Republic of Latvia

Cabinet

Regulation No. 495

Adopted on 28 June 2011

**Regulations Regarding Methodology by Which the National Film Centre shall Calculate the Fee for the Use of Films the Copyrights and Related Rights of Which are Owned by or Under the Jurisdiction of the State**

*Issued pursuant to*

*Section 5, Paragraph two of the Film Law*

1. The Regulation prescribes the methodology by which the National Film Centre (hereinafter – the Centre) shall calculate the fee for the use of films the copyrights and related rights of which are owned by or under the jurisdiction of the State.

2. The following terms are used in this Regulation:

2.1. use of a film – use of a film for any purpose if the user of the film needs to receive consent from the copyright or related rights object in accordance with the Copyright Law;

2.2. user of a film – a private person or derived public person who has submitted an application to the National Film Centre for the use of a film.

3. Fee shall be set for the following:

3.1. public performance (demonstration) in cinemas, festivals and other similar places;

3.2. broadcasting of a film in the electronic mass media;

3.3. reproduction of a film (copying) for sale or non-commercial distribution;

3.4. communication of a film to the public by making it available online;

3.5. communication of a film to the public by including clips of this film in a new work.

4. Fee for the issuing of the licence for the use of a film shall include all costs of the Centre in relation to the administration of the copyright or related rights to a film owned by or under the jurisdiction of the State. Fee for the issuing of the licence for the use of a film shall be calculated by using the following formula:

M = ((Tizm + Nizm)/Vsk) x k (where applicable), where

M – rate for one unit of one type of paid service provided;

Tizm – direct costs or costs which are directly attributable to the provision of a paid service and which are calculated in accordance with Paragraph 5 of this Regulation;

Nizm – indirect costs or costs which are not directly attributable to the issuing of licences for the use of films and which are calculated in accordance with Paragraph 6 of this Regulation:

Vsk – the planned number of units of a paid service within a specific period;

K – the coefficient referred to in Paragraph 8 of this Regulation, where applicable.

5. The Centre shall include the following in direct costs:

5.1. costs of the purchase and restoration of film materials by calculating the average annual amount of financial means used over the last three years for the purchase and restoration of film materials and dividing it by the number of purchased and restored films (these costs shall not be included when calculating the fee for public performance (demonstration) of films in cinemas, festivals and other similar places, and communication of a film to the public by including clips of this film in a new work);

5.2. direct costs of work remuneration by taking into account the number of the engaged employees of the Centre and working time they have spent on the administration of copyrights and related rights, and the mandatory State social insurance contributions associated with such remuneration;

5.3. costs of the consumables and other equipment necessary for the storage and use of films (low value equipment).

6. The Centre shall include the following in indirect costs:

6.1. remuneration of the head of the Centre and the mandatory State social insurance contributions associated with such remuneration by applying the coefficient 0.1;

6.2. fee for the lease of the premises used for the storage of films and utility charges;

6.3. annual amount of depreciation of those fixed assets which are used or planned to be used for the administration of the copyrights or related rights owned by the State.

7. In order to calculate the fee for the use of a film, the Centre shall develop calculation of the paid service rate for each type of film use.

8. The Centre shall set a differentiated fee for the use of a film by applying a relevant coefficient in the following cases:

8.1. for the use of a film for public performance (demonstration) in cinemas, festivals and other similar places without an entry fee – the coefficient 0.3;

8.2. for the use of a short feature film (length of the film up to 65 minutes) – the coefficient 0.5;

8.2. for the use of a short animated film (length of the film up to 65 minutes) – the coefficient 0.2.

9. If such film is being used to which the State owns both the copyright and related rights, the fee for the use of the film shall be set in unified manner for the use of copyright or related rights.

10. The Regulation shall come into force on 1 July 2011.

Prime Minister V. Dombrovskis

Minister for Culture S. Ēlerte