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If a whole or part of a section has been amended, the date of the amending law appears in square brackets at the end of the section. If a whole section, paragraph or clause has been deleted, the date of the deletion appears in square brackets beside the deleted section, paragraph or clause.

Republic of Latvia

Cabinet

Regulation No. 99

Adopted 11 February 2025

**Procedures for Granting Co-funding from State Budget for Major, Significant Public Events and Production of Foreign Films in Latvia**

*Issued pursuant to*

*Section 11, Paragraph three of the Film Law and Section 4, Paragraph two of the Innovative Business and Priority Project Aid Law*

**I. General Provisions**

1. The Regulation prescribes:

1.1. in relation to the production of foreign films in Latvia:

1.1.1. the procedures by which co-funding from the State budget shall be granted for the production of foreign films in Latvia;

1.1.2. the criteria for granting co-funding from the State budget, including criteria in conformity with which the eligible costs for films produced in Latvia shall be determined;

1.2. in relation to organising major, significant public events in Latvia:

1.2.1. the funding available for the relevant aid for commercial activity scheme;

1.2.2. the procedures and criteria for granting aid for commercial activity;

1.2.3. the conditions and procedures for the implementation of the aid for commercial activity scheme;

1.2.4. the procedures for taking the decision on the use of the granted funding and the criteria and procedures for recovering ineligible expenditures;

1.2.5. the conditions for the activities to be supported and for the eligibility of costs within the framework of priority projects;

1.2.6. the accounting of the aid for commercial activity, the sectors and activities not to be supported.

2. The following terms are used in the Regulation:

2.1. single undertaking – an undertaking which corresponds to Article 2(2) of Commission Regulation (EU) 2023/2831 of 13 December 2023 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid (hereinafter – Commission Regulation No 2023/2381);

2.2. grand event – an event of international scale which is organised, delegated, or the cooperation partner of which is a global or European organisation and which has a significant impact on the national economy of Latvia, attracting at least 5000 foreign visitors and participants who spend at least two nights in Latvian tourist accommodations or short-term rent accommodations;

2.3. foreign visitor – a grand event participant or visitor from a foreign country;

2.4. grand event project – a set of information containing financial, textual or other information on the intention to organise the grand event in Latvia and on grand event visitors, including foreign visitors;

2.5. foreign film – a completed audiovisual or cinematographic work (including a film, a series, part, or season of the film which is formed by series of images that are mutually connected and create an illusion of movement, whether or not accompanied by sound) which is intended for release to public and the implementation costs of which are covered by a merchant registered in a foreign country;

2.6. foreign film project – a set of information containing financial, textual, graphic or other information on the intention to shoot a foreign film in Latvia, including on the artistic characteristics of the foreign film;

2.7. amateur sport – activities which do not qualify as professional sport under Article 2(143) of Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (hereinafter – Commission Regulation No 651/2014).

3. The purpose of the Regulation is to ensure co-funding from the State budget (hereinafter – the aid) for the organisation of grand events and the production of foreign films in Latvia, creating a positive economic impact, and also promoting the international recognisability of Latvia.

4. The aid shall be granted to the following events:

4.1. for the implementation of grand event projects in Latvia the granting of aid for which does not qualify as aid for commercial activity or qualifies in accordance with Commission Regulation No 2023/2831;

4.2. for the implementation of foreign film projects in Latvia in accordance with Article 54 of Commission Regulation No 651/2014 or Commission Regulation No 2023/2831.

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5. The place of implementation of grand event projects and foreign film projects (hereinafter both together – the project) shall be the territory of the Republic of Latvia.

6. The Investment and Development Agency of Latvia (hereinafter – the Agency) shall grant aid to the project implementer from the funding intended for the purpose referred to in Paragraph 3 of this Regulation.

7. The aid shall be provided in the form of a grant.

8. To grant the aid, the Agency shall organise an open tender procedure for project application selection.

**II. Preparation, Announcement of Project Application Selection and Submission of Projects**

9. The Agency shall draw up and approve tendering procedure rules and announce the open project application selection on the State platform for business development www.business.gov.lv (hereinafter – the platform business.gov.lv), indicating a deadline for the submission of project applications, the funding available within the scope of the selection, the procedures for the evaluation of project applications, and also the place where the procedure rules are available and additional information can be received.

10. The form of the project application and forms of other documents to be submitted shall be appended to the tendering procedure rules.

11. Project applicants shall apply for the aid by submitting a project application on the platform business.gov.lv. The project application and the documents referred to in Paragraphs 13 and 14 of this Regulation shall be prepared in Latvian, except for the film script which shall be submitted in English or Latvian.

12. The project implementer shall be a final beneficiary which conforms to the following characteristics:

12.1. if the aid is received for the event referred to in Sub-paragraph 4.1 of this Regulation – it is a micro, small, medium-sized or large merchant (hereinafter – the merchant) in accordance with Article 2(24) of and Annex 1 to Commission Regulation No 651/2014 or an association or foundation registered in the Register of Associations and Foundations;

12.2. if the aid is received for the event referred to in Sub-paragraph 4.2 of this Regulation – it is a merchant in accordance with Article 2(24) of and Annex 1 to Commission Regulation No 651/2014 which is registered in the Commercial Register of Latvia and, at least 24 months before the submission of the project, has been registered in the Register of Film Producers of Latvia and which has concluded a contract or a letter of intent on the intention to produce a film in Latvia with a foreign film producer which has been registered as a film producer in a foreign country;

12.3. it is a payer of the value added tax (if applicable);

12.4. on the day of submission of the project application, it does not have any debt of taxes (fees) administered by the State Revenue Service which exceeds EUR 1000 in total, except for the tax payments the payment term of which has been extended, divided in instalments, deferred, or divided in instalments repeatedly in accordance with Section 24, Paragraphs one, 1.3, and 1.7 of the law On Taxes and Fees;

12.5. if the funding is granted in accordance with Commission Regulation No 651/2014, the project implementer (at the group level) does not conform to the characteristics of a merchant in difficulty in accordance with Article 2(18) of Commission Regulation No 651/2014;

12.6. the project implementer, including the owner, members of the executive board, beneficial owners, persons with the right of representation, and parent undertakings or subsidiaries, have not been imposed international or national sanctions or sanctions of a Member State of the European Union or a North Atlantic Treaty Organisation member country which affect significant financial and capital market interests;

12.7. it does not cooperate with the Russian Federation or the Republic of Belarus;

12.8. if the funding is granted in accordance with Commission Regulation No 651/2014, an outstanding recovery order following a previous Commission decision referred to in Article 1(4)(a) of Commission Regulation No 651/2014 shall not apply to the project implementer (including at the level of a group of linked enterprises).

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13. The implementer of the grand event project shall submit the following documents on the platform business.gov.lv together with the grand event project application:

13.1. the description of the grand event, including the event dissemination plan, planned duration, and time schedule for the implementation;

13.2. the calculation of the value added tax from the value added tax revenues of the provisional turnover generated by foreign visitors;

13.3. the information on the experience of the grand event implementer or cooperation partner in organising international events according to Sub-paragraph 16.4 of this Regulation (if applicable);

13.4. the declaration that the grand event implementer or its cooperation partners do not organise the accommodation of foreign visitors at the places other than Latvian tourist accommodations or short-term rent accommodations;

13.5. the information on the budget (estimate) of the grand event project and the estimate for the use of the aid and the financing plan according to the eligible cost items referred to in Paragraph 17 of this Regulation;

13.6. provisional number of visitors and the price of one ticket, indicating the price range;

13.7. if the aid for commercial activity is granted for the same eligible costs of the grand event project within the scope of several aid for commercial activity schemes, the grand event project implementer shall submit the information on the planned and granted aid for commercial activity, including on the same eligible costs, indicating the date of granting the aid (including the planned date of granting the aid), the aid intensity, the grantor of aid, the aid measure or investment, and the planned or granted amount of the aid;

13.8. [10 June 2025];

13.9. if the aid for commercial activity is granted in accordance with Commission Regulation No 2023/2831 – a printout of the form prepared in the system for accounting of the *de minimis* aid (hereinafter – the system) or indicate the identification number of the form of the grand event project implementer created and approved in the system;

13.10. other documents in accordance with the selection procedure rules approved by the Agency.

14. The implementer of the foreign film project shall submit the following documents on the platform business.gov.lv together with the foreign film project application:

14.1. the original of the concluded co-production contract or letter of intent or a copy certified in accordance with the procedures laid down in laws or regulations which certifies the intention of parties to produce a film in Latvia in whole or in part and which lays down the rights and obligations of parties, the amount of foreign funds and payment schedule, the distribution of work, and other important conditions;

14.2. a short outline of the film’s plot (up to five pages) and the film script in Latvian or English;

14.3. the document signed by the foreign producer and the foreign film project applicant on the activities planned in Latvia for the production of film and their schedule;

14.4. [10 June 2025];

14.5. [10 June 2025];

14.6. the total budget (estimate) for the production of the foreign film project signed by the foreign film project applicant and the relevant foreign producer, separating the total production costs intended in the territory of Latvia and the funding plan for the film;

14.7. the estimate of eligible costs of the foreign film project (EUR, excluding value added tax) in conformity with the eligible cost items referred to in Paragraph 25 of this Regulation;

14.8. if the aid for commercial activity is granted for the same eligible costs of the foreign film project within the scope of several aid for commercial activity schemes, the foreign film project implementer shall submit the information on the planned and granted aid for commercial activity, including on the same eligible costs, indicating the date of granting the aid (including the planned date of granting the aid), the aid intensity, the grantor of the aid, the aid measure or investment, and the planned or granted amount of the aid;

14.9. the film distribution plan which is approved by at least one foreign broadcaster or distributor (if applicable);

14.10. the declaration on the conformity of the commercial company with the small (micro), medium-sized, or large commercial company;

14.11. if the aid is granted in accordance with Commission Regulation No 651/2014, the documents identifying the data of the foreign film project applicant for the purpose of assessing the characteristics of an undertaking in difficulty (assessing the foreign film project applicant also at the level of its group of linked enterprises) according to the definition in Article 2(18) of Commission Regulation No 651/2014;

14.12. declaration of a foreign film producer that co-funding shall be ensured for the production of the film in Latvia in the amount of the part of its eligible costs for which the aid for commercial activity will not be granted within the scope of this Regulation;

14.13. the report on the planned payment of the value added tax in the amount referred to in Sub-paragraph 20.6 of this Regulation;

14.14. the documents proving that the funding available to the foreign producer in accordance with the funding plan is at least 50 % of the total film production costs and also the origin of funding;

14.15. if the aid is granted in accordance with Commission Regulation No 651/2014, a declaration that the circumstances indicated in Article 2(18)(c) of Commission Regulation No 651/2014 do not apply to the foreign film project implementer;

14.15.1 if the aid for commercial activity is granted in accordance with Commission Regulation No 2023/2831 – the printout of the form prepared in the system or indicate the identification number of the form of the foreign film project implementer created and approved in the system;

14.16. other documents in accordance with the tendering procedure rules approved by the Agency.

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**III. Amount of Aid and Eligibility Criteria for the Implementation of Grand Event Projects**

15. The amount of the aid shall be 30 % of the total eligible costs for the implementation of the grand event project.

16. The grand event project shall conform to the following criteria:

16.1. the grand event takes place no more than once every four years. It is possible to support also such grand event which has last taken place before a shorter period if the grand event project significantly differs from the last event in terms of scale – the revenues and expenditures estimated in the grand event project exceed the amount of the revenues and expenditures of the previous grand event by at least three times;

16.2. the duration of the grand event is at least one day;

16.3. the estimated number of foreign visitors for the grand event is at least 5000 and they spend at least two nights in Latvian tourist accommodations;

16.4. the grand event implementer or cooperation partner is an international organisation of global or European Union dimension or it has an experience in organising international events.

17. The eligible costs for the implementation of the grand event project and directly linked to the organisation of the grand event shall be as follows:

17.1. transport services and fuel costs in Latvia;

17.2. costs of construction services related to the implementation of the grand event project;

17.3. costs of public utilities;

17.4. costs for purchasing such goods, services, and materials which are necessary during the implementation process of the grand event project;

17.5. costs for sound-processing, visual, musical, and other artistic and technological services directly related to the organisation of the event;

17.6. lease or rent costs for the movable and immovable property necessary for the organising the grand event project;

17.7. costs for the acquisition of the licence for organising an event in Latvia and the participation fee in an international organisation which is necessary for granting an international status or rating to the planned event;

17.8. preparation and manufacturing costs of such marketing materials as booklets, banners, or video clips, content development costs, costs for adapting information intended for foreign markets;

17.9. costs related to the promotion of the event in the digital environment, including the costs for ensuring the live broadcast of the event;

17.10. costs of technical equipment;

17.11. the costs of the fee of the sports judges approved by the sports federation necessary for ensuring an international sporting event;

17.12. costs of royalties for foreign or local artists necessary for ensuring an international cultural event;

17.13. costs of the publicity of the trade mark, product, or service of the target group in specialised foreign tourism media;

17.14. costs of public relations services which are applicable to the collaboration with Latvian and foreign service providers of public relations, media (publications before and after the event, competitions), the attraction of foreign journalists to the specific event, influencer campaigns abroad, the implementation of marketing campaigns abroad, the organisation of advertising campaigns;

17.15. in relation to the visit to Latvia of media and digital content creators – transport costs related to the use of interstate public transport of economy or equivalent class to and from Latvia, costs for inland transport of economy or equivalent class, and accommodation costs in Latvia;

17.16. costs of paid services of emergency medical assistance during the event;

17.17. costs for ensuring public order and safety;

17.18. costs of copyright and related rights;

17.19. costs of a certified auditor or auditing company for the report which proves that the foreign visitors spend at least two nights in Latvian tourist accommodations or short-term rent accommodations;

17.20. hotel and other accommodation services;

17.21. catering services;

17.22. telecommunications services;

17.23. costs for administrative and professional staff necessary for ensuring the implementation of the grand event project.

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**IV. Amount of Aid, Eligibility Criteria, and Application Procedures for the Production of Foreign Films in Latvia**

18. The amount of the aid shall not exceed 30 % of the total eligible costs for the implementation of the foreign film project in Latvia.

19. The aid shall be granted in accordance with:

19.1. Article 54(2) and (9) of Commission Regulation No 651/2014, without exceeding the threshold laid down in Article 4(1)(aa) of the abovementioned Regulation and in compliance with Article 1(2)(a) and (b) of the abovementioned Regulation in relation to the average annual budget of the aid scheme;

19.2. Commission Regulation No 2023/2831 according to the conditions included in Chapter VIII of this Regulation if the aid for foreign film projects cannot be granted in accordance with Commission Regulation No 651/2014.

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20. The film referred to in the foreign film project application conforms to all of the following conditions:

20.1. the film is produced in Latvia in whole or in part;

20.2. it is intended to produce a new foreign film, including a new series, part, or season of the film;

20.3. the services of such natural or legal persons are used in the production of the film who are registered in Latvia;

20.4. the total costs of the foreign film project amount to at least EUR 711 436 for feature and animated films and at least EUR 142 287for documentaries;

20.5. on the day of submitting the foreign film project application, the foreign financing available for the implementation of the foreign film project under the financing plan is at least 50 % of the total film production costs;

20.6. according to the budget plan for the film, the contributions of the value added tax to the State budget shall be not less than 50 % of the aid referred to in Paragraph 18 of this Regulation.

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21. It is not possible to apply for the aid if:

21.1. more than 25 % of the equity capital or voting rights of the foreign film project applicant are owned by the State, local government, or State or local government capital companies;

21.2. the conditions of Paragraph 27 or 58.1 of this Regulation have not been complied with in relation to the time when the production of the relevant film in Latvia has been commenced;

21.3. the foreign financing for the implementation of the foreign film project in Latvia is less than the eligible costs of the foreign film project in Latvia.

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22. The aid shall not be granted to:

22.1. foreign film projects of pornographic nature;

22.2. foreign film projects the content of which directly or indirectly promotes, justifies, or glorifies the current politics implemented by the Russian Federation or the Republic of Belarus and also portrays the communist or current political elite of the relevant countries in a manner that clearly excludes critical judgement and could be interpreted as the glorification of such regimes or could serve as an instrument of their soft power, thus generally promoting the propaganda of the abovementioned regimes;

22.3. foreign film projects which preach religious, racial, national or ethnic hatred, unduly depict violence, or contain propaganda degrading human dignity.

23. If the aid is granted in accordance with Commission Regulation No 651/2014, the aid may be cumulated with the funding granted within the scope of another aid scheme or *ad hoc* aid project, including for the same eligible costs, and with the *de minimis* aid, provided that the funding granted together with the funding granted within the scope of another aid scheme or *ad hoc* aid project does not exceed the maximum permissible aid intensity as determined in Article 54(6) or (7)(a) of Commission Regulation No 651/2014.

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24. The eligible costs for the production of audiovisual works shall conform to the following criteria:

24.1. they have been made in compliance with Paragraphs 27 and 58.1 of this Regulation;

24.2. they have been spent in Latvia;

24.3. they are directly related to the implementation process of the foreign film project.

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25. The eligible costs for the implementation of the foreign film project in Latvia shall be:

25.1. costs for administrative and professional staff necessary for ensuring the implementation of the foreign film project;

25.2. rental of equipment and services;

25.3. transport services and fuel costs;

25.4. construction services related to the implementation of the foreign film project;

25.5. catering services;

25.6. security services;

25.7. hotel and other services related to accommodation;

25.8. telecommunications services;

25.9. services of public utilities and public services;

25.10. purchasing such goods and materials which are necessary during the production of the film;

25.11. sound-processing, visual, musical, and other artistic and technological services directly related to the production of the film or its post-production;

25.12. lease or rent costs for the movable and immovable property necessary for the implementation of the foreign film project;

25.13. administrative services – legal, accounting, and translation services, personnel recruitment;

25.14. royalties for actors and extras who have participated in the creation of the film according to the Film Law;

25.15. fee of the foreign film project applicant, but no more than 7 % of the total eligible costs in Latvia.

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26. The service providers who provide the services related to the costs referred to in Paragraph 25 of this Regulation shall be registered in Latvia and the commercial activity within the scope of the relevant foreign film project shall be performed in the Republic of Latvia.

27. If the aid is granted in accordance with Commission Regulation No 651/2014, the Agency shall verify the incentive effect of the aid in accordance with the conditions referred to in Article 6(2) of Commission Regulation No 651/2014. If the implementation works of the foreign film project have been commenced before the foreign film project application has been submitted to the Agency, the total costs of the foreign film project shall be ineligible.

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28. If the aid is granted in accordance with Commission Regulation No 651/2014, the Agency shall ensure the publication obligation laid down in Article 9(1) and (4) of Commission Regulation No 651/2014, complying with the legal act regarding the procedures for the publication of information on the aid provided and for granting and cancelling the right to use the electronic system.

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29. If the requirements of Commission Regulation No 651/2014 are violated, the beneficiary of the aid has an obligation to reimburse to the Agency the unlawful aid received within the scope of the foreign film project, together with interest using funds free of aid, in conformity with the conditions of Chapter IV or V of the Law on Control of Aid for Commercial Activity.

**V. Evaluating the Project Application and Granting Aid**

30. The project application and the project applicant shall be evaluated:

30.1. according to the eligibility criteria (Annex 1) to verify whether the project applicant and the project application conform to the laid down requirements and are to be considered for the examination of quality criteria;

30.2. according to the quality evaluation criteria of the project application (Annex 2) to evaluate the quality of the project application in relation to the objective of the tendering procedure.

31. If the project application or the project applicant fails to conform to the eligibility criterion of the project applicant (except in relation to Sub-paragraph 12.4 of this Regulation) referred to in Sub-paragraph 1.1 of Annex 1 to this Regulation or to one of the eligibility criteria of the project application referred to in Sub-paragraph 2.1, 2.4 (in respect of the mode of submission), 2.5, 2.6, or 2.7 of Annex 1 to this Regulation, the Agency shall take the decision to refuse to conclude the contract on aid.

32. If the project application fails to conform to the eligibility criterion of the project applicant referred to in Sub-paragraph 1.1 (in relation to Sub-paragraph 12.4 of this Regulation) or referred to in Sub-paragraph 1.2 of Annex 1 to this Regulation or to the eligibility criteria of the project application referred to in Sub-paragraph 2.2, 2.3, or 2.4 (in relation to presentation) of Annex 1 to this Regulation, the Agency shall request in writing the project applicant to update the project application or submit additional information. The request shall be sent to the electronic mail address indicated by the project applicant.

33. If, within 10 working days after sending the request of the Agency, the project applicant submits the updated project application or required additional information electronically on the platform business.gov.lv, the Agency shall re-evaluate the project application according to the eligibility evaluation criteria.

34. If, upon re-evaluation, the project application fails to conform to any of the eligibility criteria referred to in Paragraph 32 of this Regulation or the project applicant, within 10 working days after sending the request of the Agency, has failed to submit the required additional information, the Agency shall take the decision to refuse to conclude the contract for granting the aid.

35. The Agency shall evaluate and rank projects in conformity with the obtained number of points as laid down in Annex 2 to this Regulation. The Agency shall take the decision to grant the aid or the decision to grant the conditional aid, providing for the reservation of revocation, or the decision to refuse to conclude the contract for granting the aid within 20 working days from the day of closing the selection. The right to take the decision to grant the conditional aid shall be granted in accordance with tendering procedure to those project applications which conform to the criteria referred to in Annexes 1 and 2 to this Regulation.

36. The day when the Agency has taken the decision to grant the aid shall be considered to be the day of granting the aid.

37. The Agency may take the decision to grant the conditional aid and to submit a proposal to the Ministry of Economics on the ensuring of the required aid, complying with the amount and conditions laid down in the State budget law in force.

38. The Agency shall, within 20 working days from closing the selection, submit information to the Ministry of Economics on the results of the selection and the amount of financing necessary to conclude a contract for granting the aid and also other information related to the selection.

39. Once the budget of the Ministry of Economics has secured aid for the relevant tender procedure of project applications, the Ministry of Economics shall, within one working day, inform the Agency of the possibility to conclude a contract for granting the aid.

40. After receipt of the information referred to in Paragraph 39 of this Regulation, the Agency shall conclude a contract with the project implementer on granting the aid according to the decisions referred to in Paragraph 35 of this Regulation or take the decision to refuse to conclude a contract for granting the aid.

41. The Agency shall evaluate the conformity of the project applicant with the characteristics of an undertaking in difficulty (if applicable) and the conformity with other conditions for aid for commercial activity at the moment of granting the aid.

**VI. Conditions for the Implementation of the Project and for Receiving the Aid**

42. The project implementer shall submit a payment request for receiving the aid on the platform business.gov.lv by 15 November of the current year. The aid may be disbursed in instalments if the project lasts for longer than one year and if it is provided for in the project application. The payment request for the disbursement of the remaining aid instalments shall be submitted within three months after completing the implementation of the project but no later than by 15 November of the current year.

43. The Agency may disburse advance payments for the grand event project according to the following procedures:

43.1. the first advance payment shall be disbursed by the Agency in the amount of no more than 30 % of the aid amount;

43.2. each following advance payment shall be disbursed by the Agency in the amount of at least 30 % when the previous advance payment has been used or liabilities have been assumed in the amount of at least 80 % of the previous advance payment, and the implementer of the grand event project has submitted the documents justifying the use of the previous advance payment;

43.3. advance payments may not exceed 90 % of the total aid amount for one grand event project;

43.4. the final payment shall be made after the approval of the final report.

44. If the foreign film project lasts for more than one year, the Agency can disburse advance payments to such foreign film project in the amount of 30 % of the co-funding planned for the next year if the relevant funding is available in the current calendar year.

45. The project implementer shall append the following documents justifying costs to the payment request for the relevant project:

45.1. on the implementation of the grand event project:

45.1.1. confirmation of a sworn auditor or a commercial company of sworn auditors for the payments made in Latvia during the implementation of the grand event project;

45.1.2. report on the implementation of the grand event project, indicating the payments made, their beneficiaries (names, registration numbers), the amounts (EUR, excluding value added tax) and dates of payments;

45.1.3. report on the investments made within the scope of the grand event project, including investments in the local infrastructure;

45.1.4. other documents as specified according to the concluded contract for granting the aid;

45.2. on the implementation of the foreign film project in Latvia:

45.2.1. confirmation of a sworn auditor or a commercial company of sworn auditors for the payments made in Latvia during the implementation of the foreign film project;

45.2.2. report on the implementation of the foreign film project, indicating the payments made in Latvia, their beneficiaries (names, registration numbers), the amounts (EUR, excluding value added tax) and dates of payments;

45.2.3. report on the amount of the value added tax paid as a result of implementing the foreign film project;

45.2.4. report on the investments made within the scope of the foreign film project, including investments in the local infrastructure;

45.2.5. other documents as specified according to the concluded contract for granting the aid.

46. The Agency shall refuse to disburse the aid or part thereof to the project implementer if, in the final report, it fails to prove the ratio of the value added tax amount estimated in the project application from the provisionally planned eligible costs to the requested co-funding.

47. Within three months after implementation of the grand event project, the project implementer shall, in addition to the documents specified in Sub-paragraph 45.1 of this Regulation, submit the final report on the platform business.gov.lv, and the final report which shall contain the following information:

47.1. report of a certified auditor or auditing company on the number of foreign visitors attracted as a result of implementing the grand event project and the duration of their stay;

47.2. report on the amount of value added tax revenues of the turnover generated by the foreign visitors attracted as a result of implementing the grand event project;

47.3. report on the local and international audience in breakdown by the used communication channels who were reached as a result of implementing the grand event project;

47.4. the grand event programme and visual materials.

48. If the project is cancelled or is not implemented according to the conditions of this Regulation, the project implementer shall reimburse to the Agency the full amount of the aid received in advance.

49. The Agency is entitled to request and receive additional information or documents justifying the costs as regards the implementation of the project.

50. The Agency shall ensure the availability of information for 10 years, counting from the day on which the last aid was granted, whereas the project implementer shall ensure the availability of information for 10 years, counting from the day of granting the aid.

51. Prior to granting the aid, the Agency shall verify whether the project implementer does not have any debt of taxes (fees) according to the information available publicly in the database of tax (fee) debtors administered by the State Revenue Service, including debt of the mandatory State social insurance contributions which exceeds EUR 1000 in total, except for the tax payments the payment term of which has been extended, divided in instalments, deferred, or divided in instalments repeatedly in accordance with Section 24, Paragraphs one, 1.3, and 1.7 of the law On Taxes and Fees. If the project implementer does not meet the abovementioned condition, the Agency shall not grant the aid.

52. The National Film Centre shall ensure the Agency with access to the Register of Film Producers of Latvia maintained by it.

53. The project implementer shall have the obligation to ensure the promotion and strengthening of the international recognisability of the Agency and national image MISSION LATVIA in communication activities and marketing materials.

[*10 June 2025*]

**VII. Granting Aid for the Organisation of such Grand Event the Granting of Aid for Which Does Not Qualify as Aid for Commercial Activity**

54. If the revenues from the planned grand event project do not exceed 50 % of the total costs of the planned grand event project for the implementer of the grand event project who performs activities in the field of culture, the grand event project shall be qualified as such which is not related to the performance of economic activity and thus the granting of aid shall not be qualified as the aid for commercial activity.

55. If the implementer of the grand event project organises the grand event in the field of sports which is related to amateur sport or the promotion of active and healthy lifestyle of inhabitants, or youth sport, but, in relation to granting public funds, the organisation thereof does not conform to the features characterising aid for commercial activity laid down in Section 5 of the Law on Control of Aid for Commercial Activity, the granting of aid to the grand event project shall not be qualified as the aid for commercial activity.

56. If it is established that a grand event project not related to economic activity becomes a grand event project related to economic activity during the implementation thereof, or becomes a grand event project the granting of aid to which is to be qualified as the aid for commercial activity and the conditions of Commission Regulation No 2023/2831 cannot be applied thereto, the project implementer has the obligation to reimburse to the Agency the unlawful aid for commercial activity received, together with interest using funds free of aid, in conformity with the conditions of Chapter IV or V of the Law on Control of Aid for Commercial Activity.

**VIII. Conditions Related to Receiving Aid if the Aid is Granted in Accordance with Commission Regulation No 2023/2831**

57. If the grand event does not qualify under the conditions of Chapter VII of this Regulation or the aid cannot be granted to foreign film projects in accordance with Commission Regulation No 651/2014, the Agency shall grant the aid to the project implementer in accordance with Commission Regulation No 2023/2831 and the laws and regulations regarding the procedures for accounting and granting the *de minimis* aid.

[*10 June 2025*]

58. If the aid to the project implementer is granted in accordance with Commission Regulation No 2023/2831, the maximum aid intensity is laid down in Paragraph 15 or 18 of this Regulation.

[*10 June 2025*]

58.1 If the aid is granted in accordance with Commission Regulation No 2023/2831, the eligible costs shall be applicable to the project implementer from 1 January of the year of project application selection.

[*10 June 2025*]

59. The Agency shall verify whether the *de minimis* aid planned for the project implementer together with the *de minimis* aid granted within the last three years from the day of granting aid does not exceed the maximum amount of the *de minimis* aid laid down in Article 3(2) of Commission Regulation No 2023/2831. The amount of the *de minimis* aid shall be evaluated at the level of single undertaking.

[*10 June 2025*]

60. The Agency shall evaluate the project implementer in conformity with the conditions of Commission Regulation No 2023/2831 at the moment of granting the aid.

[*10 June 2025*]

61. The *de minimis* aid granted within the scope of this Regulation may be cumulated with another *de minimis* aid, including in relation to the same eligible costs, up to the relevant threshold laid down in Article 3(2) of Commission Regulation No 2023/2831, and may also be cumulated with other aid for commercial activity, including in relation to the same eligible costs, or other State aid for the same risk financing measure if the relevant maximum aid intensity or the amount of aid laid down in the scheme for aid for commercial activity, *ad-hoc* decision, or decision of the European Commission is not exceeded. The *de minimis* aid may be cumulated with other *de minimis* aid for the same costs if, after cumulation of aids, the relevant maximum aid intensity for a unit of aid or item of costs does not exceed 100 %.

62. In accordance with Commission Regulation No 2023/2831, the *de minimis* aid shall be granted in compliance with the restrictions on sectors and activities laid down in Article 1(1) of the abovementioned Regulation.

63. If the conditions of Commission Regulation No 2023/2831 are violated, the project implementer has an obligation to reimburse to the Agency the *de minimis* aid received unlawfully within the scope of the project, together with interest using funds free of aid for commercial activity, in conformity with the conditions of Chapter IV or V of the Law on Control of Aid for Commercial Activity.

[*10 June 2025*]

64. If the project implementer is concurrently operating both in any of the sectors referred to in Article 1(1)(a), (b), (c), or (d) of Commission Regulation No 2023/2831 and in one or several other sectors which fall within the scope of application of the abovementioned Regulation, it shall ensure the separation of the activities or costs of such sectors in accordance with Article 1(2) of Commission Regulation No 2023/2831, ensuring that activities in the sectors excluded from the scope of application of the abovementioned Regulation do not benefit from the *de minimis* aid granted in accordance with Commission Regulation No 2023/2831.

[*10 June 2025*]

**IX. Closing Provisions**

65. The Agency shall take the decision referred to in Paragraph 36 of this Regulation by 30 June 2027 in accordance with Commission Regulation No 651/2014 and by 30 June 2031 in accordance with Commission Regulation No 2023/2831.

66. Cabinet Regulation No. 173 of 15 March 2022, Procedures by which Co-funding from the State Budget is Granted for the Production of Foreign Films in Latvia (*Latvijas Vēstnesis*, 2022, No. 57; 2024, No. 110), is repealed.

Acting for the Prime Minister – Minister for Justice I. Lībiņa-Egnere

Minister for Economics V. Valainis

**Annex 1**

Cabinet Regulation No. 99

11 February 2025

[*10 June 2025*]

**Eligibility Criteria for the Project Application and Applicant**

1. Eligibility criteria for the project applicant

|  |  |  |  |
| --- | --- | --- | --- |
| No. | Criterion | Yes | No |
| 1.1. | The project applicant conforms to the conditions referred to in Paragraph 12 of Cabinet Regulation No. 99 of 11 February 2025, Procedures for Granting Co-funding from State Budget for Major, Significant Public Events and Production of Foreign Films in Latvia (hereinafter – the Regulation) |   |   |
| 1.2. | The project applicant conforms to all the criteria referred to in Paragraph 16 or 20, Sub-paragraphs 21.1 and 21.3 of the Regulation, if applicable |   |   |

2. Eligibility criteria for the project application

|  |  |  |  |
| --- | --- | --- | --- |
| No. | Criterion | Yes | No |
| 2.1. | The project application has been submitted within the specified time limit |   |   |
| 2.2. | The project application form has been fully completed and it has been signed by the official or authorised person of the project applicant |   |   |
| 2.3. | The project application is accompanied by all the required documents |   |   |
| 2.4. | The requirements laid down for the presentation of the project application and the mode of submission have been complied with |   |   |
| 2.5. | The project does not mee the conditions referred to in Paragraph 22 of the Regulation, if applicable |   |   |
| 2.6. | If the aid is granted in accordance with Commission Regulation No 651/2014, the project application conforms to all the criteria of the abovementioned Regulation which are included in this Regulation |   |   |
| 2.7. | If the aid is granted in accordance with Commission Regulation No 2023/2831, the project application conforms to all criteria of the abovementioned Regulation which are included in this Regulation |   |   |

**Annex 2**

Cabinet Regulation No. 99

11 February 2025

[*10 June 2025*]

**Project Application Evaluation Criteria1**

|  |  |  |
| --- | --- | --- |
| No. | Criterion | Number of points |
| **Organisation of the Grand Event in Latvia**(maximum number of points is 60 points, the minimum number of points to be obtained is 20 points) |
| **1.** | **Amounts of the ratio of the value added tax revenues from the estimated number of tickets sold to foreign visitors and revenues from foreign visitors to the requested co-funding (%)** | The minimum number of points to be obtained in this criterion is 10 points |
| 1.1. | 60.00 % and above | 30 |
| 1.2. | starting from 55.00 % but below 60.00 % | 20 |
| 1.3. | starting from 50.00 % but below 55.00 % | 10 |
| 1.4. | less than 50.00 % | 0 |
| **2.** | **Duration of the grand event** | The minimum number of points to be obtained in this criterion is 5 points |
| 2.1. | four days and longer | 15 |
| 2.2. | three days | 10 |
| 2.3. | one or two days | 5 |
| **3.** | **Provisional number of foreign visitors who spend at least two nights in Latvian tourist accommodations or short-term rent accommodations** | The minimum number of points to be obtained in this criterion is 5 points |
| 3.1. | 10 000 and above | 15 |
| 3.2. | 5001 to 9999 | 10 |
| 3.3. | 5000 | 5 |
| 3.4. | below 5000 | 0 |
| **Production of Foreign Films in Latvia**(maximum number of points is 60 points, the minimum number of points to be obtained is 20 points) |
| **4.** | **Amounts of the value added tax revenues from the provisionally planned eligible costs to the requested co-funding (%)** | The minimum number of points to be obtained in this criterion is 10 points |
| 4.1. | 60.00 % and above | 30 |
| 4.2. | starting from 55.00 % but below 60.00 % | 20 |
| 4.3. | starting from 50.00 % but below 55.00 % | 10 |
| 4.4. | less than 50.00 % | 0 |
| **5.** | **Using services and professionals of the Latvian film sector** | The minimum number of points to be obtained in this criterion is 10 points |
| 5.1. | The citizen or permanent resident of Latvia is any of the listed specialists:* director of a film;
* lead actor in a film;
* scriptwriter of a film;
* director of photography of a film;
* production designer;
* film composer.
 | 2 points (for each specialist)Total points under the criterion do not exceed 4 |
| 5.2. | The citizen or permanent resident of Latvia is any of the listed specialists:* lead camera operator of the second production crew of a film;
* assistant production designer or set designer of a film;
* make-up artist of a film;
* costume designer of a film;
* first assistant director of a film;
* first assistant camera of a film (focus puller);
* lighting technician of a film;
* sound recordist of a film;
* set designer;
* key grip;
* chief sound director;
* assistant to the chief sound director;
* dialogue editor;
* rerecording engineer;
* synchronous noise engineer;
* Foley engineer;
* sound effects engineer;
* sound designer;
* music mixing engineer;
* mix engineer;
* music curator;
* quality control engineer;
* post-production administrator;
* editing director;
* assistant to the editing director;
* colour correction specialist;
* visual effects director;
* motion graphics designer;
* digital imaging technician;
* visual effects artist;
* post-production technician
 | 2 points (for each specialist)Total points under the criterion do not exceed 8 |
| 5.3. | During film production or post-production, contracts are concluded with an undertaking registered in Latvia for:* the lease or use of filmmaking gear or image processing equipment;
* the lease or use of lighting equipment;
* the lease or use of sound equipment;
* the sound or music recording of a film in Latvia;
* the post-production of the sound or music recording of a film in Latvia;
* the lease or use of camera track systems (grip techniques);
* the lease or use of filmset equipment;
* the making of special effects of a film in Latvia
 | 2 points (for each specialist)Total points under the criterion do not exceed 8 |
| **6.** | **Project distribution potential** |  |
| 6.1. | the film distribution plan has been approved by a written confirmation of a streaming platform or several foreign broadcasters or distributors | 10 |
| 6.2. | the film distribution plan has been approved by a written confirmation of at least one foreign broadcaster or distributor | 5 |
| 6.3. | the film distribution plan has not been approved or there are grounds to believe that it is not approved | 0 |

1If the number of points obtained is the same, the aid shall be granted on a priority basis to that project applicant who has indicated the greater ratio of value added tax revenue to co-funding.