, in accordance with the decree of the minister designated by decree of the Government under Subsection (2) of Section 18.

(4)⁶ Where the film distributor applies for a the standalone classification of a trailer, it shall be required to submit the cinematographic work referred to in Subsection (2) of Section 21/A to the Authority as set out in Section 21/A for classification, immediately as it becomes available and/or obtaining possession thereof, at the latest by the deadline prescribed under Subsection (1) of Section 21/A.

Section 21/C⁷

(1) In a cinema only a trailer can be presented before a film whose classification category is not higher than the classification category of the film it is followed by. With the view to ensure as wide of an advertising platform as possible the film distributor may apply for the classification of the trailer even where the film has already been classified.

1 Amended by Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019.

2 Enacted by Section 11 of Act CLXIX of 2011, effective as of 1 January 2012.

3 Amended by Paragraph g) of Subsection (4) of Section 11 of Act CVI of 2019.

4 Established by Subsection (6) of Section 51 of Act LXXXIV of 2013. Amended under Paragraph a) of Section 21 Act CXXII of 2015, Paragraph h) of Subsection (4) of Section 11 of Act CVI of 2019.

5 Established by Section 12 of Act CXCIX of 2012. Amended by Paragraph a) of Subsection (5) of Section 11 of Act CVI of 2019.

6 Amended by Paragraph h) of Subsection (4) of Section 11 of Act CVI of 2019.

7 Enacted by Section 13 of Act CXCIX of 2012, effective as of 16 December 2012.

(1a)¹ Only trailers and/or advertisement may be published on a data storage device whose classification category is not higher than the classification category published on that data storage device. If a data storage device contains several films, the film classified in the highest category shall be governing for the publication of the trailer and/or advertisement.

(2)² The Authority shall specify the classification category lower than that of the film, into which the trailer belongs based on its content and to be taken into account for the advertisement activity under Subsection (1), with the proviso that the trailer must bear the mark corresponding to the age limit classification of the film, in accordance with the decree of the minister designated by decree of the Government under Subsection (2) of Section 18.

(3) A copy of the trailer in a medium suitable for viewing shall be enclosed with the application.

(4)³ If the trailer's classification category is not lower than that of the film, the Authority shall reject the application.

(5) The provisions in Subsections (4) and (6) of Section 21/A shall apply accordingly to the classification of a trailer under this Section.

Content Rating Committee⁴

Section 22⁵

The Authority shall set up and operate the Content Rating Committee, which will make recommendations to the Authority for the classification of cinematographic works into categories.

Section 23⁶

(1) The Content Rating Committee shall consist of not less than fourteen and not more than twenty-eight members. With the view to operating the Content Rating Committee the Authority shall enter into cooperation agreements with the following civil society organizations of its choice:⁷

a) civil society organization(s) dealing with the effect of media on the development of children;

b) teacher' association(s) also engaged in media and/or motion picture education'

c) a body or association(s) of child psychologists;

d) the professional association of film distributors.

(2)⁸ Through the cooperation agreements referred to in Subsection (1) the Authority shall ascertain that civil society organizations delegate a sufficient number of members to the Content Rating Committee. The Authority may delegate to the Content Rating Committee any official it employes under government service relationship with appropriate qualification and experience with regard to the effects of the media on the development of children.

1 Enacted by Section 14 of Act CXXII of 2015, effective as of 31 December 2015.

2 Amended by Paragraph b) of Subsection (4), Paragraph a) of Subsection (5) of Section 11 of Act CVI of 2019.

3 Amended by Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019.

4 Enacted by Section 11 of Act CLXIX of 2011, effective as of 1 January 2012.

5 Established by Section 11 of Act CLXIX of 2011. Amended by Paragraphs b), d) of Subsection (4) of Section 11 of Act CVI of 2019.

6 Established by Section 11 of Act CLXIX of 2011, effective as of 1 January 2012.

7 Amended by Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019.

8 Established by Section 14 of Act CXCIX of 2012. Amended by Paragraphs c), i) of Subsection (4) of Section 11 of Act CVI of 2019.

(3) The acting Content Rating Committee shall be appointed and convened by the Authority out of the members of the Content Rating Committee. The acting Content Rating Committee shall consist of at least seven members. The acting Content Rating Committee shall be compiled in a manner to ensure the presence of at least:¹

a) two persons with psychologist qualification having professional experience in the impact of the media on the development of children,

b) two persons with teacher qualification, having professional experience in the field of film distribution or media or motion picture education,

c) two persons with tertiary level qualification having professional experience in the impact of the media on the development of children,

d) one representative of film distributors.

(4)² The members of the Content Rating Committee shall receive remuneration set by the minister designated by decree of the Government under Subsection (2) of Section 18.

(5)³ A delegate from each of the minister in charge of cultural affairs (hereinafter referred to as "Minister"), the minister in charge of education, the minister responsible for the protection of children and the youth, the Media Council and the NFI with experience in the field of protecting children and young people may attend the meetings of the Content Rating Committee as an expert.

Publication of Film Classifications⁴

Section 24⁵

Film distributors must display in a prominent way the marking corresponding to the category determined by the Authority on the cinematographic works, on the trailer, on any public presentation thereof, and on the packaging and cover of all data media marketed by them as well as in all communications and advertisements related to the cinematographic works in accordance with the decree of the minister designated by decree of the Government under Subsection (2) of Section 18.

Classification of Films With the View to Promoting the Distribution of Films⁶

Section 25⁷

(1)⁸ With the view to promoting the distribution of cinematographic works of artistic value or worthy of support due to their cultural significance, upon the request from the film producer or distributor the Authority may grant "art" classification to cinematographic works in an administrative decision.

¹ Amended by Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019.

² Amended by Paragraph b) of Subsection (5) of Section 11 of Act CVI of 2019, Paragraph b) of Section 19 of Act CLXXVIII of 2020.

³ Established by Section 6 of Act CLXIII of 2016. Amended by Paragraph a) of Subsection (1) of Section 11 of Act CVI of 2019, Paragraph c) of Section 19 of Act CLXXVIII of 2020.

⁴ Enacted by Section 11 of Act CLXIX of 2011, effective as of 1 January 2012.

⁵ Established by Section 11 of Act CLXIX of 2011. Amended by Paragraph b) of Subsection (4), Paragraph a) of Subsection (5) of Section 11 of Act CVI of 2019.

⁶ Enacted by Section 11 of Act CLXIX of 2011, effective as of 1 January 2012.

⁷ Enacted by Section 11 of Act CLXIX of 2011, effective as of 1 January 2012.

⁸ Established by Section 7 of Act CLXIII of 2016. Amended by Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019.

(2)¹ Upon the request from the cinema operator, the Authority shall grant "art" classification to any cinema whose operator undertakes to comply with the conditions defined in the decree of the President. For cinemas with more than one screen "art" classification may be awarded to a certain screen of the cinema if the operator undertakes to comply with the conditions applicable to "art" cinemas in respect of that screen.

(3) The conditions for classification as "art" cinema shall be specified by the Minister in a decree.

Section 25/A²

(1) In the application for classification as "art" cinema the cinema operator must specify the name and address of the cinema to be classified, the name, registered address, and registered number of the operator, and make a statement that the operator undertakes compliance with the conditions for "art" cinema and/or "art" screen for the relevant year.

(2)³ If, after the submission of the application for classification, any change occurs in the data set out in Subsection (1), the operator shall be required to notify the Authority of this change in writing, within fifteen days after the change.

(3)⁴ The notification regarding the data referred to in Subsection (2) that are also included in other registers may be performed in a manner that the body keeping the official register notifies the Authority, if requested by the operator, within the time limit specified in Subsection (2).

Section 25/B⁵

(1)⁶ The Authority shall on audit cinemas classified as "art" cinemas an ongoing basis for compliance with the statutory conditions of "art" cinema classification.

(2)⁷ The cinema operator shall be required to report to the Authority, by the 20th day of the month following each calendar quarter, broken down by "art" cinemas, and/or movie theaters it operates, in the manner set out by the Authority:⁸

- a) the title of cinematographic works presented;
- b) the date and location of the presentation;
- c) the number of spectators;
- d) the revenue;
- e) the "art" classification under Subsection (1) of Section 25;
- f) the classification categories under Paragraphs a)-c) of Subsection (1) of Section 26/B;
- g) whether the film
 - ga) forms a part of national film assets,
 - gb) is presented within the framework of a cinema day, cinema week or film festival held in the cinema under international convention, or organized by a professional body,
 - gc)⁹ is borrowed from the NFI, or
 - gd) is shown in an internationally acclaimed film festival, or in a non-competitive program contained in a list published by the motion picture authority; furthermore

1 Amended by Point 6 of Subsection (1) of Section 29 of Act CXCIX of 2012, Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019.

2 Enacted by Section 11 of Act CLXIX of 2011, effective as of 1 January 2012.

3 Amended by Paragraph d) of Subsection (4) of Section 11 of Act CVI of 2019.

4 Enacted by Section 17 of Act XXXII of 2016. Amended by Paragraph j) of Subsection (4) of Section 11 of Act CVI of 2019.

5 Enacted by Section 11 of Act CLXIX of 2011, effective as of 1 January 2012.

6 Amended by Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019.

7 Established by Section 16 of Act CXII of 2018, effective as of 1 January 2019.

8 Amended by Paragraphs b), d) of Subsection (4) of Section 11 of Act CVI of 2019.

9 Amended by Paragraph h) of Subsection (1) of Section 11 of Act CVI of 2019.

h)¹ other characteristics related to a film presented within the framework of a cinema day, cinema week or film festival held in the cinema under international convention, or organized by a professional body, a film borrowed from the NFI, forming a part of national film assets, or one that is shown in an internationally acclaimed film festival, or in a non-competitive program contained in a list published by the motion picture authority.

(3)² The Authority shall oblige the cinema operator to report by its decision if the cinema operator fails to comply or inappropriately complies with its obligation under Subsection (1).

Section 25/C³

(1) The Authority shall withdraw the "art" classification of the relevant cinema (movie theater) if:⁴

a)⁵ the statutory requirements for "art" cinemas are not complied with, or

b) the cinema operator fails to comply with the data disclosure obligation set out in Subsection (2) of Section 25/B, despite the order for data disclosure under Subsection (3) of Section 25/B.

(2)⁶ The Authority shall immediately notify the sponsors of "art" cinemas, and/or movie theater if it withdraws the "art" classification of the relevant cinema (movie theater).

(3) In the case under Subsection (1), a repeated application for "art" classification may only be submitted in the quarter following the withdrawal.

Section 25/D⁷

If cinemas or movie theaters are granted "art" classification the Authority shall enter, in an ex officio procedure, the cinema or movie theater classified as "art" in its official register of "art" cinemas and movie theaters, immediately after the decision adopted in this subject becomes definitive. The register maintained on "art" cinemas and movie theater shall contain the data set out in Section 25/A, as well as any additional data prescribed in the decree of the minister designated by decree of the Government under Subsection (2) of Section 18. Detailed rules for this registration shall be specified in the decree of the minister designated by decree of the Government under Subsection (2) of Section 18.

Section 26⁸

(1)⁹ The Art Committee set up and operated by the Authority shall make recommendations for classifying cinematographic works as "art" films.

(2)¹⁰ Six members of the Art Committee shall be appointed by the minister designated by decree of the Government under Subsection (2) of Section 18, on a recommendation by the head of the Film Office, for three years.

(3) The members of the Art Committee shall be:

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- 1 Amended by Paragraph h) of Subsection (1) of Section 11 of Act CVI of 2019.
 - 2 Amended by Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019, Paragraph d) of Section 72 of Act CLXVIII of 2020.
 - 3 Enacted by Section 11 of Act CLXIX of 2011, effective as of 1 January 2012.
 - 4 Amended by Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019.
 - 5 Amended by Point 6 of Subsection (1) of Section 29 of Act CXCIX of 2012.
 - 6 Amended by Point 47 of Subsection (1) of Section 28 of Act CXCIX of 2012, Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019.
 - 7 Enacted by Section 11 of Act CLXIX of 2011. Amended by Paragraph b) of Subsection (4) of Section 11, Paragraph b) of Subsection (5) of Act CVI of 2019, Section 36 of Act CXXVII of 2019.
 - 8 Established by Section 8 of Act CLXIII of 2016, effective as of 1 January 2017.
 - 9 Amended by Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019.
 - 10 Amended by Paragraph a) of Subsection (5) of Section 11 of Act CVI of 2019, Points 4, 5 of Section 35 of Act LXXVI of 2020.

a)¹ one person delegated by the President of the Magyar Művészeti Akadémia (*Hungarian Academy of Arts*), as representative of the motion picture art;

b)² one person with tertiary qualification and experienced in the field of motion picture art, delegated by the minister designated by decree of the Government under Subsection (2) of Section 18;

c)³ one person, with experience in the motion picture art, delegated by the Minister;

d) three persons with qualification and/or practice in the field of motion picture art, motion picture science or motion picture education.

(4) The member under Paragraph b) of Subsection (3) shall perform the tasks related to the coordination of the Art Committee, and chairs the Committee's meetings as President.

(5) Upon the recommendation by the Art Committee the Authority shall grant "art" classification to all cinematographic works to be distributed that:⁴

a) contribute to the development of the Hungarian, the European or universal audiovisual culture by its artistic value, or

b) is considered as significant in terms of educational or cultural aspects and representing high cultural standards.

(6)⁵ Upon the request from the film's producer or distributor the Authority shall grant "art" classification to cinematographic works to be distributed that has been awarded a prize at an internationally recognized film festival, as set out in the list published by the Authority on an annual basis.

Section 26/A⁶

(1)⁷ The film producer or film distributor may apply to the Authority for the classification of the cinematographic works to be distributed as "art" film at least forty-five days before the start of the distribution. This application shall contain the title of the film, the name of its production entity, producer, scriptwriter, composer, photographer and main characters.

(2)⁸ A copy of the cinematographic works suitable for viewing must be submitted together with the application referred to in Subsection (1). For foreign language films, if no dubbed to Hungarian or subtitled to Hungarian version of the film is available, a list of dialogues in the Hungarian language must also be submitted.

(3)⁹ This application shall contain a proposal for the "art" classification of the film offering a detailed statement of the reasons. For cinematographic works that have been awarded a prize at an internationally acclaimed film festival, the applicant shall specify the film festival and the category in which the film has been awarded a prize.

(4)¹⁰

(5)¹¹

(5a)¹²

1 Amended by Paragraph d) of Subsection (2) of Section 11 of Act CVI of 2019.

2 Amended by Paragraph d) of Subsection (2), Subsection (6) of Section 11 of Act CVI of 2019.

3 Amended by Paragraph d) of Subsection (2) of Section 11 of Act CVI of 2019.

4 Amended by Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019.

5 Amended by Paragraph c) of Subsection (4) of Section 11 of Act CVI of 2019.

6 Enacted by Section 11 of Act CLXIX of 2011, effective as of 1 January 2012.

7 Amended by Paragraph c) of Section 26 of Act CXII of 2018, Paragraph g) of Subsection (4) of Section 11 of Act CVI of 2019.

8 Established by Section 9 of Act CLXIII of 2016, effective as of 16 December 2016.

9 Established by Section 17 of Act CXII of 2018, effective as of 1 January 2019.

10 Repealed by Paragraph b) of Section 25 of Act CLXIII of 2016, effective as of 16 December 2016.

11 Repealed by Point 4 of Subsection (2) of Section 29 of Act CXCIX of 2012, effective as of 16 December 2012.

12 Repealed by Paragraph b) of Section 25 of Act CLXIII of 2016, effective as of 16 December 2016.

(6)¹ If cinematographic works are granted "art" classification the Authority shall enter, in an ex officio procedure, the cinematographic works classified as "art" in its official register of "art" films, immediately after the decision adopted in this subject becomes definitive.

Classification of Cinematographic Works Based on the Ratio of Hungarian Participation²

Section 26/B³

(1)⁴ Upon the film producer's request the Authority shall classify films for the production of which a direct support was applied for, into the following categories with the view to establishing their eligibility for support:⁵

- a) Hungarian film,
- b) film with Hungarian participation,
- c) other film with Hungarian participation,
- d) other film.

(1a)⁶ Feature films, short feature films, animation films, documentaries and scientific documentaries shall be classified on the basis of the score achieved based on the table set out in Annex 1.

(1b)⁷ For experimental films and other genres not covered in this Act, the criteria for the classification of documentaries and scientific documentaries shown in Annex 1 shall be applied with the derogation that if the highest score that can be achieved by the film to be classified, based on the actual creative participation and the conditions that can be evaluated based on the table, is less than 100 points, classification into one of the categories set out in Point 7 of Section 2 shall be conditional upon that the relevant cinematographic works achieves the percentage corresponding to the film types set out in Point 7 of Section 2, by taking the score that may be achieved as 100 per cent.

(1c)⁸ When calculating the scores under Subsections (1a) and (1b) the individual scores that can be given to the film's Hungarian elements must be aligned, within each element, to the ratio of Hungarian participation. If a Hungarian filmmaker or producer is involved in the film, they shall be awarded the highest possible score, irrespective of the Hungarian contribution ratio.

(2)⁹ Direct support grants shall be conditional upon the classification of film according to the Hungarian participation ratios. After the decision closing the administrative proceeding referred to in Subsection (1) becomes definitive, the Authority shall immediately register, in an ex officio procedure, the classified cinematographic works as well as any data and/or facts the administrative decision is based on in the official register of films eligible for support. If the film is already in the register, the Authority shall add the data and facts established in the final decision closing the classification procedure referred to in Subsection (1) to the data already registered.

1 Amended by Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019, Section 36 of Act CXXVII of 2019.

2 Enacted by Section 11 of Act CLXIX of 2011, effective as of 1 January 2012.

3 Enacted by Section 11 of Act CLXIX of 2011, effective as of 1 January 2012.

4 Established by Subsection (1) of Section 16 of Act CXCIX of 2012. Amended by Subsection (1) of Section 296 of Act XCIX of 2014.

5 Amended by Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019.

6 Enacted by Section 10 of Act CLXIII of 2016, effective as of 16 December 2016.

7 Enacted by Section 10 of Act CLXIII of 2016, effective as of 16 December 2016.

8 Enacted by Section 10 of Act CLXIII of 2016, effective as of 16 December 2016.

9 Amended by Point 46 of Subsection (1) of Section 28 of Act CXCIX of 2012, Paragraph c) of Section 236 of Act L of 2017, Paragraph c) of Subsection (4) of Section 11 of Act CVI of 2019, Section 36 of Act CXXVII of 2019.

(3)¹ The Authority shall perform the classification referred to in Subsection (1) on the basis of the documents set out in Subsections (4) and (5) as submitted by the film producer to the Authority.

(4)² If the film budget does not exceed 50 million forints, the application for classification shall be submitted before the application for direct support. In cases of exceptional circumstances this application may be submitted by the conclusion of the grant agreement. The application shall be accompanied by:

- a) the list of authors, artistic and technical staff involved in the film production;
- b) the budget of the film;
- c) the timetable for the film production; and
- d) the funding plan for the film production.

(5)³ If the film budget exceeds 50 million forints, the application for classification shall be submitted forty days before the application for direct support at the latest. In cases of exceptional circumstances this application may be submitted by the conclusion of the grant agreement. The application shall be accompanied by:

- a) the license agreements or other documents setting out the contribution of the authors the film is based on to the production of the film;
- b) the script of the film; the synopses of the films under Paragraph a) Subsection (2) of Section 31/B;
- c) the list of creators involved in making the film, and artistic and technical staff, furthermore the location of production works, on the basis of the table set out in Annex 1, by specifying the technical and artistic contribution of foreign countries involved in the production;
- d) the budget of the film;
- e) the timetable for the film production;
- f) for coproduction films, the coproduction agreement of film producers, in the absence of this the agreement of the parties on the distribution of revenues from licensing, and the territorial allocation of distribution; and
- g) the funding plan for the film production.

(6)⁴ Any grant agreement concluded in the absence of a final decision on the classification based on the Hungarian participation ratios or by disregarding the excluded eligibility for support shall be null and void with the exception specified in Subsection (7).

(7)⁵ For any grant agreement concluded in the absence of a definitive decision this procedure may be completed, in cases of exceptional circumstances, upon a request submitted within one year following the conclusion of the agreement with the view to achieving the support objective, the time limits set out in Subsections (4) and (5) notwithstanding.

(8)⁶ In the procedure referred to in Subsection (7) the Authority shall invite the sponsor to make a statement on the existence of its intention for the achievement of the support objective. The Authority shall decide on the application by considering the sponsor's statement and all circumstances of the case.

1 Established by Subsection (2) of Section 16 of Act CXCIX of 2012. Amended by Paragraph b) of Section 21 of Act CCXII of 2015, Paragraphs b), h) of Subsection (4) of Section 11 of Act CVI of 2019.

2 Established by Section 10 of Act CLXXVIII of 2020, effective as of 1 January 2021.

3 Established by Section 10 of Act CLXXVIII of 2020, effective as of 1 January 2021.

4 Enacted by Subsection (3) of Section 16 of Act CXCIX of 2012. Amended by Paragraph c) of Section 236 of Act L of 2017.

5 Enacted by Subsection (3) of Section 16 of Act CXCIX of 2012. Amended by Paragraph c) of Section 236 of Act L of 2017.

6 Enacted by Subsection (3) of Section 16 of Act CXCIX of 2012. Amended by Paragraph c) of Subsection (4) of Section 11 of Act CVI of 2019.

(9)¹ For the purposes of Subsections (4), (5) and (7), cases of exceptional circumstances shall mean where the gravity of the infringement in any individual case is disproportionately minor relative to the social usefulness of the objectives set out in this Act.

Section 26/C²

(1)³ The film producer shall be required to notify the Authority of any change in the data that the classification according to Hungarian participation ratios within fifteen days after they become known. The Authority shall initiate a procedure ex officio on the basis of this notification or when the Authority becomes aware of this change in the data, if it can be assumed that the change will lead to a change in the classification category established in that decision.

(2)⁴ In the event of failure to comply the notification obligation referred to in Subsection (1), the Authority may order the film producer to pay the fine under Paragraph c) of Subsection (8) of Section 19/H and deregister it from the register referred to in Section 28.

Section 27⁵

Title 4⁶

Records and Registers of the Authority, Register of Motion Picture Organizations and Natural Persons⁷

Section 28⁸

(1)⁹ Any Hungarian citizen and persons holding the right to free movement and residence as set out in specific other act, legal persons established in the territory of Hungary or in any EEA Member State may apply for registration if they intend to apply for support under this Act. The registration procedure for motion picture organizations and natural persons shall be initiated exclusively upon request. Granting support under this Act shall be conditional upon registration. Registration shall not be a condition for granting support in the case of economic operators and institutions that perform film distribution activities only for the purposes of their education, library, or public collection tasks, except for public collections explicitly related to the motion picture industry. When applying for support, these economic operators must declare that the grounds for exclusion set out in Subsection (7) Section 28 do not apply to them.

1 Enacted by Subsection (3) of Section 16 of Act CXCIX of 2012, effective as of 16 December 2012.

2 Established by Section 17 of Act CXCIX of 2012, effective as of 16 December 2012.

3 Amended by Paragraph c) of Section 21 of Act CCXII of 2015, Paragraphs c), d) of Subsection (4) of Section 11 of Act CVI of 2019.

4 Amended by Paragraph d) of Section 21 of Act CCXII of 2015, Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019.

5 Repealed by Point 5 of Subsection (2) of Section 29 of Act CXCIX of 2012, effective as of 16 December 2012.

6 Enacted by Section 11 of Act CLXIX of 2011, effective as of 1 January 2012.

7 Enacted by Section 11 of Act CLXIX of 2011. Amended by Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019.

8 Established by Section 11 of Act CLXIX of 2011, effective as of 1 January 2012.

9 Amended by Point 48 of Subsection (1) of Section 28 of Act CLXIX of 2012, Subsection (3) of Section 19 of Act CCLII of 2013.

(2)¹ If registration is requested by a motion picture organization, its application for registration shall contain the name, registered address, registered number or court registration number, tax number, name and address of its representative, and shareholder or founder of the applicant for support.

(3) If registration is requested by a natural person, the application for registration shall contain the name, address, date and place of birth, tax number or tax identification code of the applicant for support.

(4)² The natural person applying for registration shall state whether he requests distributor registration as film distributor, cinema operator or in other capacity. The motion picture organization applying for registration shall state whether he requests registration as film producer, film producer business, film releaser (more precisely as film distributor, cinema operator or in other capacity).

(5)³ In the event the data set out by the law are communicated, the Authority shall register the applicant provided none of the refusal grounds set out in Subsection (9) apply. The applicant for support shall be required to notify the Authority in writing of any change in the registered data, within fifteen days following the effective date of the change.

(6)⁴ The Authority shall request the NFI, the Minister, and the other sponsor within fifteen days following the registration referred to in Subsection (5) for the purposes set out in this Subsection. These requested entities shall declare, within fifteen days following the request, whether:⁵

a) the natural person or entity registered, the owner or founder of the entity, or any other economic operator owned or founded by the entity's owner or founder has any past due unpaid payment or settlement obligation against it, and

b) there is any person amongst the executive officers, owners or founders of the registered entity who has been the executive officer of any economic operator during the three years preceding the submission date of the application for support that failed to account for the use of direct support during his term in office as executive officer to the sponsor or its account has not been accepted by the sponsor.

(7)⁶ In the declaration under Subsection (6) the amount of the direct support received by the registered entity and the supported activity, and/or cinematographic works shall be indicated. If the NFI, the Minister or other sponsor declares that:⁷

a) the natural person or entity registered, the owner and founder of the entity, or any other economic operator owned or founded by the entity's owner or founder has any past due unpaid payment or settlement obligation subject to this Act against the sponsor, or

b) there is any person amongst the executive officers, owners and founders of the registered entity who has been a executive officer of any economic operator during the three years preceding the submission date of the application for support that failed to account for the use of direct support during his term in office as executive officer to the sponsor or its account has not been accepted by the sponsor,

the Authority shall deregister the natural person or entity registered and notify the NFI, the Minister and the other sponsor thereof.⁸

1 Amended by Point 49 of Subsection (1) of Section 28 of Act CXCIX of 2012.

2 Established by Section 15 of Act CCXII of 2015, effective as of 31 December 2015.

3 Amended by Paragraphs b), d) of Subsection (4) of Section 11 of Act CVI of 2019.

4 Established by Subsection (2) of Section 18 of Act CXCIX of 2012. Amended by Paragraph f) of Subsection (1) of Section 11 of Act CVI of 2019.

5 Amended by Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019.

6 Established by Subsection (2) of Section 18 of Act CXCIX of 2012, effective as of 16 December 2012.

7 Amended by Paragraph a) of Subsection (1) of Section 11 of Act CVI of 2019.

8 Amended by Paragraph f) of Subsection (1) of Section 11 of Act CVI of 2019, Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019.

(8)¹ The Authority shall dispense with the request referred to in Subsection (6) in the event of registration of new entities established without a predecessor whose founders (owners) and executive officers are exclusively entities or natural persons already registered.

(9)² Applicants undergoing bankruptcy, liquidation or dissolution proceedings may not be registered. Applicants who failed to give account of the proper use of direct support they received by the deadline and according to the conditions defined by the sponsor, or whose statement of account has not been accepted by the sponsor or have outstanding past due payment obligations towards the sponsor may not be registered pending the clearance of their payment obligations towards the sponsor. In this case re-registration may only take place after the applicant satisfied its payment obligations towards the sponsor.

(10)³ The register shall clearly display if the Authority has made a notification or filed a report, and/or a complaint under Subsection (1) of Section 19/I against any registered person or entity in the context of procedures for obtaining indirect support. In this case the rights and obligations of the registered person or entity arising from the registration shall be suspended pending submission of the final or definitive decision terminating the judicial proceedings, or submission of the resolution of the public prosecutor's office or the investigating authority for the termination of the proceedings, that is not subject to further remedy.

(11)⁴ The Authority shall deregister, ex officio or upon the request from the registered person/entity, any registered natural person and entity in the cases set out in this Act. Ex officio deregistration shall apply:⁵

a)⁶ in the cases referred to in Subsection (7) hereof, Subsections (2) and (3) of Section 19/I, Subsection (2) of Section 26/C, and

b)⁷ if the registration should have been refused, however, the Authority became aware of the grounds for refusal only after the registration, or this ground occurs after the registration.

(12)⁸ The Authority shall notify the NFI, the Minister and the other sponsor of any deregistration.

(13)⁹ Major sponsors shall be requested by the Authority quarterly for the purpose of data disclosure in accordance with Subsection (6).

(14)¹⁰ Other entities granting subsidies under this Act shall notify the Authority of any motion picture support it has granted and the past due outstanding payment obligations of its beneficiaries upon granting any support and the emergence of any payment obligation.

Section 29¹¹

(1) The register of motion picture organizations and natural persons shall display for all applicants for support:

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- 1 Amended by Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019.
 - 2 Amended by Point 50 of Subsection (1) of Section 28, Point 3 of Subsection (1) of Section 29 of Act CXCIX of 2012.
 - 3 Established by Section 196 of Act CXCVII of 2017. Amended by Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019.
 - 4 Established by Subsection (3) of Section 18 of Act CXCIX of 2012, effective as of 16 December 2012.
 - 5 Amended by Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019.
 - 6 Established by Section 11 of Act CLXIII of 2016, effective as of 16 December 2016.
 - 7 Amended by Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019.
 - 8 Established by Subsection (3) of Section 18 of Act CXCIX of 2012. Amended by Paragraph f) of Subsection (1), Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019.
 - 9 Established by Subsection (3) of Section 18 of Act CXCIX of 2012. Amended by Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019.
 - 10 Established by Subsection (3) of Section 18 of Act CXCIX of 2012. Amended by Paragraph j) of Subsection (4) of Section 11, Paragraph b) of Section 13 of Act CVI of 2019.
 - 11 Established by Section 11 of Act CLXIX of 2011, effective as of 1 January 2012.

- a) the details set out in Section 28;
- b)¹ the amount of direct support received by the applicant, specifying the supported activity and/or film;
- c)² the fact whether the applicant has settled the proper use of any direct support he has received by the deadline and according to the conditions set by the sponsor, or in the absence of this, the amount of the applicant's outstanding payment obligations towards the sponsor;
- d)³ data set out in this Act and provided for by other legislation, required to achieve the objectives of this Act.
- (2)⁴ The beneficiary and the entity granting support under this Act shall be required to notify the Authority of any data listed in Subsection (1), within fifteen days after it became aware of those data or their change.

Register of Films Eligible for Support⁵

Section 30⁶

(1)⁷ The Authority shall register all cinematographic works, for the preparation or production of which any support under this Act is availed of.

(2)⁸ The register referred to in Subsection (1) shall include the title of the cinematographic works, the name of the film producer, the outcome of the qualification specified in the procedure referred to in Section 26/B as well as any other data required for achieving the objectives specified by this Act and any legislation adopted by authorization of an act. The applicant for support shall be required to notify the Authority in writing of any change in the registered data, within fifteen days following the effective date of the change.

Register of Films Approved for Distribution⁹

Section 31¹⁰

(1)¹¹ The Authority shall register all cinematographic works approved for distribution, other than the ones referred to in Subsection (2) of Section 20.

(2)¹² The register referred to in Subsection (1) shall include the title of the cinematographic works to be distributed, the name of the film producer and the distributor, the outcome of the qualifications according to the procedures referred to in Sections 20 and 25, as well as any other data required for achieving the objectives specified by an act and any legislation adopted by authorization of an act. The film distributor shall be required to notify the Authority of these data.

1 Amended by Points 3 and 8 of Subsection (1) of Section 29 of Act CXCIX of 2012.

2 Amended by Point 3 of Subsection (1) of Section 29 of Act CXCIX of 2012.

3 Amended by Point 51 of Subsection (1) of Section 28 of Act CXCIX of 2012.

4 Amended by Point 52 of Subsection (1) of Section 28 of Act CXCIX of 2012, Paragraph d) of Subsection (4) of Section 11 of Act CVI of 2019.

5 Enacted by Section 11 of Act CLXIX of 2011, effective as of 1 January 2012.

6 Established by Section 11 of Act CLXIX of 2011, effective as of 1 January 2012.

7 Amended by Point 53 of Subsection (1) of Section 28 of Act CXCIX of 2012, Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019.

8 Amended by Point 54 of Subsection (1) of Section 28 of Act CXCIX of 2012, Paragraph d) of Subsection (4) of Section 11 of Act CVI of 2019.

9 Enacted by Section 11 of Act CLXIX of 2011, effective as of 1 January 2012.

10 Established by Section 11 of Act CLXIX of 2011, effective as of 1 January 2012.

11 Amended by Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019.

12 Amended by Point 54 of Subsection (1) of Section 28 of Act CXCIX of 2012, Paragraph d) of Subsection (4) of Section 11 of Act CVI of 2019.

Common Rules for Registration¹*Section 31/A²*

(1)³ Any data in the registers kept by the Authority shall be construed as information of public interest. The Authority shall make its registers available on its website, free of charge, accessible for all, with a search option, without any restriction. When designing its registers the Authority shall promote and give priority to the establishment and use of international standards in the field of audio-visual data collection (international audio-visual identification number, ISAN).

(2)⁴ Motion picture registers maintained by the Authority shall comply with the provisions set out in this Act and specific other legislation, and the definitive decisions adopted by the Authority, in particular rights and material facts provided for in this Act in relation to cinematographic works. Any data on natural persons included in the registers of the Authority shall be considered information of public interest. The Authority shall process any personal data referred to in this Act until their deregistration.

(3) Unless otherwise provided for by this Act, motion picture registers shall attest the existence of any registered rights and facts in an authentic manner.

(4)⁵ Detailed rules for the registers maintained by the Authority under this Act, detailed rules for the registration procedures, and provision of information from these registers shall be decreed by the minister designated by decree of the Government under Subsection (2) of Section 18.

Title 56

Grant Procedure⁷**Establishing eligibility for support⁸***Section 31/B⁹*

(1) The Authority shall establish, in accordance with Subsection (1) of Section 12/A, on the basis of Paragraph *e*) of Subsection (1) of Section 19,¹⁰

a) the eligibility for support for the purpose of film production under this Act (hereinafter referred to as "eligibility for support"), upon the request from the film producer or film production company,

b) eligibility for support for film distribution purposes under this Act, upon the request from the film distributor.

1 Enacted by Section 11 of Act CLXIX of 2011, effective as of 1 January 2012.

2 Enacted by Section 11 of Act CLXIX of 2011, effective as of 1 January 2012.

3 Amended by Paragraph c) of Subsection (4) of Section 11 of Act CVI of 2019.

4 Amended by Point 55 of Subsection (1) of Section 28 of Act CXCIX of 2012, Paragraph c) of Section 236 of Act L of 2017, Paragraphs c), k) of Subsection (4) of Section 11 of Act CVI of 2019.

5 Amended by Paragraph b) of Subsection (4), Paragraph a) of Subsection (5) of Section 11 of Act CVI of 2019.

6 Enacted by Section 11 of Act CLXIX of 2011, effective as of 1 January 2012.

7 Enacted by Section 11 of Act CLXIX of 2011, effective as of 1 January 2012.

8 Enacted by Section 11 of Act CLXIX of 2011. Amended by Point 56 of Subsection (1) of Section 28 of Act CXCIX of 2012.

9 Established by Subsection (1) of Section 19 of Act CXCIX of 2012, effective as of 16 December 2012.

10 Amended by Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019.

(2) The following documents shall be enclosed with the application under Subsection (1):

*a*¹ the complete script of the film in Hungarian (synopses for documentaries, experimental films, scientific films, animation films) or a copy of the film suitable for viewing;

*b*² the statements from the film producer or film production company or film distributor on compliance with the cultural requirements set out in Annex 2, on the basis of the table in that Annex;

*c*³ proof of payment of administration fees; and

*d*⁴

(2a)⁵ Simultaneously with or before the submission of the application the film producer and/or the film production company shall notify the starting date of the production period (preparation) by the starting date at the latest, and the starting date of shooting (including pre-shooting), at least thirty days in advance. At least thirty days before the starting date of shooting, if only post-production is carried out in Hungary from the production process, at least thirty days before the starting of post-production, the following documents shall be submitted simultaneously with the application:

a) the final production plan of the film, including the preparations, shooting and post-production;

b) for any film produced on order, the contract between the Hungarian company participating in the production and the foreign film producer (client), and for coproduction, or international coproduction or other international coproduction film the coproduction contract;

c) for films not produced on order, documents certifying the coverage for the direct costs of film production and the film's entire budget;

*d*⁶ the film's budget for the direct costs of film production (countersigned by all co-producers and the sponsor), financial plan and funding plan;

*e*⁷ a statement from the film producer and/or the film production company on the schedule they request the issuing of the support certificate or a decision on the closure of the cost control procedure;

*f*⁸ a statement from the film producer or the film production company undertaking, during the film production, to employ

fa) for films with direct cost of film production reaching or exceeding ten million forints but not exceeding one hundred million forints, at least one,

fb) for films with direct cost of film production exceeding one hundred million forints but not exceeding five hundred million forints, at least two,

fc) for films with direct cost of film production exceeding five hundred million forints, at least five

trainees, participating in motion picture training, with prior experience gained during the production of at least one feature film, for a duration of at least five weeks in any production department, where the professional supervision for the trainees can be ensured. If the section of the film's production in Hungary where the trainee can be employed is shorter than five weeks, this employment obligation covers the entire production section in Hungary; and

1 Established by Subsection (1) of Section 11 of Act CLXXVIII of 2020, effective as of 1 January 2021.

2 Established by Subsection (1) of Section 12 of Act CLXIII of 2016, effective as of 16 December 2016.

3 Established by Subsection (1) of Section 12 of Act CLXIII of 2016, effective as of 16 December 2016.

4 Repealed by Paragraph a) of Section 27 of Act CXII of 2018, effective as of 1 January 2019.

5 Enacted by Subsection (2) of Section 19 of Act CXCIX of 2012, effective as of 13 February 2013.

6 Established by Subsection (1) of Section 77 of Act LXVII of 2016, effective as of 17 July 2016.

7 Established by Subsection (1) of Section 77 of Act LXVII of 2016. Amended by Paragraph b) of Section 27 of Act CXII of 2018.

8 Established by Subsection (2) of Section 12 of Act CLXIII of 2016. Amended by Paragraph d) of Section 26 of Act CXII of 2018.

g)¹ the notification from the film producer or the film production company concerning the name, citizenship, place and date of birth, mother's name and address abroad of foreign crew members holding a Hungarian tax identification code, both performing artist and others, directly contributing to the film production, specifying whether they contribute as performing artists or otherwise. The Authority shall disregard the notification of persons for whom no expense account is submitted.

(2b)² The obligation under Paragraph *f*) of Subsection (2a) shall not apply for the production of films produced in the framework of state tertiary motion picture art training.

(2c)³ Any film producer or film production company receiving indirect support under this Act shall pay 0.5 per cent of the direct cost of film production as set out in the decision made by the Authority on eligibility, not exceeding fifteen million forints per film as motion picture training contribution to the NFI, by way of the means specified in this Act.

(2d)⁴ This motion picture training contribution shall be paid to the account of the NFI maintained by the Magyar Államkincstár (*Hungarian State Treasury*) (hereinafter referred to as "Treasury") for this purpose, within sixty days following the decision establishing the eligibility becoming definitive.

(2e)⁵ In the event of failure to meet the deadline for paying the motion picture training contribution, the Authority shall open ex officio proceedings against the film producer or film production company in delay and may impose the legal consequences referred to in Section 19/H upon the infringer.

(2f)⁶ No motion picture training contribution shall be payable for films where the direct cost of production does not reach ten million forints.

(2g)⁷ The NFI shall keep records on the amounts paid for individual films under the title of motion picture training contribution, and of the Authority's decisions establishing eligibility for support, including the amount of the motion picture training contribution. The Authority shall send electronically any decision that becomes definitive to the NFI; the NFI shall inform the Authority if the film producer or the film production company failed to pay the motion picture contribution within the prescribed time limit.

(3)⁸ The application referred to in Subsection (1) hereof may be submitted together with the application for the registration of films to be released, and the applications submitted in the procedures referred to in Sections 26/A and 26/B. In this case the Authority shall decide on the application in a single procedure.

(4)⁹ No application for the eligibility for distribution purposes under this Act needs to be submitted if the film has previously complied with the conditions set out in this Act for eligibility for support for film production purposes. In this case the Authority shall reject the submitted application without substantive examination.

(5) When establishing eligibility for support, the Authority shall:¹⁰

1 Established by Subsection (2) of Section 11 of Act CLXXVIII of 2020, effective as of 1 January 2021.

2 Enacted by Subsection (3) of Section 77 of Act LXVII of 2016, effective as of 17 July 2016.

3 Enacted by Subsection (3) of Section 12 of Act CLXIII of 2016. Amended by Paragraph e) of Subsection (1), Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019.

4 Enacted by Subsection (3) of Section 12 of Act CLXIII of 2016. Amended by Paragraph g) of Section 236 of Act L of 2017, Paragraph e) of Subsection (1) of Section 11 of Act CVI of 2019.

5 Established by Subsection (3) of Section 11 of Act CLXXVIII of 2020, effective as of 1 January 2021.

6 Enacted by Subsection (3) of Section 12 of Act CLXIII of 2016, effective as of 16 December 2016.

7 Established by Subsection (4) of Section 11 of Act CLXXVIII of 2020, effective as of 1 January 2021.

8 Amended by Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019.

9 Amended by Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019.

10 Amended by Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019.

a) examine the planned budget of the film, and on this basis it shall establish and certify, if all of the conditions set out in this Act are complied with, the amount of direct costs of film production and the direct Hungarian costs of film production serving as a basis of the support;

b) examines the value of the service affected by the support under this Act if it has been set at a price higher than the usual market price;

c) verifies compliance with the aid intensities set out in Section 13; and

d) verifies the film's compliance with the cultural requirements set out in Annex 2.

(6)¹ No cost can be recognized as direct cost of film production, arising at a time in terms of the circumstances of its emergence, where the Authority was not in the position to exercise its audit rights due the client's default, in particular in the event of a failure to comply with the notification obligation or its improper performance.

(7)² With regard to compliance with the requirements set out in Subsections (2a) and (6), in particular on the fixed production time and budget, the Authority may grant derogation upon request and in cases of exceptional circumstances. For the purposes of this Subsection, cases of exceptional circumstances shall mean where the gravity of the infringement in any individual case is disproportionately small relative to the social usefulness of achieving the objectives set out in this Act.

(8)³ In the case referred to in Paragraph *b)* of Subsection (5) the Authority may also appoint an expert witness. The costs involved in the appointment of the expert witness shall be advanced by the beneficiary. The Authority shall decide on the cost on the basis of the testimony of the expert witness.

(9) In connection with Paragraphs *m)* and *n)* of the set of cultural criteria set out in Annex 2:

a) 1 point can be given if

aa) the shooting in Hungary is at least one day, but it fails to reach, if calculated in days, 25 per cent of the entire duration of the film shooting, or

ab) the costs of the film production preparation or post-production incur partly in Hungary, but fail to reach 25 per cent of the total film production preparation or post-production costs;

b) 2 points can be given if

ba) the shooting in Hungary, if calculated in days, reaches 25 per cent of the entire duration of the film shooting but fails to reach 50 per cent of the entire duration of the film shooting, or

bb) the costs of the film production preparation or post-production incurred in Hungary reach 25 per cent of the total film production preparation or post-production costs but fail to reach 50 per cent of the film's production preparation or post-production costs;

c) 3 points can be given if the values referred to in Paragraphs *a)* and *b)* are at least 50 per cent.

(10)⁴ The Authority shall communicate its decision related to eligibility for support, apart from the film producer and/or the film production company, to the sponsor if necessary, and also to the state tax authority if necessary.

1 Amended by Paragraph *b)* of Subsection (4) of Section 11 of Act CVI of 2019.

2 Amended by Subsection (2) of Section 28 of Act CXIX of 2012. Amended by Paragraph *b)* of Subsection (4) of Section 11 of Act CVI of 2019.

3 Amended by Paragraph *c)* of Subsection (4) of Section 11 of Act CVI of 2019.

4 Amended by Paragraph *b)* of Subsection (4), Paragraph *c)* of Section 13 of Section 11 of Act CVI of 2019.

(11)¹ If the eligibility for support is established, after the decision adopted in the administrative proceeding on this matter becomes definitive, the Authority shall immediately register, in an ex officio procedure, the film as well as any data and/or facts the administrative decision is based on in the official register of films eligible for support. Where the film is already in the register, the Authority shall add the data and facts established in the administrative proceedings to the data already registered. Granting support under this Act shall be conditional upon the establishment of eligibility.

(12)² The Authority shall issue a certificate on the data notified in Paragraph *g*) of Subsection (2a), upon the request from the film producer or film production company.

(13)³ The film producer or film production company shall be required to notify the Authority of any change in the data notified under Paragraph *d*) of Subsection (2).

(14)⁴ The Authority shall process the data referred to in Paragraph *g*) of Subsection (2a) for the purposes of its tasks to establish indirect support and the maintenance of the related register, for five years after the decision on the application. The Authority may not disclose any data it became aware of in this manner to third parties, unless it aims compliance with requests for information to the procedures of other authorities.

The Support Certificate⁵

Section 31/C⁶

(1)⁷ The Authority shall verify, under Paragraph *f*) of Subsection (1) of Section 19, upon the request from the film producer, and/or the film production company, in a cost verification procedure the costs to be accounted by the film producer and/or the film production company as direct costs of film production, and identifies the direct costs of film production and the amount of the indirect support that gives entitlement for a tax relief under Subsection (3) of Section 22 of the Corporate Tax Act, that can be offered in accordance with Paragraph *a*) of Subsection (3) of Section 24/A, in a decision.

(2) The following documents shall be enclosed with the application under Subsection (1):

a) the ledger with cost centers, and subledgers containing the accounting entries by the film producer and/or producer of the relevant film related to the cinematographic works in question;

b) a cost statement on the basis of the budget adopted during the establishment of eligibility for support, broken down by item codes of that budget, containing the actual costs as included in the application and for the preceding period; and

c) an irrevocable legal statement by the film producer that it complies with the obligation referred to in Subsection (4).

1 Amended by Paragraph *c*) of Subsection (4) of Section 11 of Act CVI of 2019, Section 36 of Act CXXVII of 2019.

2 Established by Subsection (5) of Section 11 of Act CLXXVIII of 2020, effective as of 1 January 2021.

3 Enacted by Subsection (4) of Section 12 of Act CLXIII of 2016. Amended by Paragraph *d*) of Subsection (4) of Section 11 of Act CVI of 2019.

4 Established by Subsection (6) of Section 11 of Act CLXXVIII of 2020, effective as of 1 January 2021.

5 Enacted by Section 11 of Act CLXIX of 2011, effective as of 1 January 2012.

6 Established by Section 20 of Act CXCIX of 2012, effective as of 16 December 2012.

7 Amended by Paragraph *e*) of Section 332 of Act L of 2014, Paragraph *b*) of Subsection (4) of Section 11 of Act CVI of 2019.

(2a)¹ The film producer or film production company shall be entitled to submit its application for a cost verification procedure in calendar month or calendar quarter schedule, if the production of the film will not be completed in nine months or the direct costs of production of the cinematographic works exceed 150 million forints.

(2b)² In the event of the application of Subsection (2a) the amount specified in the decision adopted in the cost verification procedure may be up to 30 per cent of the direct costs of film production incurred by the issue of the decision closing the cost verification procedure.

(3)³ The Authority shall issue a certificate granting entitlement to access the indirect support upon the request from:⁴

a) the film producer and/or the film production company, either individually or jointly;

b)⁵ the NFI, for a support giving entitlement to a tax relief under Subsection (3) of Section 22 of the Corporate Tax Act; or

c)⁶ the entity providing the source for the indirect support under Subsection (3) of Section 22 of the Corporate Tax Act, and/or Paragraph a) of Subsection (3) of Section 24/A of the Corporate Tax Act, if the decision referred to in Subsection (1) hereof became definitive and the film producer and/or the film production company or the NFI has not requested it, except for any offer to the NFI.

Where the entity providing the source of the indirect support provides the indirect support in the form of an offer to NFI under Paragraph a) of Subsection (3) of Section 24/A of the Corporate Tax Act, the Authority shall not issue a support certificate granting entitlement to receive indirect subsidies. The Authority shall issue the certificate referred to in Paragraph a) of Subsection (16) of Section 24/A of the Corporate Tax Act upon the joint request from the entity providing the source of the indirect support and the film producer or film production company entitled to receive that offer.⁷

(4)⁸ The decision on closing the cost verification procedure and the issuance of the support certificate shall be conditional upon the film producer's and/or producer's commitment to display the State as sponsor in the film's closing credits, in the manner specified in the decree of the minister designated by decree of the Government under Subsection (2) of Section 18.

(5) In the application for the issuance of the support certificate:

a)⁹ if the entity providing the source for the indirect support enters into a contract with the film producer, and/or film production company for supporting the film and the applicant is the entity providing the source for the indirect support or the NFI, the name, registered address, tax number of the entity providing the source for the indirect support must be provided and the contract for supporting the film must be annexed upon the submission of the application for the issuance of the support certificate, in other cases within thirty days following the submission of the application;

1 Enacted by Subsection (7) of Section 51 of Act LXXXVI of 2013, effective as of 1 July 2013.

2 Enacted by Subsection (1) of Section 329 of Act LXXIV of 2014. Amended by Paragraph a) of Section 33 of Act XLIX of 2018.

3 Established by Subsection (2) of Section 329 of Act LXXIV of 2014. Amended by Paragraph e) of Section 21 of Act CCXII of 2015.

4 Amended by Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019.

5 Amended by Paragraph a) of Subsection (1) of Section 11 of Act CVI of 2019.

6 Amended by Paragraph i) of Section 236 of Act L of 2017, Paragraph b) of Subsection (1) of Section 11 of Act CVI of 2019.

7 Amended by Paragraph a) of Subsection (1), Paragraph c) of Subsection (4) of Section 11 of Act CVI of 2019.

8 Established by Subsection (1) of Section 78 of Act LXVII of 2016. Amended by Paragraph a) of Subsection (5) of Section 11 of Act CVI of 2019.

9 Amended by Paragraph a) of Subsection (1) of Section 11 of Act CVI of 2019.

b)¹ to that application, if it is issued by the Authority upon the request from the NFI, the agreement concluded between the NFI and the entity providing the source for the indirect support, furthermore the document issued by the Treasury certifying the deposit of the source for the indirect support to a deposit account kept by the Treasury for this purpose (hereinafter referred to as "deposit account");

c)² any documents set out in Subsection (2) must be annexed to the application;

d)³ if the application had been preceded by a cost verification procedure, the document certifying the payment of the contribution referred to in Subsection (2c) of Section 31/B must be annexed to the application.

(6) The support certificate shall contain:

a) the name, the registered address, and the tax number of the entity providing the source for the indirect support;

b) the title and registration number of the film;

c) the period indicated in the application and the part of direct costs of film production falling to that period;

d)⁴ the amount of the indirect support granting entitlement for the tax relief under Subsection (3) of Section 22 of the Corporate Tax Act, and Paragraph a) of Subsection (3) of Section 24/A of the Corporate Tax Act.

(6a)⁵

(6b)⁶

(7)⁷ A support certificate issued upon the request from the NFI shall contain only the data set out in Paragraphs a) and d) of Subsection (6).

(8)⁸ For a film produced on order, on the basis of the application from the film production company, excluding support certificates issued on the basis of an application referred to in Subsection (7), the film producer may be identified in the support certificate and in the decision adopted in the cost verification procedure.

(9)⁹ The Authority shall keep all documents obtained in the context of the issued support certificates and decisions adopted in cost verification procedures for ten years following the year of the certificate's issuance.

(10)¹⁰ The Authority shall communicate its decision related to the issued support certificates and decisions adopted in cost verification procedures, apart from the film producer and/or the film production company, to the state tax authority if necessary.

Section 31/D¹¹

1 Amended by Paragraph b) of Subsection (1), Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019.

2 Enacted by Subsection (8) of Section 51 of Act LXXXVI of 2013, effective as of 1 July 2013.

3 Enacted by Subsection (2) of Section 78 of Act LXVII of 2016, effective as of 17 July 2016.

Amended by Paragraph d) of Section 23 of Act CLXIII of 2016.

4 Amended by Paragraph f) of Section 332 of Act L of 2014.

5 Repealed by Paragraph c) of Section 25 of Act CLXIII of 2016, effective as of 16 December 2016.

6 Repealed by Paragraph c) of Section 25 of Act CLXIII of 2016, effective as of 16 December 2016.

7 Amended by Paragraph a) of Subsection (1) of Section 11 of Act CVI of 2019.

8 Amended by Paragraph g) of Section 332 of Act L of 2014.

9 Amended by Paragraph h) of Section 332 of Act L of 2014, Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019.

10 Enacted by Subsection (3) of Section 329 of Act LXXIV of 2014. Amended by Paragraph f) of Section 21 of Act CCXII of 2015, Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019.

11 Enacted by Section 11 of Act CLXIX of 2011, effective as of 1 January 2012.

(1)¹ The Authority shall issue the support certificate and the decision closing the cost verification procedure after the closure of the film's production for the total direct costs of film production, with the exceptions set out in Subsection (2) hereof and in Subsection (2a) and Paragraph *b*) of Subsection (3) of Section 31/C. The issuance of the support certificate for the film and the decision closing the cost verification procedure shall be conditional upon the establishment by the Authority, in its final administrative decision, the eligibility for the indirect support for the film.

(2)² The film producer or film production company shall be entitled to submit its application for the issuance of the support certificate in calendar month or quarter schedule, if the production of the film will not be completed in nine months or the film's direct costs of production exceed 150 million forints.

(3)³ If Subsection (2) applies, the amount on any certificate - in the event of issuing a certificate for several entities providing the source for the indirect support - the aggregate amount of each certificate may be up to 30 per cent of the direct costs of film production incurred by the issue date of the certificate.

(4)⁴ For the purposes of complying with the ratio set out in Subsection (10) of Section 12 the Authority shall prepare corrective accounts in the cases referred to in Subsection (2), upon the request from the film producer and/or the film production company, after the last period settled in financial terms, where it takes into account the enforceability of the ratios set out in Subsection (10) of Section 12 in view of all costs accounted for, and the correction of the applicable settlement limits with regard to royalties, completion guarantee, producer's fee and eligible advertisement costs related to the production, and under Subsection (2) of Section 31/E financially cleared costs not taken into account in the period indicated in the application.

(5)⁵ When issuing the support certificate or the decision closing the cost verification procedure the Authority shall verify compliance with the aid intensities set out in Section 13, and if these intensities are exceeded, it shall deduct any unlawfully paid excess support from the amount set in the support certificate or in the decision adopted in the cost verification procedure.

(6)⁶ Upon a reasoned request, and in cases of exceptional circumstances, the Authority shall issue the support certificates under Subsection (2) of Section 31/D or decisions closing the procedures under Paragraph *f*) of Subsection (1) of Section 19 in view of all costs of film production accounted for and certified up to that point in time, with a view to correct the ratios set out in Subsection (10) of Section 12, and the applicable settlement limits with regard to royalties, completion guarantee, producer's fee and eligible advertisement costs related to the production, and for the enforceability of financially cleared costs not taken into account under Subsection (2) of Section 31/E in the period indicated in the application where it complies with the other conditions for eligibility. For the purposes of this Subsection, cases of exceptional circumstances shall mean where the gravity of the infringement in any individual case is disproportionately small relative to the social usefulness of achieving the objectives set out in this Act.

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- 1 Established by Subsection (1) of Section 330 of Act LXXIV of 2014. Amended by Paragraph *c*) of Section 236 of Act L of 2017, Paragraph *c*) of Subsection (4) of Section 11 of Act CVI of 2019.
 - 2 Established by Subsection (2) of Section 330 of Act LXXIV of 2014, effective as of 1 January 2015.
 - 3 Amended by Point 57 of Subsection (1) of Section 28 of Act CXCV of 2012, Paragraph *i*) of Section 332 of Act LXXIV of 2014, Paragraph *b*) of Section 33 of Act XLIX of 2018.
 - 4 Established by Subsection (1) of Section 12 of Act CLXXVIII of 2020, effective as of 1 January 2021.
 - 5 Established by Subsection (4) of Section 330 of Act LXXIV of 2014. Amended by Paragraph *b*) of Subsection (4) of Section 11 of Act CVI of 2019.
 - 6 Established by Subsection (2) of Section 12 of Act CLXXVIII of 2020, effective as of 1 January 2021.

(7)¹ In the case of support provided in accordance with Subsection (3) of Section 22 of the Corporate Tax Act the entity providing the source for the indirect support shall transfer the source for the indirect support to the deposit account under the agreement concluded with the NFI. For an indirect support provided in accordance with Paragraph *a*) of Subsection (3) of Section 24/A of the Corporate Tax Act the tax authority shall transfer the amount offered for the specific supported objective as indirect support. The amount deposited to the deposit account may not exceed, without the supplementary support referred to in Paragraph *a*) of Subsection (8) of Section 22, the amount set in the Government decree adopted by authorization of this Act.

(8)² This deposit account shall be opened by the minister in charge of coordinating social policies. Financial transactions affecting the funds credited to the deposit account may be carried out in the cases and in the manner specified in this Act, on the basis of the instruction from the NFI.

(9)³ The film producer and/or the film production company may apply for the payment of the indirect support to the NFI if the decision adopted by the Authority with regard to the relevant production period of the film under Subsection (1) of Section 31/C became definitive and no grant agreement has been concluded. The Authority shall keep record of the dates when a decision referred to in Subsection (1) of Section 31/C became definitive. Any payment from the deposit account may take place in the order of the decisions referred to in Subsection (1) of Section 31/C becoming definitive.

(10)⁴ The NFI shall initiate the payment of indirect support with the Treasury, up to the balance of the deposit account, in the order specified in Subsection (9) to the film producer or film production company eligible under Subsection (9), based on an application for the payment of support, within fifteen business days after the conclusion of the agreement for the provision of indirect support. The NFI shall be entitled to charge an administrative fee for its activity related to the collection and payment of subsidies, corresponding to a maximum of 2.5 per cent of the support, to the film producer or the film production company.

(11)⁵ To the debit of the amount held in the deposit account the NFI may set aside provisions for the indirect support of cinematographic works also in receipt of direct support under this Act, up to the amount of eligibility for indirect support that can be received by the film producer or the film production company for the relevant cinematographic works, as set out in the decision adopted by the Authority in the administrative proceeding initiated upon the request referred to in Subsection (1) of Section 31.

(12)⁶ If the balance of the deposit account has been fully depleted, apart from the provision referred to in Subsection (11), the administrative time limit referred to in Subsection (10) shall be interrupted, and the NFI shall resume the payment of subsidies after the receipt of any additionally deposited support.

1 Established by Section 13 of Act CLXIII of 2016. Amended by Paragraph g) of Subsection (1) of Section 11 of Act CVI of 2019.

2 Enacted by Subsection (3) of Section 21 of Act CXCIX of 2012. Amended by Paragraph a) of Subsection (1) of Section 11 of Act CVI of 2019.

3 Established by Subsection (1) of Section 140 of Act CLXXXVII of 2015. Amended by Paragraphs j) and i) of Section 236 of Act L of 2017, Paragraph h) of Subsection (1) of Section 11 of Act CVI of 2019, Paragraph c) of Subsection (4) of Section 11 of Act CVI of 2019.

4 Established by Subsection (10) of Section 51 of Act LXXXIV of 2013. Amended by Paragraph d) of Section 20 of Act CCXII of 2015, Paragraph b) of Subsection (1) of Section 11 of Act CVI of 2019, Point 6 of Section 35 of Act LXXVI of 2020.

5 Enacted by Subsection (3) of Section 21 of Act CXCIX of 2012. Amended by Paragraph a) of Subsection (1), Paragraph d) of Subsection (4) of Section 11, Paragraph d) of Section 13 of Act CVI of 2019.

6 Enacted by Subsection (3) of Section 21 of Act CXCIX of 2012. Amended by Paragraph a) of Subsection (1) of Section 11 of Act CVI of 2019.

(12a)¹ The NFI shall inform the state tax authority by the fifth day of the month following the calendar quarter of the amount of indirect subsidies deposited under Subsection (3) of Section 22 of the Corporate Tax Act to the deposit account in the relevant quarter.

(13)² The state tax authority shall pay to the NFI quarterly, by the fifteenth day of the month following the calendar quarter, the positive difference between one-fourth of the statutory allocation and the indirect support collected during that quarter in the deposit account under Subsection (3) of Section 22 of the Corporate Tax Act and Paragraph a) of Subsection (3) of Section 24/A of the Corporate Tax Act. Where in any quarter the NFI collects more indirect support than the pro rata temporis statutory allocation for that year, the negative difference arising shall be taken into account by the state tax authority within the relevant year for the similar settlement for the next quarter.

Section 31/E³

(1)⁴ Film production and film production-preparation costs can be recognized as direct costs of film production incurred in Hungary or abroad in connection with production after the submission of the application for admission into the register of motion picture organizations and professionals as set out in this Act, and comply with the conditions set out in Subsections (2)-(9).

(2)⁵ The Authority shall take into account costs as amounts for the relevant stage of the production schedule that were entered in the cost centered ledger of the production between the starting and the end date of the period indicated in the application.

(3)⁶ Only such costs can be recognized as direct costs of film production, where the supply of goods and services takes place within the production period specified in the Authority's decision establishing eligibility for support, and the invoice for such supplies is made out at the latest within three months after the completion date set out therein.

(4) The amounts of royalties and rights related to copyright in connection with the filming of the work the film is based on can be recognized as direct costs of film production that do not exceed 4 per cent of the sum of account groups 5 and 8 in the cost centered ledger for the relevant cinematographic works.

(5)⁷ The eligible amount of producer fees (including line producers, co-producers and executive producers, and other activities of producers) may not exceed in total 4 per cent of the sum of account groups 5 and 8 in the cost centered ledger for the relevant cinematographic works. This restriction shall not apply to producer fees, such that are accounted on the basis of Subsection (2) of Section 31/F.

1 Enacted by Section 16 of Act CCXII of 2015. Amended by Paragraph a) of Subsection (1) of Section 11 of Act CVI of 2019.

2 Enacted by Subsection (2) of Section 140 of Act CLXXXVII of 2015. Amended by Section 24 of Act CLXIII of 2016, Paragraph b) of Subsection (1) of Section 11 of Act CVI of 2019.

3 Enacted by Section 11 of Act CLXIX of 2011, effective as of 1 January 2012.

4 Established by Subsection (1) of Section 22 of Act CXCIX of 2012, effective as of 16 December 2012.

5 Established by Subsection (1) of Section 22 of Act CXCIX of 2012. Amended by Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019.

6 Established by Subsection (1) of Section 13 of Act CLXXVIII of 2020, effective as of 1 January 2021.

7 Established by Subsection (2) of Section 19 of Act CXII of 2018, effective as of 1 January 2019.

(6)¹ As regards advertisement and promotion costs only advertising costs related to the production shall be eligible that do not exceed 2 per cent of the sum of account groups 5 and 8 in the cost centered ledger for the relevant cinematographic works, not exceeding ten million forints. Production related advertisement cost shall not cover the purchase of advertisement space for advertising the film, more precisely advertisements published in the printed press, in public spaces or on vehicles or in radio or television.

(7) Travel costs related to the film production shall be eligible as direct cost of film production only if at least the departure or arrival point of that journey is located in Hungary.

(8) For cinematographic works made at an event only costs directly related to the film production shall be eligible that are not related to the creation of that event. If the costs related to the creation of the event and to the film production cannot be clearly distinguished, they shall not be considered eligible as direct costs of film production.

(9)² Costs for which the financial performance is settled by issuing a bill of exchange or offsetting products and services shall not be eligible as direct cost of film production, except for the consideration provided by the NFI for the supply of goods and services, that are withheld by the NFI from the support it has disbursed or made available as part of the support.

(10)³ The motion picture training contribution referred to in Subsection (2c) of Section 31/B shall be eligible as direct cost of film production.

(11)⁴ The accounted amount of the completion guarantee shown under direct cost of film production may not exceed 5 per cent of the sum of account groups 5 and 8 in the cost centered ledger for the relevant film, or maximum 100 million forints. The minister designated by decree of the Government under Subsection (2) of Section 18 may specify certain cases by means of a decree, where the accounted amount of the completion guarantee may be allowed to exceed that amount.

(12)⁵ Where the remuneration of foreign performing artists and crew members directly contributing to the film production is not shown under direct Hungarian cost of film production and the remuneration of the private individual or a legal person acting as his or her representative exceeds three million forints, 50 per cent of the sum above the three million forint limit for the remuneration of the private individual or legal person acting as his or her representative may be claimed as direct cost of film production.

Section 31/F⁶

(1) Film production and film production/preparation costs or expenditure qualifying as direct cost of film production shall be eligible as direct Hungarian costs of film production that:

a)⁷ are settled on the accounts specified in Subsections (3a) and (3b) of Section 160 of the Accounting Act;

b)⁸ that

1 Established by Subsection (2) of Section 22 of Act CXCIX of 2012. Amended by Paragraph e) of Section 20, Paragraph g) of Section 21 of Act CCXII of 2015.

2 Enacted by Section 7 of Act CCLI of 2013. Amended by Paragraph b) of Subsection (1) of Section 11 of Act CVI of 2019.

3 Enacted by Section 14 of Act CLXIII of 2016, effective as of 16 December 2016.

4 Established by Subsection (2) of Section 13 of Act CLXXVIII of 2020, effective as of 1 January 2021.

5 Enacted by Subsection (3) of Section 19 of Act CXII of 2018, effective as of 1 January 2019.

6 Enacted by Section 11 of Act CLXIX of 2011, effective as of 1 January 2012.

7 Established by Subsection (1) of Section 15 of Act CLXIII of 2016, effective as of 16 December 2016.

8 Established by Section 17 of Act CCXII of 2015, effective as of 31 December 2015.

ba) incurred by performing an obligation subject to tax or public dues payment obligation under the Act on Personal Income Tax (hereinafter referred to as "PIA"), the Act on Simplified Entrepreneurial Taxation, the Corporate Tax Act, the Act on the Fixed-Rate Tax of Low Tax-Bracket Enterprises and on Small Business Tax, the Act on Simplified Employment or the Act on Simplified Contribution to Public Revenues, and/or that leads to a revenue at a budgetary authority,

bb) incurred in the context of the performance of contribution payment obligations related to personal benefits granted in connection with film production, or

bc) incurred by performing tax liabilities accounted for against the pre-tax profit, including any tax payment included in an invoice, payable by the issuer of that invoice, in particular non-deductible value added tax or other non-deductible consumption taxes included in the invoice; and

c)¹ complies with the conditions set out in Subsections (2)-(10) of Section 31/E.

(1a)² In the case of the remuneration paid to a nonresident private individual under Subparagraph *ba*) of Paragraph *b*) of Subsection (1), shown under film production and film production-preparation costs or expenditure which are subject to tax or public dues payment obligation under the PIA, or the Act on Simplified Contribution to Public Revenues, 100 per cent of such remuneration may be claimed as direct Hungarian cost of film production up to three million forints for each private individual; if the amount of remuneration is higher, 50 per cent of the sum above the three million forint limit for the remuneration may be claimed as direct cost of Hungarian of film production.

(2)³ In addition to what is contained in Subsections (1) and (1a), 100 per cent of the cost of the remuneration for foreign performing artists and crew members notified in accordance with Paragraph *g*) of Subsection (2a) of Section 31/B shall be eligible as direct Hungarian cost of film production up to three million forints for each private individual, and if the amount of remuneration is higher, 50 per cent of the sum above the three million forint limit for each private individual, even if the cost of that remuneration is not shown in the books of the film producer or the film production company. Eligibility as direct Hungarian cost of film production shall be conditional upon the resulting income being subject to a tax liability under the PIA in Hungary, and the tax (pre-payment) on the income calculated from the total amount of the remuneration is deducted and paid by the paying agent to the state tax authority in accordance with the relevant legislation, or in the absence of such paying agency the private individual has paid the tax (pre-payment) on the income calculated from the total amount of the remuneration to the state tax authority. The film producer or film production company shall be required to credibly demonstrate the payment of that tax.

(3) In the event of acquisition of fixed assets, only the depreciation within the meaning of Section 52 of the Accounting Act of fixed assets acquired directly for the purposes of the film shall be eligible, for the period between the commencement and the completion of the production. If that asset is used for several films at the same time, then eligible costs shall be allocated pro rata amongst the productions, in line with the allocation set out in the accounting policy of the film production company.

(4)⁴ The value of any service purchased by a third party in its own name and on its own behalf from abroad under contract with the film producer or film production company concluded with that third party in its own name and on its own behalf, where such service is resold in part or in whole to the film producer or film production company unaltered, shall be construed direct cost of film production that may not be eligible as direct Hungarian cost of film production in the application of Subsection (10) of Section 12.

1 Established by Subsection (2) of Section 15 of Act CLXIII of 2016, effective as of 16 December 2016.

2 Established by Subsection (1) of Section 4 of Act CXXXV of 2021, effective as of 1 January 2022.

3 Established by Subsection (2) of Section 20 of Act CXII of 2018, effective as of 1 January 2019.

4 Established by Subsection (3) of Section 20 of Act CXII of 2018, effective as of 1 January 2019.

(5)¹ Invoices issued by a domestic supplier and other domestic expenses shall qualify as Hungarian cost of film production, and shall be eligible only under this Section.

(6)² In justified cases the Authority may extend the scope of the administrative audit to intermediate contracting parties, and/or subcontractors and their affected legal relationships in order to enable the inclusion of the actual supplier of a service under the administrative audit.

(7)³ In the cost verification procedure, usual residence in Hungary provided for in Point 35 of Section 2 shall be evidenced by the film producer or film production company by means of a statement made by the private individual to that effect in the case of Hungarian citizens, or by the copy of the official address card underlying at least three years of residence in Hungary, in the case of EEA nationals (other Hungarian nationals) and their family members by a copy of the registration certificate or permanent residence card, in the case of third-country nationals by a copy of the EC or national permanent residence permit.

Section 31/G⁴

(1)⁵ In the case of support provided by the NFI, as well as support provided by other sponsors under agreement specified in Subsection (6) of Section 12, the NFI shall monitor the use of such support, and the financial settlement of the film, and the NFI shall make out a report on it in accordance with the decree of the minister designated by decree of the Government under Subsection (2) of Section 18. The NFI shall send this report to the Authority without delay. The Authority shall be bound by the support certificate referred to in Subsection (1) of Section 31/C, and by the content of the report submitted by the NFI for the part of the administrative decision on the cost verification procedure audited by the NFI and it may not depart in its administrative decision from the content of that report, except as set out in Subsection (2) hereof.

(2)⁶ Where the content of that report fails to comply with the statutory conditions, the Authority shall invite the NFI to amend the report with the view to ensuring its compliance with legislation within the prescribed deadline. If, despite this invitation, the report fails to comply with the legislative provisions, the Authority shall disregard that report and its content in its administrative procedure and administrative decision.

(3)⁷ The Authority may conduct on-site audits from the commencement of the film production until the date of its release, having regard to Subsection (1).

(4)⁸ Subsections (1)-(3) shall be applied where the entity providing direct support issues a report in accordance with the decree of the minister designated by decree of the Government under Subsection (2) of Section 18.

Section 31/H⁹

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- 1 Amended by Point 59 of Subsection (1) of Section 28 of Act CXCIX of 2012.
 - 2 Amended by Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019.
 - 3 Enacted by Subsection (2) of Section 4 of Act CXXXV of 2021, effective as of 1 January 2022.
 - 4 Enacted by Section 11 of Act CLXIX of 2011, effective as of 1 January 2012.
 - 5 Established by Section 8 of Act CVI of 2019, effective as of 31 December 2019.
 - 6 Amended by Paragraph f) of Subsection (1), Paragraph c) of Subsection (4) of Section 11 of Act CVI of 2019.
 - 7 Amended by Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019.
 - 8 Amended by Point 60 of Subsection (1) of Section 28 of Act CXCIX of 2012, Paragraph a) of Subsection (5) of Section 11, Paragraph e) of Section 13 of Act CVI of 2019.
 - 9 Enacted by Section 11 of Act CLXIX of 2011. Amended by Paragraph k) of Section 332 of Act LXXIV of 2014, Paragraph c) of Section 236 of Act L of 2017, Paragraph c) of Subsection (4) of Section 11 of Act CVI of 2019, Section 36 of Act CXXVII of 2019.

If the eligibility for support is issued, after the decision closing the administrative proceeding on this matter becomes definitive, the Authority shall immediately register, in an ex officio procedure, the film as well as any data and/or facts the administrative decision is based on in the register of cinematographic works eligible for support. Where the film is already in the register, the Authority shall add the data and facts established in the definitive decision closing the procedure for the issuance of the support certificate or the cost verification procedure to the data already registered.

Title 61

Other Tasks of the Authority²

Section 32³

(1)⁴ The Authority shall perform the tasks necessary for the operation of the information system for the motion picture industry by the National Statistical Data Collection Program.

(2)⁵ The Authority shall arrange its register under this Act into a database manageable electronically, in the manner set out by the minister designated by decree of the Government under Subsection (2) of Section 18 in a decree.

(3)⁶ The Authority shall certify on the basis of this Act and the data in its register the eligibility of natural persons and entities, and cinematographic works, its level, and in particular the fact that direct support have been accounted for.

(4)⁷ The Authority shall register, in an ex officio procedure, all cinematographic works, for the preparation or production of which no support under this Act was provided. Detailed rules for the registration of such cinematographic works shall be laid down in the decree of the minister designated by decree of the Government under Subsection (2) of Section 18.

(5)⁸ The Authority shall provide information, upon request, from the motion picture statistical database it maintains.

(6)⁹ The data contained in the register referred to in Subsection (2) shall be made available free of charge to the Központi Statisztikai Hivatal (*Central Statistics Office*) in accordance with Section 28 of Act CLV of 2016 on Official Statistics (hereinafter referred to as "Statistics Act") for statistical purposes to the extent necessary, in a form enabling individual identification, provided that the statistical objective is verified in advance. The data thus received may be used by the Központi Statisztikai Hivatal for statistical purposes. The type of data to be disclosed and the detailed rules of disclosure shall be laid down in a cooperation agreement provided for in Section 28 of the Statistics Act.

1 Enacted by Section 11 of Act CLXIX of 2011, effective as of 1 January 2012.

2 Enacted by Section 11 of Act CLXIX of 2011. Amended by Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019.

3 Established by Section 11 of Act CLXIX of 2011, effective as of 1 January 2012.

4 Established by Subsection (1) of Section 23 of Act CXCIX of 2012. Amended by Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019.

5 Amended by Paragraph b) of Subsection (4), Paragraph a) of Subsection (5) of Section 11 of Act CVI of 2019.

6 Amended by Point 3 of Subsection (1) of Section 29 of Act CXCIX of 2012, Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019.

7 Amended by Point 61 of Subsection (1) of Section 28 of Act CXCIX of 2012, Paragraph b) of Subsection (4), Paragraph a) of Subsection (5) of Section 11 of Act CVI of 2019.

8 Enacted by Subsection (2) of Section 23 of Act CXCIX of 2012. Amended by Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019.

9 Enacted by Subsection (1) of Section 29 of Act XLIV of 2017, effective as of 2 June 2017.

Section 33¹

(1)² The Authority shall assist film producers, film distributors and motion picture organizations in establishing international coproduction relations. It shall promote the awareness of the provisions set out in this Act to facilitate the development of the motion picture industry by international market players, and take part in the work of European and international motion picture organizations.

(2)³ The Authority shall perform any task laid down in bilateral and multilateral international coproduction agreements, in particular it shall issue the coproduction certificate provided for in any international agreement, in accordance with the procedure laid down in that agreement.

(3)⁴ The Authority may make professional proposals to the Minister for the development of the Government's policy related to the domestic and international strategic issues of the motion picture industry and Hungarian participation in the European Union's audiovisual programs; it may make recommendations to conclude international coproduction agreements and on their content.

Section 33/A⁵

The Authority shall represent Hungary in the European Audiovisual Observatory.

Chapter IV⁶**USE OF PUBLIC AREAS AND OTHER STATE-OWNED PROPERTY FOR SHOOTING FILMS⁷***Section 34⁸*

(1)⁹ This Chapter shall apply to the use of any public area owned by a municipal government, and any real estate property under the management of the person entitled to exercise ownership rights under the Act on National Assets (hereinafter referred to as "Act on National Assets") for shooting, except for major national monuments. For the purposes of this Chapter:

a) an advertisement spot subject to the Act on the Basic Requirements and Certain Restrictions of Commercial Advertising Activities shall also qualify as cinematographic works,

b)¹⁰ the use of public areas shall qualify as use of public areas for film shooting even if it is required for technical activities related to the shooting, and/or crew parking, evacuation and providing for an area closed for the traffic.

(2) An application may be submitted by the film producer or the film production company (hereinafter referred to collectively as "applicant").

1 Established by Section 11 of Act CLXIX of 2011, effective as of 1 January 2012.

2 Amended by Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019.

3 Amended by Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019.

4 Amended by Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019.

5 Enacted by Section 24 of Act CXCIX of 2012. Amended by Paragraph b) of Subsection (4) of Section 11 of Act CVI of 2019.

6 Established by Subsection (11) of Section 51 of Act LXXXIV of 2013, effective as of 1 July 2013.

7 Established by Section 80 of Act LXVII of 2016, effective as of 1 October 2016.

8 Established by Subsection (11) of Section 51 of Act LXXXIV of 2013, effective as of 1 July 2013.

9 Established by Subsection (1) of Section 81 of Act LXVII of 2016, effective as of 1 October 2016.

10 Established by Subsection (1) of Section 16 of Act CLXIII of 2016, effective as of 16 December 2016.

(3)¹ The municipal government may permit the use of public areas for film shooting for a fee charged in accordance with Annex 3. For night shooting exceeding a calendar day by a maximum of six hours, for this fraction day the fees provided for in Annex 3 shall be applied. Any fee set for the use of a public area shall be due to the person exercising ownership rights. The highest fees under Annex 3 shall be increased annually by the product of the annual consumer price indices published for the second year preceding the year in question. Any fees under Annex 3 modified in accordance with this Subsection shall be published by the business association referred to in Subsection (9) of Section 35 and the municipal government holding a website, on their websites at the beginning of the relevant year.

(4) Any use of public areas for film shooting may be permitted to limit the use of private properties adjacent to the public area only to the extent absolutely necessary, and this limitation shall not impose a disproportionate burden upon the owner.

(5) Individual terms and conditions for the use of public areas owned by the municipal government for film shooting shall be regulated by the council of representatives of the municipal government in a decree. In this context it shall set special conditions for events preventing shooting but not attributable to the applicant, and for extraordinary natural events, in particular how many days after such events the use of the area must be ensured again. The council of representatives of the municipal government may grant an exemption or discount for the fee for the use of public areas below a certain duration or space, or required for the purposes of shooting films in the public interest (such as educational, scientific or awareness raising topics, or films produced in the state tertiary motion picture training). Municipal governments having their own website shall publish the terms and conditions for the use of public areas on the website.²

(6)³ Any exemption or discount granted under Subsection (5) shall qualify as de minimis aid, to be provided exclusively in accordance with the rules set out in Commission Regulation (EU) No. 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid. De minimis aid shall not be cumulated with State aid in respect of the same eligible costs if such accumulation would result in an aid intensity exceeding that fixed in the specific circumstances of each case by a block exemption Regulations or Decision adopted by the European Commission.

Section 354

(1)⁵ The business association referred to in Subsection (9) and the applicant shall agree on the use of public areas in an administrative agreement. This administrative agreement shall become valid upon approval by the council of representatives. Any activity related to film shooting, subject to an administrative permit and/or notification under legislation, other than those set out in Subsection (3) and (4) may be exercised on the basis of a notification, subject to specifying the data provided for in that legislation as the content of that application and/or notification, and submitting its annexes. If unlawfulness is established on the basis of the content of a report or administrative audit the business association referred to in Subsection (9) may ban the activity, conduct, and/or the maintenance of the situation affected by said unlawfulness.

1 Established by Subsection (2) of Section 81 of Act LXVII of 2016. Amended by Paragraph a) of Subsection (1) of Section 11 of Act CVI of 2019, Paragraph d) of Section 19 of Act CLXXVIII of 2020.

2 See Section 98 of Act LXXXIV of 2013.

3 Established by Subsection (2) of Section 16 of Act CLXIII of 2016, effective as of 16 December 2016.

4 Established by Subsection (11) of Section 51 of Act LXXXIV of 2013, effective as of 1 July 2013.

5 Established by Section 17 of Act CLXIII of 2016. Amended by Paragraph b) of Section 237 of Act L of 2017, Paragraph b) of Subsection (1) of Section 11 of Act CVI of 2019, Paragraph e) of Section 19 of Act CLXXVIII of 2020.

(2)¹ Any application under this Chapter for the use of public areas for film shooting, as well as administrative notifications related to the film shooting shall be submitted to the business association referred to in Subsection (9) at least five working days, in expedited procedures at least two working days before the planned starting date of shooting. The time limits set out in this Subsection shall apply to any amendment of an administrative agreement. Any application related to the use of public areas affecting the competences of a separate institution of a municipal government may be submitted directly to the institution specified in the government decree implementing this Act. An application for the use of any real estate property under the management of the person entitled to exercise ownership rights under the Act on National Assets may be submitted with the business association referred to in Subsection (9); for the purposes of this provision the business association referred to in Subsection (9) shall qualify as participating authority. The business association referred to in Subsection (9) shall forward the application without delay, at the latest on the working day following its submission to the person entitled to exercise ownership rights for that property or to its asset manager.

(3)² If a police permit is required for any theatrical guns used for the film, this application shall be submitted to the business association referred to in Subsection (9) at least ten working days, in expedited procedures at least five working days before the planned starting date for shooting the film. The decision must be communicated to the applicant by the planned starting date for shooting the film. No appeal may be lodged in this procedure.

(4)³ In any nature protection licensing procedure related to a film shooting at a site of local importance the administrative time limit shall be fifteen days. This application shall be submitted fifteen days before the planned starting date of shooting, to be provided by the business association referred to in Subsection (9) without delay, at the latest on the working day following the submission, to the authority competent for that procedure, for further dealing. The decision must be communicated to the applicant by the planned starting date for shooting the film. If the authority fails to make a statement by the prescribed time limit, its license shall be deemed granted.

(5)⁴ In the course of any procedure under this Chapter the applicant, the business association referred to in Subsection (9), the Police, the municipal government, the person exercising ownership rights, the authorities affected by the shooting, specialist authorities, and any other affected institutions shall maintain communication with each other electronically.

(6) The administrative agreement on the use of public areas approved by the municipal government shall be concluded at a time to allow the start of the film shooting at the time indicated in the application. Detailed rules for the authorizations for the use of public areas and the submission of administrative notifications, and applications shall be laid down in the government decree implementing this Act. If any authority involved in the licensing of the use of public areas, the municipal government, and/or any other body or institution fails to make a statement by the deadline prescribed in the government decree implementing this Act, its consent shall be deemed granted, with the content and subject to the terms and conditions therein specified.

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- 1 Established by Subsection (1) of Section 82 of Act LXVII of 2016. Amended by Paragraph c) of Section 237, Paragraph k) of Section 236 of Act L of 2017, Paragraphs b), j) of Subsection (1) of Section 11 of Act CVI of 2019, Paragraphs f), g), i) of Section 19 of Act CLXXVIII of 2020.
 - 2 Amended by Section 87 of Act LXVII of 2016, Paragraph i) of Subsection (1) of Section 11 of Act CVI of 2019, Paragraph h) of Section 19 of Act CLXXVIII of 2020.
 - 3 Established by Subsection (2) of Section 82 of Act LXVII of 2016. Amended by Paragraphs a), i) of Subsection (1) of Section 11 of Act CVI of 2019, Subsection (2) of Section 51 of Act CX of 2019, Paragraphs h), i) of Section 19 of Act CLXXVIII of 2020.
 - 4 Established by Subsection (2) of Section 82 of Act LXVII of 2016. Amended by Paragraph a) of Subsection (1) of Section 11 of Act CVI of 2019, Paragraph i) of Section 19 of Act CLXXVIII of 2020.

(7)¹ In connection with any application and notification related to film shooting under this Act, the authority of competence, specialist authority shall be entitled to an amount under the title of administrative service fee, one and half times, in expedited procedure fifteen times the amount that would be otherwise due to the authority or to the specialist authority in connection with that procedure. The business association referred to in Subsection (9) shall be eligible for 12,000 forints, for expedited procedure 55,000 forints administrative service fee for any procedure related to an administrative agreement. The business association referred to in Subsection (9) shall be required to repay the administrative service fee if it fails to comply with any of the time limits prescribed in the government decree implementing this Act, and for expedited procedure it fails to perform the relevant procedural action within one working day at the latest.

(8)² The manager of a public road shall allow entry of the applicant's vehicles subject to a permission to restricted traffic zones proportionately with the use of public spaces in a manner by examining, on the basis of a separately submitted application for an entry permit whether the size of the requested public space is sufficient and/or there are any obstacle to the entry of the requested vehicles (excess weight, excess size). Where the requested public space is available to a sufficient level and other obstacles exist, the entry permit shall be issued for the applicant's vehicles by the starting date of shooting. If the authority fails to make a statement in due time, its permission shall be deemed granted.

(9)³ Under this Act, the business association owned by the NFI shall be entitled to exercise administrative powers with regard to the matters set out in this Chapter; it shall be competent to act in the territory of the entire country.

(10)⁴ The tasks of the business association referred to in Subsection (9) shall cover:
a) maintenance of the register of locations owned by the State and municipal governments that are suitable for shooting films and of outstanding importance in terms of the international image of Hungary, and contribution to their exploitation for film production purposes on the basis of agreements concluded with the persons holding the right of disposal with regard to such locations;

b) carrying out procedures in connection with the administrative cases related to the use of public land and other real estate property under this Chapter.

CHAPTER IV/A⁵

EMPLOYMENT OF YOUNG WORKERS IN THE MOTION PICTURE INDUSTRY⁶

Section 35/A⁷

(1)⁸ The employment of young workers in the motion picture industry shall be governed by the relevant provisions of Act I of 2012 on the Labor Code (hereinafter referred to as "Labor Code") applicable to young workers subject to the derogations provided for in this Chapter.

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- 1 Established by Subsection (3) of Section 82 of Act LXVII of 2016. Amended by Paragraph f) of Section 26 of Act CXII of 2018, Paragraphs a), f) of Subsection (1) of Section 11 of Act CVI of 2019, Paragraphs f), j) of Section 19 of Act CLXXVIII of 2020.
 - 2 Established by Subsection (4) of Section 82 of Act LXVII of 2016, effective as of 1 October 2016.
 - 3 Established by Subsection (4) of Section 82 of Act LXVII of 2016. Amended by Paragraph a) of Subsection (1) of Section 11 of Act CVI of 2019, Paragraph k) of Section 19 of Act CLXXVIII of 2020.
 - 4 Enacted by Section 15 of Act CLXXVIII of 2020, effective as of 1 March 2021.
 - 5 Established by Section 21 of Act CXII of 2018, effective as of 1 January 2019.
 - 6 Established by Section 21 of Act CXII of 2018. Amended by Paragraph e) of Subsection (2) of Section 11 of Act CVI of 2019.
 - 7 Established by Section 21 of Act CXII of 2018, effective as of 1 January 2019.
 - 8 Amended by Paragraph e) of Subsection (2) of Section 11 of Act CVI of 2019.

(2) For the purposes of this Chapter, an advertisement spot subject to the Act on the Basic Requirements and Certain Restrictions of Commercial Advertising Activities shall also qualify as cinematographic works.

(3)¹ As regards the notification of the employment of a person under the age of sixteen years in the motion picture industry, the guardian authority shall take into consideration the contents and nature of the cinematographic works and the impact it may have on the young worker. The activity may not be refused by way of a resolution solely on the ground that the age of the young workers planned to be employed is incompatible with the age limit classification under Section 21 of the film in production.

Section 35/B²

(1) If shooting the film cannot be scheduled for another time due to objective reasons, a young worker may be ordered to work in the motion picture industry at night - by way of derogation from Subsection (1) of Section 114 of the Labor Code - at the set as per the following:³

a) night work for a young worker under the age of sixteen years may be ordered until 23:00 hours at the latest, only if

aa) night work is performed in not more than two days inside a period of seven consecutive days, and

ab) the guardian authority is of the opinion that such night work is presumed to pose no risk to the young worker's health, development;

b) night work for a young worker over the age of sixteen years may be ordered until 24:00 hours at the latest, only if night work is performed in not more than three days inside a period of seven consecutive days.

(2) The daily rest period allocated to workers referred to in Subsection (1) after night work shall be at least sixteen hours. Supervision of young workers shall be provided at all times during their employment for the purpose of compliance with occupational safety and health requirements. A young worker receiving full-time school education shall be permitted to perform night work only on days preceding rest days, public holidays when there is no school, on working days preceding days when there is no school, and/or during school holidays.

Chapter V

CLOSING PROVISIONS

Title 14

Enacting and Transitional Provisions⁵

Section 36

(1) This Act shall enter into force on 1 April 2004. Paragraph *e)* of Point 15 of Section 2 shall enter into force upon the promulgation of the international treaty on the accession to the European Union.

1 Established by Subsection (1) of Section 51 of Act CX of 2019, effective as of 1 January 2020.

2 Established by Section 21 of Act CXII of 2018, effective as of 1 January 2019.

3 Amended by Paragraph *e)* of Subsection (2) of Section 11 of Act CVI of 2019.

4 Enacted by Subsection (1) of Section 26 of Act CXCIX of 2012, effective as of 16 December 2012.

5 Enacted by Subsection (1) of Section 26 of Act CXCIX of 2012, effective as of 16 December 2012.

(2)¹ The payment terms and conditions for the fees payable for the Film Office's procedure under this Act, as well as the amount of the fees and their pricing rules shall be decreed by the minister designated by decree of the Government under Subsection (2) of Section 18.

(3)² Cinematographic works already under distribution at the time when this act comes into force need not be reclassified according to the provisions of this Act in respect of the "art" classification and they may continue to apply the earlier "art" classifications recognized by the Magyar Mozgóképek Közalapítvány (*Motion Picture Foundation of Hungary*).

(4)³ As of 1 January 2012, the budgetary appropriations (financial envelope) of the Kulturális Örökségvédelmi Hivatal (*National Office of Cultural Heritage*) (hereinafter referred to as "KÖH") ensuring the operation of the motion picture authority, as well as the assets of the Nemzeti Filmroda (Film Office) taken over by the KÖH as of 1 January 2007 shall be transferred to the NMHH, subject to itemized settlement.

(5)⁴ As of 1 January 2012 the NMHH shall be the successor of KÖH with regard to motion picture regulatory functions. Any document generated before 1 January 2012 in the course of carrying out motion picture industry tasks, as well as any electronically stored data must be transferred to the NMHH, which shall store and process them.

(7)⁵ Films classified before 1 January 2012 with the view to protecting minors:

a) in category II, shall be deemed to be classified into category III as of 1 January 2012,

b) in category III, shall be deemed to be classified into category IV as of 1 January 2012,

c) in category IV, shall be deemed to be classified into category V as of 1 January 2012,

d) in category V, shall be deemed to be classified into category VI as of 1 January 2012, by virtue of this Act.

(8)⁶ As of 1 January 2012, for cinematographic works classified before that date the new classification rules set out in Subsection (7) shall apply.

(9)⁷ In any case pending on 1 January 2012 the new categories referred to in Subsection (7) shall be applied.

Section 36/A⁸

(1) Subsection (5) of Section 14, Subsection (10) of Section 19/A, and Subsections (4) to (9) of Section 26/B of this Act, as established by Act CXCIX of 2012 on the Amendment of Act II of 2004 on Motion Pictures shall apply in procedures pending upon the entry into force of Act CXCIX of 2012 on the Amendment of Act II of 2004 on Motion Pictures.

(2)⁹ Any tasks laid down in Subsection (1) of Section 32, as established by Act CXCIX of 2012 on the Amendment of Act II of 2004 on Motion Pictures, shall be performed by the Film Office starting with the tasks related to data collection for the year 2013.

1 Established by Subsection (1) of Section 14 of Act CLXIX of 2011. Amended by Point 62 of Subsection (1) of Section 28 of Act CXCIX of 2012, Paragraph a) of Subsection (5), Paragraph a) of Subsection (7) of Section 11 of Act CVI of 2019.

2 Amended by Subsection (2) of Section 296 of Act XCIX of 2014.

3 Enacted by Subsection (2) of Section 14 of Act CLXIX of 2011. Amended by Point 4 of Section 35 of Act LXXVI of 2020.

4 Enacted by Subsection (2) of Section 14 of Act CLXIX of 2011, effective as of 1 January 2012.

5 Enacted by Subsection (3) of Section 14 of Act CLXIX of 2011, effective as of 1 January 2012.

6 Enacted by Subsection (3) of Section 14 of Act CLXIX of 2011, effective as of 1 January 2012.

7 Enacted by Subsection (3) of Section 14 of Act CLXIX of 2011, effective as of 1 January 2012.

8 Enacted by Subsection (2) of Section 26 of Act CXCIX of 2012, effective as of 16 December 2012.

9 Amended by Point 7 of Section 35 of Act LXXVI of 2020.

(3)¹ Any motion picture industry entity registered exclusively as a workshop may apply to the Film Office for registration in the capacity under Subsection (4) of Section 28 by 31 December 2012. If the registered motion picture organization fails to submit a request by that deadline or the Film Office rejects its application, the Film Office shall deregister the motion picture organization registered exclusively as a workshop. If a motion picture organization is registered in any capacity other than workshop, the Film Office shall deregister the workshop capacity only.

Section 36/B²

(1) The rights and obligations related to the National Digital Repository, the Newsreel Online and Gramophone Online applications shall accrued upon the State as of 1 January 2013.

(2) Upon the entry into force of Act CXCIX of 2012 on the Amendment of Act II of 2004 on Motion Pictures any movables owned by the Neumann János Digital Library and Multimedia Center Kft. (hereinafter referred to as "Company") serving the operation of the National Digital Depository shall be transferred to the State in its entirety without consideration on 1 January 2013.

(3) Any right and obligation related to the applications referred to in Subsection (1) arising from the contractual relations in existence upon the entry into force of Act CXCIX of 2012 on the Amendment of Act II of 2004 on Motion Pictures shall be transferred in their entirety and subject to unchanged terms to the State, this assignment shall not affect the rights and obligations of the contracting parties. For the assignment that takes place in contractual relationships the rules set out in the Act on Public Procurement for the amendment of contracts shall not be applied.

(4)³ In legal relationships directly related to the maintenance and operation of the applications referred to in Subsection (1) the Magyar Nemzeti Digitális Archívum és Filmintézet (*Hungarian National Digital Archive and the Film Institution*) (hereinafter referred to as "MaNDA") shall be the successor of the Company.

(5) With regard to the assets referred to in Subsections (1) and (2) asset management rights shall be exercised by the MaNDA.

(6) The cost of these assets under the Accounting Act shall be identical with the book value of the assets in the Company's books upon the transfer.

(7) Any transfer of assets under this Section shall be exempt from taxes and duties.

Section 36/C⁴

Chapter IV of this Act, as established by Section 51 of Act LXXXIV of 2013 on the Amendment of Regulations Relating to Administrative Proceedings and Official Public Registers, and on the Amendment of Other Acts, shall be applied in procedures initiated and/or repeated after the entry into force of that provision.

Section 36/D⁵

Subsection (2) of Section 31/F, as established by Act CCLI of 2013 on the Amendment of Certain Acts in Connection with Development Policies, shall be applied to any income acquired by private individuals after 1 January 2013.

Section 36/E⁶

¹ Amended by Points 7, 8 of Section 35 of Act LXXVI of 2020.

² Enacted by Subsection (2) of Section 26 of Act CXCIX of 2012, effective as of 16 December 2012.

³ Amended by Paragraph c) of Subsection (8) of Section 60 of Act CIV of 2016.

⁴ Enacted by Subsection (12) of Section 51 of Act LXXXVI of 2013, effective as of 1 July 2013.

⁵ Enacted by Section 9 of Act CCLI of 2013, effective as of 1 January 2014.

⁶ Enacted by Section 331 of Act LXXIV of 2014, effective as of 27 November 2014.

(1)¹ When verifying the aid intensities set out in Section 13 under Paragraph *c*) of Subsection (5) of Section 31/B and Subsection (5) of Section 31/D, the Film Office shall verify compliance with the aid intensities effective at the time of receipt of the application for the establishment of the film's eligibility by the Film Office.

(2)² Subsection (3) of Section 13 of this Act, as amended by the Amending Act, shall also be applied in procedures for establishing the eligibility of films supported by the Magyar Nemzeti Filmalap Közhasznú Nonprofit Zrt. (*Hungarian National Film Fund Public-Benefit Nonprofit Company*) (hereinafter referred to as "MNF"), as initiated by an application submitted to the motion picture authority after 15 March 2014.

(3) Subsection (3) of Section 31/D of this Act, as amended by Act LXXIV of 2014 on the Amendment of Tax Laws and Other Related Regulations, and on the Amendment of Act CXXII of 2010 on the Nemzeti Adó- és Vámhivatal, shall be also applied in cost verification procedures and support certification procedures pending upon the entry into force of Act LXXIV of 2014 on the Amendment of Tax Laws and Other Related Regulations, and on the Amendment of Act CXXII of 2010 on the Nemzeti Adó- és Vámhivatal.

(4) Subsection (4) of Section 31/D and Subsection (6) of Section 31/D of this Act, as amended by Act LXXIV of 2014 on the Amendment of Tax Laws and Other Related Regulations, and on the Amendment of Act CXXII of 2010 on the Nemzeti Adó- és Vámhivatal, shall be also applied in closing settlements pending upon the entry into force of Act LXXIV of 2014 on the Amendment of Tax Laws and Other Related Regulations, and on the Amendment of Act CXXII of 2010 on the Nemzeti Adó- és Vámhivatal.

Section 36/F³

Based on the Government's decision to this end, the central budget may pay in 2015 the amount corresponding to the positive difference between the statutory allocation set out in Paragraph *c*) of Subsection (7) of Section 31/D and the indirect support collected during the year 2015 in the deposit account under Subsection (3) of Section 22 and Paragraph *a*) of Subsection (3) of Section 24/A of the Corporate Tax Act to the deposit account. This difference reimbursed based on the Government's decision may be paid in excess of the limit referred to in Paragraph *c*) of Subsection (7) of Section 31/D.

Section 36/G⁴

Any natural or legal person engaged in the operation of cinemas upon the entry into force of Act CCXII of 2015 on the Amendment of Certain Acts in Connection with Economic Growth (hereinafter referred to as "Act CCXII/2015") shall be required to notify the Authority of the cinema operation activity in accordance with Section 19/L within sixty days following the entry into force of Act CCXII/2015.

Section 36/H⁵

Subsections (7) and (8) of Section 14, Paragraph *f*) of Subsection (2a) and Subsection (2b) of Section 31/B, Subsection (4) and Paragraph *d*) of Subsection (5) of Section 31/C of this Act, as established Act LXVII of 2016 on Establishing the Foundations for the 2017 Budget of Hungary, shall be applied in procedures, in which the application for the establishment of eligibility was submitted after 17 July 2016.

1 Amended by Points 7, 9 of Section 35 of Act LXXVI of 2020.

2 Amended by Paragraph *k*) of Subsection (1) of Section 11 of Act CVI of 2019.

3 Enacted by Section 18 of Act CCXII of 2015, effective as of 17 December 2015.

4 Enacted by Section 19 of Act CCXII of 2015, effective as of 31 December 2015.

5 Established by Section 18 of Act CLXIII of 2016, effective as of 16 December 2016.

Section 36/I

The MNF and any municipal government having its own company website shall be required to publish the schedule of fees provided for in Subsection (3) of Section 34, as established by Act LXVII of 2016 on Establishing the Foundations for the 2017 Budget of Hungary, by 30 September 2016 on its website, in addition to the publication obligations set out in this Act. Municipal governments shall be required by 30 September 2016 to harmonize their decrees under Subsection (5) of Section 34 with the provision of this Act as amended by Act LXVII of 2016 on Establishing the Foundations for the 2017 Budget of Hungary.

Section 36/J²

(1) The MaNDA shall cease to exist on 31 December 2016. In the context of the tasks referred to in Chapter 1/A, use and other rights related national film assets, including the exercise of the rights and obligations under Subsections (4) and (5) of Section 36/B, the successor of the MaNDA in the asset management contracts shall be the MNF with regard to the assets and rights of a productive character required for the performance of asset management tasks, furthermore to properties managed by MaNDA or its predecessor before 31 December 2013, in particular the property located at 1021 Budapest, Budakeszi út 51/E. (lot number: 10937/26) and 1021 Budapest, Budakeszi út 51/C. (lot number: 10937/18), as well as to any assets and rights of a productive character required for the performance of asset management tasks.

(2) In addition to what is contained in Subsection (1), all legal relationships related to the performance of the transferred tasks shall be the subject of succession and the transfer of tasks, including pecuniary rights and obligations, fixed asset portfolio related to the transferred tasks, in particular assets related to archiving and digitization tasks, and the employment relations of employees further employed by the MNF for the performance of tasks under this Act after the transfer, as well as the exercise of any related employer's right.

(3) Transfer of assets under Subsection (1) and (2) shall be exempt from taxes and duties; and it shall be deemed for the purposes of Act CXXVII of 2007 on Value Added Tax (hereinafter referred to as "VAT Act") as dissolution by succession compliant with the condition set out in Paragraph *h*) of Subsection (3) of Section 17 of the Vat Act, and shall be otherwise exempt from taxes.

(4) The transfer of the rights and obligations referred to in Subsections (1) and (2) arising from the termination of the MaNDA shall not make any claim outstanding against the MaNDA due and payable; breach of contract or enforcement of a claim for a security may not be alleged on this ground; this transfer shall not give rise to any royalty claim.

(5) On the basis of the succession under Subsection (1) the asset management right of the successor shall be registered in the real estate register on the basis of the unilateral statement by the MNF, under the title of succession, with regard to any property where the registered asset manager has been the MaNDA or its predecessor.

(6) The MaNDA and the MNF shall enter into a transition agreement on the re-allocation of assets and staff related to this succession and the tasks and commitments of the MaNDA. In the course of said transition procedure any document generated in the course of carrying out the tasks, as well as any electronically stored data must be transferred to the NMHH by 31 December 2016 at the latest, which shall store and process them.

¹ Enacted by Subsection (2) of Section 83 of Act LXVII of 2016, effective as of 17 July 2016.

² Enacted by Subsection (6) of Section 60 of Act CIV of 2016, effective as of 21 October 2016.

Section 36/K¹

(1) Subsections (2c) to (2e) of Section 31/B of this Act, as established by Act CLXIII of 2016 on the Amendment of Act II of 2004 on Motion Pictures (hereinafter referred to as "Act CLXIII/2016") shall be applied in procedures initiated by an application for the establishment of eligibility submitted after the entry into force of Act CLXIII/2016.

(2) Subsection (2) of Section 31/F of this Act, as established by Act CLXIII/2016, shall be applied for the first time for cinematographic works, with regard of which the film producer or the film production company submitted its application for the establishment of eligibility to the Authority after 31 December 2016. Subsection (2) of Section 31/F of this Act, as established by Act CLXIII/2016, shall be applied in procedures for the issue of a support certificate or cost verification procedure with regard to remuneration paid to foreign performing artists and crew members directly participating in the film production after 31 December 2017, even if the application for the establishment of eligibility for that film took place before 1 January 2017.

(3) Subsection (10) of Section 31/E and Paragraph *c*) of Subsection (1) of Section 31/F of this Act, as established by Act CLXIII/2016, shall be applied in procedures for the establishment of eligibility initiated by an application submitted to the Authority after 17 July 2016, and pending upon the entry into force of Act CLXIII/2016.

(4) Any natural or legal person engaged in film distribution activities upon the entry into force of Act CLXIII/2016 shall be required to notify the Authority of the film distribution activity in accordance with Section 19/M within thirty days following the entry into force of Act CLXIII/2016.

(5) Any natural or legal person engaged in distribution activity and holding a contract for the distribution of a film in Hungary upon the entry into force of Section 19/N, as established by Act CLXIII/2016, shall be required, within thirty days after the entry into force of Section 19/N, as established by Act CLXIII/2016, to register the film on the dedicated online platform set up by the Authority for this purpose.

(6) The mandate of five members of the Motion Picture Board acting as specialist authority in the procedure for the "art" classification of films shall be terminated from 1 January 2017.

(7) The amount of direct subsidies collected on the deposit account in the fourth quarter of 2016 may exceed the pro rata temporis part of the allocation set out in Paragraph *d*) of Subsection (7) of Section 31/D, under Subsection (3) of Section 22 and Paragraph *a*) of Subsection (3) of Section 24/A of the Corporate Tax Act. Where the amount deposited to the deposit account exceeds, in annual aggregate, the allocation set out in Paragraph *d*) of Subsection (7) of Section 31/D, the state tax authority shall have no payment obligation under Subsection (13) of Section 31/D for the fourth quarter of 2016.

Section 36/L²

The provisions of this Act laid down by Act L of 2017 on Amendments Relating to the Implementation of the Act on General Public Administration Procedures and the Act on the Code of Administrative Procedure (hereinafter referred to as "Administrative Amendments Act") shall be applied in procedures initiated and repeated after the entry into force of the Administrative Amendments Act.

Section 36/M³

1 Enacted by Section 19 of Act CLXIII of 2016, effective as of 16 December 2016.
2 Enacted by Subsection (10) of Section 235 of Act L of 2017, effective as of 1 January 2018.
3 Enacted by Section 24 of Act XLIX of 2018, effective as of 4 August 2018.

(1) Subsection (2b) of Section 31/C and Subsection (3) of Section 31/D of this Act, as amended by Act XLIX of 2018 on State Competences Relating to the Development of Budapest and the Agglomerations, and on the Implementation of Specific Projects, and on the Amendment of Certain Acts Relating to Decision No. SA.50768 of the European Commission on the Hungarian Film Support Scheme, shall apply to cost verification procedures and support certification procedures opened upon request after the resolution adopted in procedures for the establishment of eligibility initiated by application submitted after 11 June 2018 became definitive.

(2) Subsection (4) of Section 31/D and Subsection (6) of Section 31/D of this Act, as amended by Act XLIX of 2018 on State Competences Relating to the Development of Budapest and the Agglomerations, and on the Implementation of Specific Projects, and on the Amendment of Certain Acts Relating to Decision No. SA.50768 of the European Commission on the Hungarian Film Support Scheme, shall apply to the closing settlements opened upon request after the resolution adopted in procedures for the establishment of eligibility initiated by application submitted after 11 June 2018 became definitive.

(3) Subsection (2b) of Section 31/C, Subsection (3) of Section 31/D, Subsection (4) of Section 31/D and Subsection (6) of Section 31/D of this Act, as amended by Act XLIX of 2018 on State Competences Relating to the Development of Budapest and the Agglomerations, and on the Implementation of Specific Projects, and on the Amendment of Certain Acts Relating to Decision No. SA.50768 of the European Commission on the Hungarian Film Support Scheme, shall apply to aid agreements concluded after the entry into force thereof with regard to cinematographic works supported by the Médiaszolgáltatás-támogató és Vagyonkezelő Alap (*Media Service Support and Asset Management Fund*).

Section 36/N¹

Subsection (3) of Section 5/A and Section 11 of this Act, as established by Act CXII of 2018 on the Amendment of Certain Acts Relating to the Production and Distribution of Cinematographic Works, shall apply to assets transferred to the realm of national film assets after 1 January 2019.

Section 36/O²

(1) The Magyar Nemzeti Filmalap Közhasznú Nonprofit Zártkörűen Működő Részvénytársaság (*Hungarian National Film Fund Public-Benefit Nonprofit Private Limited Company*) shall continue to operate from 31 December 2019 under the name of Nemzeti Filmintézet Közhasznú Nonprofit Zártkörűen Működő Részvénytársaság (*National Film Institute Public-Benefit Nonprofit Private Limited Company*).

(2) The Televíziós Film Mecenatúra (*Television Film Sponsorship Scheme*) (hereinafter referred to as "Sponsorship Fund") and the Televíziós Filmkollégium (*Television Film College*) shall be succeeded from 31 December 2019 by the NFI. All legal relationships created by the Sponsorship Fund, as an independent legal entity, related to the performance of the transferred tasks shall be the subject of succession and the transfer of tasks, including the employment relations of employees further employed by the NFI for the performance of tasks supported under this Act after the transfer, as well as the exercise of any related employer's right, with the proviso that said succession shall not cover the assets related to the transferred tasks.

Section 36/P³

1 Enacted by Section 23 of Act CXII of 2018, effective as of 1 January 2019.

2 Enacted by Section 9 of Act CVI of 2019, effective as of 31 December 2019.

3 Enacted by Section 16 of Act CLXXVIII of 2020, effective as of 1 January 2021.

Subsection (1a) of Section 31/F of this Act, as established by Act CLXXVIII of 2020 on the Amendment of Certain Acts with a View to Increasing the Competitiveness of the Motion Picture Industry (hereinafter referred to as "Act CLXXVIII/2020") shall be applied in procedures initiated by an application for the establishment of eligibility submitted after the entry into force of Act CLXXVIII/2020.

Section 36/Q1

Subsection (1a) of Section 31/F of this Act, as amended by Act CXXXV of 2021 on the Amendment of Business and Financial Regulations, shall also apply to cases in progress on 1 January 2022.

Title 22

Authorizations³

Section 374

(1)⁵ The Government is hereby authorized to decree the detailed provisions relating to the procedures for the use of public land owned by municipal governments, and by the State for film shooting, as well as for the transmission of administrative notifications, applications, furthermore detailed rules for the registers related to the procedure of the business association referred to in Subsection (9) of Section 35.

(1a)⁶ The Government is hereby authorized to decree the amount that can be deposited in the relevant year in the deposit account, without the additional support.⁷

(1b)⁸ The Government is hereby authorized to decree the definition of cinematographic works which offer no cultural value on the basis of genre.

(1c)⁹ The Government is hereby authorized to designate by means of a decree the minister whose ministry shall contain the Film Office, as the motion picture authority, in the form of an independent department.

(2)¹⁰ The Minister is hereby authorized to decree:

a) the rules for the support of motion picture industry activities other than film production under this Act,¹¹

b)¹² the requirements for the accessibility of cinemas for people with disabilities,

c)¹³ in agreement with the minister in charge of taxation, detailed rules for the administrative service fee payable to the business association referred to in Subsection (9) of Section 35 for the procedure related to the use of public land owned by the municipal government for film shooting.

1 Enacted by Section 5 of Act CXXXV of 2021, effective as of 1 January 2022.

2 Enacted by Subsection (3) of Section 26 of Act CXCIX of 2012, effective as of 16 December 2012.

3 Enacted by Subsection (3) of Section 26 of Act CXCIX of 2012, effective as of 16 December 2012.

4 Established by Section 15 of Act CLXIX of 2011, effective as of 1 January 2012.

5 Established by Subsection (7) of Section 60 of Act CIV of 2016. Amended by Paragraph a) of Subsection (1) of Section 11 of Act CVI of 2019, Paragraph d) of Section 19 of Act CLXXVIII of 2020.

6 Enacted by Section 20 of Act CLXIII of 2016, effective as of 2 January 2017.

7 See Government Decree 439/2016 (XII. 16.).

8 Enacted by Section 22 of Act CXII of 2018, effective as of 1 January 2019.

9 Enacted by Section 10 of Act CVI of 2019, effective as of 1 January 2020.

10 Established by Subsection (5) of Section 26 of Act CXCIX of 2012, effective as of 16 December 2012.

11 See Decree No. 67/2013 (X. 17.) EMMI.

12 Established by Section 17 of Act CLXXVIII of 2020, effective as of 1 January 2021.

13 Established by Subsection (2) of Section 84 of Act LXVII of 2016. Amended by Paragraph f) of Subsection (1) of Section 11 of Act CVI of 2019, Paragraph l) of Section 19 of Act CLXXVIII of 2020.

(3)¹

(3a)²

(4)³ Municipal governments are hereby authorized to decree the detailed provisions for the fee to be charged for the use of public land appertaining to them for film shooting, complementing the rules set out in this Act, any applicable exemptions and discounts, spatial and temporal limitation of the use as well as its other conditions, and the public areas of priority for tourism purposes.

(5)⁴

Section 38⁵

The minister designated by decree of the Government under Subsection (2) of Section 18 is hereby authorized to decree:⁶

a)⁷ by way of derogation from Subsection (3) of Section 8 of the Administrative Procedure Act, the set of data that can be registered in the register maintained by the Film Office under this Act, the persons subject to data disclosure obligation, the manner of reporting to the Film Office and requests for information from the register,

b)⁸ the manner of displaying the marking corresponding to the category determined by the Film Office on the film, on the trailer, on any public presentation thereof, and on the packaging and cover of all data media marketed, as well as in all communications and advertisements related to the film,⁹

c) the conditions for marking film according to their age limits,¹⁰

d)¹¹ for support provided by the NFI and other sponsors in an indirect support procedure, detailed rules for the report issued by the NFI and other sponsors with regard to monitoring the use of support and the film's financial settlements,

e)¹² by way of derogation from Subsection (3) of Section 8 of the Administrative Procedure Act, the order of issuing coproduction certificates set out in international agreements, as well as other certificates required for international cooperation by the Hungarian motion picture industry,

f)¹³ the costs of film production laid down by the Film Office, serving as a basis for receiving support under this Act,¹⁴

g)¹⁵ the set of procedures or non-administrative motion picture industry statistical tasks where electronic communication is mandatory or exclusive,

h)¹⁶ by way of derogation from Subsection (3) of Section 8 of the Administrative Procedure Act, the manner of and conditions for arranging the registers referred to in this Act into a database that can be managed electronically,

1 Repealed by Section 88 of Act LXVII of 2016, effective as of 1 October 2016.

2 Repealed by Section 88 of Act LXVII of 2016, effective as of 1 October 2016.

3 Established by Subsection (15) of Section 51 of Act LXXXIV of 2013, effective as of 1 July 2013.

4 Repealed by Section 88 of Act LXVII of 2016, effective as of 1 October 2016.

5 Established by Section 16 of Act CLXIX of 2011, effective as of 1 January 2012.

6 Amended by Paragraph a) of Subsection (5) of Section 11 of Act CVI of 2019.

7 Established by Subsection (1) of Section 34 of Act LXXVI of 2020, effective as of 15 July 2020.

8 Amended by Paragraph a) of Subsection (7) of Section 11 of Act CVI of 2019.

9 See Decree No. 10/2012 (III. 28.) NMHH.

10 See Decree No. 10/2012 (III. 28.) NMHH.

11 Amended by Point 63 of Subsection (1) of Section 28 of Act CXCIX of 2012, Paragraph b) of

Subsection (1) of Section 11 of Act CVI of 2019.

12 Established by Subsection (2) of Section 34 of Act LXXVI of 2020, effective as of 15 July 2020.

13 Amended by Point 64 of Subsection (1) of Section 28 of Act CXCIX of 2012, Paragraph a) of

Subsection (7) of Section 11 of Act CVI of 2019.

14 See Decree No. 10/2012 (III. 28.) NMHH.

15 Established by Subsection (9) of Section 26 of Act CXCIX of 2012, effective as of 16 December

2012.

16 Established by Subsection (3) of Section 34 of Act LXXVI of 2020, effective as of 15 July 2020.

i)¹ the payment and handling method and conditions for the fees payable for the Authority's procedure under this Act, as well as the amount of the fees and the pricing rules, and the order for keeping record and reimbursement of the fees,

j)² the obligation to provide motion picture industry statistical data, the set of data to be reported, the persons subject to data disclosure obligation, the manner and timing of reporting, and the manner of the provision of information from the motion picture industry statistical database,

k)³ the manner of displaying the State as sponsor in the closing credits of the film,

l)⁴ the requirement for "art" classification under Subsection (2) of Section 25.

Title 35

Compliance with the Acquis⁶

*Section 38/A*⁷

(1)⁸ This Act contains regulations that serves the purpose of compliance with Article 24 of Directive 2004/38/EC of the European Parliament and of the Council of 29 April 2004 on the right of citizens of the Union and their family members to move and reside freely within the territory of the Member States amending Regulation (EEC) No. 1612/68 and repealing Directives 64/221/EEC, 68/360/EEC, 72/194/EEC, 73/148/EEC, 75/34/EEC, 75/35/EEC, 90/364/EEC, 90/365/EEC and 93/96/EEC, and Council Directive 94/33/EC of 22 June 1994 on the protection of young people at work.

(2) This Act contains provisions for the implementation of Regulation (EC) No. 223/2009 of the European Parliament and of the Council of 11 March 2009 on European statistics and repealing Regulation (EC, Euratom) No. 1101/2008 of the European Parliament and of the Council on the transmission of data subject to statistical confidentiality to the Statistical Office of the European Communities, Council Regulation (EC) No. 322/97 on Community Statistics, and Council Decision 89/382/EEC, Euratom establishing a Committee on the Statistical Programs of the European Communities.

Title 49

Compliance with the Majority Requirement Set Out in the Fundamental Law¹⁰

*Section 38/B*¹¹

Of the provisions of this Act

-
- 1 Established by Subsection (10) of Section 26 of Act CXCIX of 2012, effective as of 16 December 2012.
 - 2 Enacted by Subsection (11) of Section 26 of Act CXCIX of 2012, effective as of 16 December 2012.
 - 3 Enacted by Section 85 of Act LXVII of 2016, effective as of 17 July 2016.
 - 4 Enacted by Section 18 of Act CLXXVIII of 2020, effective as of 1 January 2021.
 - 5 Enacted by Subsection (12) of Section 26 of Act CXCIX of 2012, effective as of 16 December 2012.
 - 6 Established by Subsection (12) of Section 26 of Act CXCIX of 2012, effective as of 16 December 2012.
 - 7 Enacted by Subsection (2) of Section 29 of Act XLIV of 2017, effective as of 2 June 2017.
 - 8 Established by Section 24 of Act CXII of 2018, effective as of 1 January 2019.
 - 9 Enacted by Subsection (13) of Section 26 of Act CXCIX of 2012, effective as of 16 December 2012.
 - 10 Enacted by Subsection (13) of Section 26 of Act CXCIX of 2012, effective as of 16 December 2012.
 - 11 Established by Section 25 of Act CXII of 2018, effective as of 1 January 2019.

a)¹

b) Section 11 shall be considered cardinal pursuant to Article 38(1)-(2) of the Fundamental Law.

Title 52

Compliance with the State Aid Rules of European Union Legislation³

Section 38/C⁴

This Act contains a state aid covered by:

a) Commission Regulation (EU) No. 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid; and

b)⁵ State aid decision No. N 202/2008 on the Hungarian film support scheme prolonged by the decision No. SA.36579 and its amending decision of No. SA.38425 and No. SA.50768 by the European Commission.

Chapter VI⁶

Sections 39-40⁷

Annex 1 to Act II of 2004⁸

Rating categories

A) Feature films

	A	B
1	Hungarian element	Maximum score
2	1. Authors:	
3	Director	12
4	Script writer	8
5	Composer	4
6	Total	24
7	2. Film producer	
8	Motion picture company	10
9	Producer	5
10	Total	15
11	3. Cinematographic works originally produced in Hungarian	15
12	4. Actors (appearing in picture or sound):	
13	Featured actors	10
14	Supporting actors	5

1 Repealed by Section 14 of Act CVI of 2019, effective as of 1 January 2020.

2 Enacted by Section 21 of Act CLXIII of 2016, effective as of 16 December 2016.

3 Enacted by Section 21 of Act CLXIII of 2016, effective as of 16 December 2016.

4 Enacted by Section 21 of Act CLXIII of 2016, effective as of 16 December 2016.

5 Established by Section 25 of Act XLIX of 2018, effective as of 4 August 2018.

6 Repealed by Point 657 of Section 2 of Act LXXXII of 2007, effective as of 1 July 2007.

7 Repealed by Point 657 of Section 2 of Act LXXXII of 2007, effective as of 1 July 2007.

8 Enacted by Paragraph a) of Section 27 of, and Annex 1 to Act CXCIX of 2012, effective as of 16 December 2012.

15	Total	15
16	5. a) Creative staff members:	
17	Director of photography	3
18	Editor	2
19	Production designer	2
20	Costume designer	2
21	Master make-up artist	1
22	b) Technical staff members:	
23	Sound engineer	2
24	Specialist staff	2
25	Workers	1
26	Total	15
27	6. Shooting and post-production:	
28	a) Location of making the film	
29	Filming locations	3
30	Shooting laboratory (negative development and master preparation)	2
31	b) Technology used for filming	
32	Picture	2
33	Lighting	1
34	Technical structures	1
35	c) Sound post-production (mixing)	3
36	d) Laboratory work and electronic post-production editing	4
37	Total	16

B) Animations, and films appearing in computer programs and games

	A	B
	Hungarian element	Maximum score
1	1. Authors:	
2	Author of literary book	6
3	Character designer	4
4	Storyboard writer	7
5	Director	10
6	Composer	3
7	Total	30
8	2. Film producer	
9	Motion picture company	10
10	Producer	5
11	Total	15
12	3. Cinematographic works originally produced in Hungarian	10
13	4. Actors (voices of characters)	3
14	5. Creative and technical staff members:	
15	Picture designer and senior picture designer	10
16	Background designer	4
17	Animators	10
18	Painters	7
19	Composite designer	3
20	Total	34
21	6. Post-production	
22	Editor	4
23	Sound engineer	4
24	Total	8

C) Documentary and scientific documentary films

	A	B
	Hungarian element	Maximum score
1	1. Authors:	
2	Director	12
3	Script-writer, editor or screenplay author	8

5	Composer	4
6	Total	24
7	2. Film producer	
8	Motion picture company	10
9	Producer	5
10	Total	15
11	3. Cinematographic works originally produced in Hungarian	13
12	4. Actors (appearing in picture or sound):	15
13	5. Creative and technical staff members:	
14	Director of photography	10
15	Sound engineer	4
16	Editor	3
17	Total	17
18	6. Shooting and post-production:	
19	a) Filming locations	6
20	b) Technology used for filming	2
21	c) Sound post-production (mixing)	4
22	d) Laboratory work (special effects, lighting) and electronic post-production editing	4
23	Total	16

Annex 2 to Act II of 2004¹**Cultural conditions required of cinematographic works**

	A	B
1		Score that can be awarded
2	Cultural content	
3	a) the topic of the film or the work it is based on is based on a historic story (event) that is part of the Hungarian or European culture, and/or is related to the presentation and/or processing of a story (event) important from the historic, mythological, religious point of view	1
4	b) people or characters are featured in the film's topic or in the work it is based on that are related to the Hungarian or European culture, and/or history, and they are considered significant due to their relationship with the society or religion	1
5	c) the film features Hungarian or European customs and way of living or promotes certain elements of it	1
6	d) the film is set in a Hungarian or other European location and/or in a cultural environment that can be linked to it and displays Hungarian or other European settlements (town, country, rural area), and/or a characteristic Hungarian or European cultural feature	1
7	e) the film's script or the work it is based on is based on the adaptation of a literary work or other work of cultural value	1
8	f) (fine arts or applied arts, musical work, etc.) the film's topic or the material it is based on focuses on an issue relevant for the Hungarian society or the society of another European country or from sociological or political perspective	1
9	g) the film reflect or displays an important Hungarian or European value, in particular cultural diversity, respect for cultural traditions or the family, solidarity, equality, protection for minorities, human rights, tolerance, protection of the environment	1
10	h) the film serves the better knowledge of the Hungarian or the European culture and identity	1

¹ Enacted by Paragraph b) of Section 27 of, and Annex 2 to Act CXCV of 2012, effective as of 16 December 2012.

11	Production conditions	
12	i) the film is a cinematographic work of cultural value on the basis of its genre;	4
13	j) there are Hungarian citizens or citizens of another EEA Member State, and/or citizens from non-EEA Member States awarded a prize at an international film festival as:	1 point for all 2 complied categories; a maximum of 6 points
14	ja) director	
15	jb) producer	
16	jc) director of photography	
17	jd) script-writer	
18	je) lead and supporting cast	
19	jf) composer	
20	fg) visual effects designer	
21	fh) costume designer	
22	gi) editor	
23	gj) master make-up artist	
24	hk) line producer/production manager or	
25	jl) post-production manager (sound/image/digital)	4
26	k) the final version of the film is produced in the language of an EEA Member State	4
27	l) at least 51 per cent of the contributors to the film other than those awarded score under Paragraph j) are citizens of an EEA Member State or the film is coproduction not qualifying as European film coproduction	3
28	m) the filming location is in Hungary	3
29	n) the preparation of film production or post-production takes place in Hungary	

Annex 3 to Act II of 2004¹**Fees for the use of public areas owned by the municipal government for film shooting according to the purpose of use**

	A	B	C	D	E	F
1	Classification of the public land	Filming area (F)	Technical area (T)	Parking for the staff (P)	Evacuation area (K)	Area closed from traffic (E)
		Ft/m2/day	Ft/m2/day	Ft/m2/day	Ft/m2/day	Ft/m2/day
2	World heritage sites listed in Annex 1 to Act LXXVII of 2011 on World Heritage	2,084	1,042	521	521	100
		<i>For fraction days the following fees shall apply*</i>				
		1042*	521*	261*	261*	50*
3	Key Budapest tourist areas	833	416	208	208	40
		<i>For fraction days the following fees shall apply*</i>				
		416*	208*	104*	104*	20*
4	Areas within the administrative limits of Budapest outside categories 1 and 2	312	156	104	104	10
		<i>For fraction days the following fees shall apply*</i>				
		156*	78*	52*	52*	5*
5	Key tourist areas of cities, county level towns, district capitals and villages	521	208	208	208	20
		<i>For fraction days the following fees shall apply*</i>				

¹ Established by Section 22 of, and Annex 1 to Act CLXIII of 2016, effective as of 16 December 2016.

		261*	104*	104*	104*	10*
6	Non-key tourist areas of cities, county level towns, district capitals and villages	208	156	104	104	10
<i>For fraction days the following fees shall apply*</i>						
		104*	78*	52*	52*	5*

For the purposes of this Annex:

a) Area closed to traffic: any areas not used for film production but closed to traffic for the purposes of the filming to pedestrian and vehicle traffic. The area of this safety zone must be proportionate to the size of the shooting area. The level of proportionality shall be determined on the basis of the traffic technology plan adopted by the manager of the public road.

b) filming area: the area occupied by the cast recorded on screen, other contributors, elements of decoration, fixtures, accessories, and vehicles.

c) evacuation area: areas used in the areas within the categories under Paragraphs *b)*, *d)* and *e)* on the day preceding the shooting day expressly for the purpose of evacuating the shooting, technical and staff parking areas, where no activity other than the one listed in Paragraph *d)* takes place in this area.

d) staff parking area: an area occupied by the service units and vehicles, separable from the filming location other than areas within the categories under Paragraphs *b)* and *e)*.

e) technical area: the area occupied by the assets taken to the direct environment of the filming location facilitating the technical implementation of the film (such as cameras, lighting and sound recording devices), and the staff operating them, as well as other units and vehicles directly serving the shooting.

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