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EFTA SURVEILLANCE AUTHORITY

Ministry of Industries and Innovation
Skúlagata 4
101 Reykjavík
Iceland

Subject: Proposed prolongation of the support scheme relating to temporary reimbursement in respect of filmmaking in Iceland

1 Procedure

By letter received by the EFTA Surveillance Authority ("the Authority") 22 September 2016,[1] the Icelandic authorities pre-notified a proposed prolongation of the support scheme relating to temporary reimbursements in respect of filmmaking in Iceland ("the scheme").[2]

On 5 October 2016, the Authority asked whether the scheme could be exempt from the notification obligation on the basis of Article 54 of the GBER,[3] on aid schemes for audiovisual works.[4]

By letter dated 23 February 2017,[5] the Icelandic authorities informed the Authority that the Ministry of Industries and Innovation had examined whether the GBER could be applicable to the scheme as laid down in Act No. 43/1999, including the amendments thereto in Act No. 58/2016 adopted by the Icelandic Parliament on 10 June 2016.[6] Due to the interests at stake, the Icelandic authorities further requested assistance from the Authority to confirm the correct application of the GBER in the case.

On 10 March 2017, the Authority met with the Icelandic authorities to discuss the application of the GBER to the scheme. On 14 March 2017, the Icelandic authorities sent further information to the Authority.[7]

On 22 March 2017, the Authority requested further information from the Icelandic authorities.[8] The Icelandic authorities provided the requested information with emails on 23 March 2017 and 1 June 2017.[9]

[1] Document No 819491.
[2] The Authority approved the prolongation of the scheme until 31 December 2016 by Decision No 262/12/COL of 4 July 2012.
[3] 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 (OJ L 187, 26.6.2014, p. 1), referred to at point 1j of Annex XV to the EEA Agreement, see Joint Committee Decision No 152/2014, published in OJ L 342, 27.11.2014, p. 63 and EEA Supplement No 71, 27.11.2014, p. 63.
[4] Document No. 823284.
[5] Documents No 847501 and 847502.
[6] Regulation No 622/2012 on Temporary Reimbursements in Respect of film making in Iceland, further sets out the conditions for grants under the scheme.
[7] Document No 847538 and 847539.
[8] Document No 849265.
[9] Document No 849691 and 864436.

2 Compatibility

State aid that fulfils all the conditions laid down in the GBER, both general and specific to the relevant categories of aid, is exempted from the notification obligation laid down in Article 1(3) of Part I of Protocol 3 to the Surveillance and Court Agreement.

In principle, the Authority does not carry out assessments of compatibility of certain measures under the GBER. Nor does it have a procedure in place to do so. However, CSA considers that it is important to assist the EEA EFTA States with an informal interpretation guidance on specific issues which arise when applying the GBER to different state aid measures.

In the light of this, CSA has reviewed the scheme for temporary reimbursements for film making in Iceland in light of the relevant conditions set forth in the GBER. The Icelandic authorities have provided CSA with information on how the legislation and relevant regulation will be applied and interpreted in light of the conditions set out in the GBER. In particular, the Icelandic authorities explained how the cumulation and aid intensity requirements will be dealt with under the scheme. Based on the information provided by the Icelandic authorities, it appears that the conditions set out in the GBER are fulfilled by the scheme in question.

As the Icelandic authorities have informed the Authority that they will apply the GBER to the measure, this letter concludes the pre-notification contacts in the case at hand in accordance with paragraph 16 of the Authority's Guidelines on Best Practice for the conduct of state aid control procedures.[10] It represents CSA's informal preliminary assessment, and it is as such not binding on the Authority.

Yours faithfully,

Gjermund Mathisen
Director
Competition and State Aid Directorate

This document has been electronically signed by Gjermund Mathisen.

[10] Available at: http://www.eftasurv.int/media/state-aid-guidelines/Part-II---Guidelines-on-Best-Practice-for-the-conduct-of-state-aid-control-procedures-DOC.pdf