

AUDIOVISUAL FUND

A PUBLIC INSTITUTION FOR THE SUPPORT AND DEVELOPMENT OF AUDIOVISUAL CULTURE AND INDUSTRY
IN THE SLOVAK REPUBLIC

STATUTE OF THE AUDIOVISUAL FUND

BRATISLAVA, JULY 2009

Article 1

Introductory enactments

- (1) The Audiovisual Fund (hereinafter only "Fund") is established by the Act No. 516/2008 Coll. on the Audiovisual Fund and the amendment of certain acts (hereinafter only „act“).
- (2) The Fund is established in public interest as a public institution for the support and development of audiovisual culture and industry.
- (3) The Fund is a legal entity. The seat of the Fund is Grösslingová 53, 811 09 Bratislava.
- (4) The identification no. of the Fund is 42 169 330.
- (5) The name of the Fund in English language is „Slovak Audiovisual Fund“.
- (6) The statute of the Audiovisual Fund (hereinafter only „statute“) is a basic internal regulation of the Fund, administering the details regarding the activity and governing of the Fund and establishes further internal regulations of the Fund.

Article 2

The mission of the Fund

- (1) The basic mission of the Fund is to create conditions for a sustainable development of audiovisual culture and audiovisual industry in Slovakia by granting financial means mainly for the creation, production, presentation and public broadcasting of Slovak audiovisual works and the restoration and advancement of technological basis for the production and broadcasting of audiovisual works in the Slovak Republic.
- (2) The mission of the Fund is also to
- a) fulfil strategic aims and long term conceptions of the development of audiovisual culture and audiovisual industry in Slovakia, approved by the Ministry of Culture of the Slovak Republic (hereinafter only "Ministry"),
 - b) contribute to the realization of cultural policies of the Slovak Republic and the European Union in the field of audiovisual culture and audiovisual industry,
 - c) suggest actions for the support and development of audiovisual culture and audiovisual industry,
 - d) support the development of artistic creativity in the field of audiovisual culture and support sustainable development of the corporate environment within the audiovisual field in the Slovak Republic,
 - e) support the development and use of new technologies in the field of audiovisual culture and audiovisual industry in the Slovak Republic,
 - f) initiate the development of international collaboration in the field of audiovisual culture and audiovisual industry with the emphasis on co-production of audiovisual works and the spreading of audiovisual works on an international level,
 - g) support the upbringing, education and research within audiovisual culture and specifically the approach of the younger generation to the audiovisual heritage of the Slovak Republic,
 - h) ensure equal access to financial means of the Fund intended for the support and development of the audiovisual culture and audiovisual industry, the transparency of granting financial support from the Fund and a periodic evaluation of the effectiveness of use of the Fund's financial means
 - i) maintain records and statistics in the field of the Fund's activity,
 - j) develop the cultural identity of the inhabitants of the Slovak Republic,

Article 3

Activity of the Fund

- (1) The activities of the Fund are defined by section 2 of the Act.
- (2) The Fund administers its activities on the territory of the Slovak Republic and in relation to other countries.

(3) The activity of the Fund conforms mainly to these legal enactments:

- a) Act No. 516/2008 Coll. on the Audiovisual Fund and the amendment of certain acts,
- b) Act No. 343/2007 Coll. on the conditions of registration, public distribution and preservation of audiovisual works, multimedia works and sound recordings of artistic performances and the amendment of certain acts (the Audiovisual Act),
- c) Act No. 176/2004 Coll. on the disposal of the property of public institutions and the amendment of Act No. 259/1993 Coll. on the Slovak Forestry Chamber as amended by Act No. 464/2002 Coll. and Act No. 581/2004 Coll.,
- d) Act No. 523/2004 Coll. on the budgetary regulation of public administration and the amendment of certain acts,
- e) Act No. 231/1999 Coll. on state aid as amended by later regulations,
- f) Act No. 552/2003 Coll. on execution of work in public interest as amended by later regulations,
- g) Act No. 431/2002 Coll. on accounting as amended by later regulations,
- h) Act No. 211/2000 Coll. on free access to information and on the amendment of certain acts (Freedom of Information Act) as amended by later regulations,
- i) Council Regulation (EC) No 659/1999 of 22 March 1999 laying down detailed rules for the application of Article 93 of the EC Treaty (OJ 1999 L 83, p. 22.3.1999),
- j) Commission Regulation (EC) No 1998/2006 from the 15th of December 2006 on the application of Articles 87 and 88 of the Treaty to de minimis aid (OJ L 379, 15.12.2006),
- k) European convention on cinematographic co-production (statement of the Ministry of Foreign Affairs of the Slovak Republic No. 106/2007 Coll.).

(4) Apart from the status, the details of the activity of the Fund are regulated mainly by

- a) principles, methodology and criteria for evaluation of applications for grants from the Fund (hereinafter only "principles of evaluation"); within the principles of evaluation, the criteria of complexity of the audiovisual work for granting financing pursuant to section 18 (8) of the act shall also be set,
- b) principles and priorities of granting of financial means from the Fund; within the principles of granting financial means from the Fund, the amount of co-financing for the relevant period shall also be set pursuant to section 18 (10) of the act,
- c) principles of the Fund's economic management,
- d) standing order of the board,
- e) standing order of the supervisory committee,
- f) organizational and standing orders of the expert committees,
- g) organizational, competency and working order of the office,
- h) methodical guidelines for the submission of applications for granting financial means from the Fund (hereinafter only "application"),
- i) methodical guidelines for submitting applications for granting a co-production status pursuant to section 32 of the act,
- j) methodical guidelines for accessing information pursuant to special regulations,¹⁾
- k) guideline concerning the processing of complaints.
- l) structure of the support activity of the Fund, which defines principles of fulfilling public service in the field of support and development of audiovisual culture and audiovisual industry,
- m) executive regulation on the structure of the support activity of the Fund,
- n) competency and organizational order of the Fund.

(5) Internal regulations of the Fund pursuant to subsection 4 have to be in accordance with the rules for granting state aid, pursuant to special regulations.²⁾ The accordance with the rules for granting state aid, in regard to the previous sentence, is provided by the board through approving of the state aid scheme, elaborated by the office, submitted by the director.

Article 4 **Bodies of the Fund**

(1) Pursuant to section 3, the bodies of the Fund are

- a) the board,

- b) the supervisory committee,
- c) the director.

(2) Members of the Fund's bodies are bound act impartially in the performance of their function and refrain from actions that would prioritize a personal interest above the public interest.

Article 5

The Board

(1) The board has nine members who are appointed and recalled by the minister of culture of the Slovak Republic, pursuant to section 5 of the act. The term of office of a board member is six years. Pursuant to section 4 (1), the board is a statutory body of the fund, acts on its behalf and decides on all matters relating to the Fund, unless they are reserved for the competence of the director or the supervisory committee. The board approves internal regulations of the Fund, pursuant to article 3, section 4 (a) to (c) and (f) to (n).

(2) The board is the supreme body of the Fund, it accounts for implementing activities of the Fund assigned by law. In regard to the granting of financial means of the fund with the aim of support and development of audiovisual culture and audiovisual industry in Slovakia, the board:

a) yearly, until the 31st of July, publishes principles and priorities of the support activity of the Fund for the given time period, in the form of an obligatory structure of support activity of the Fund, which specifies

1. the number of expert committees created for the given calendar year and their specific focus of activity,
2. the amount of the mandatory co-financing by the applicant, pursuant to section 18 (10) of the act, valid for the given period,
3. the principles and priorities of the support activity of the Fund for a given period,
4. the commission of the reallocation of the expected financial means of the Fund for the given calendar year, according to which these will be reallocated for the needs of the individual expert committees,

b) regularly takes note of information from the director of the Fund on the allocation of financial means from the Fund,

c) if the board finds out that the principles and priorities for the support activity of the Fund have been asserted insufficiently, the board may pass a resolution requesting the director to render the decision null, pursuant to the section 18 (11) of the act,

d) before concluding a contract on the granting of financial means, the chairman or vice-chairman of the board shall sign the draft of the contract, whereby he certifies the due exercise of the principles and priorities for the support activity of the Fund; without the signature of the chairman or the vice-chairman of the board, the director is not authorized to advance the contract to the applicant for signing.

(3) The board is the appellate body for the ruling of enabling access to information, pursuant to special regulations.¹⁾

(4) The status, competence and assembling of the board, the conditions of membership, and the basic rules of its meetings are set by law.

(5) The assembling of the board is set in section 5 (1) of the act, so that the members of the board ensure a balanced representation of persons active in the field of audiovisual culture and audiovisual industry in the Slovak Republic.

(6) The assembling of the board and the membership in the board are binding. Every member of the board is bound to comply and defend the law and obey the internal regulations of the Fund.

(7) The board carries on the work at the meetings of the board, which is held at least once every calendar month. The board decides in the form of resolutions. The meeting of the board follows the law, the statute and the standing order of the board.

(8) The board fulfils its duties in accordance with the law. The board also has the status of an organ, through which the right of the public to control the activities of the Fund is asserted, via public meetings of the board.

(9) If needed, the board may order the elaboration of an expert opinion on questions discussed and co-opt the executor of such opinion, without a right of vote, on the board's meeting.

(10) In the time between the meetings of the board, the chairman and the vice-chairman of the board act on its behalf. The chairman or the vice-chairman are allowed to act independently on behalf of the Fund.

(11) The chairman or vice-chairman acts on behalf of the Fund within the jurisdiction set by the law and the statute of the Fund and by course of the resolutions of the board. The chairman and vice-chairman inform the board about their actions on behalf of the Fund. For the exercising of their functions, the chairman and vice-chairman are accountable to the board.

(12) The vice-chairman of the board exercises the function of the chairman of the board

- a) in the time of the chairman's absence,
- b) if the board does not have an elected chairman.

(13) The chairman of the board is obliged to inform the board about his absence or other circumstance, which prevents him from exercising his function for a period of more than one calendar month continuously. The chairman of the board is obliged to inform the board about his absence or other circumstance, which prevents him from exercising his function for a period of less than one calendar month continuously, but more than five workdays.

(14) If, due to the absence of the chairman during a calendar month, the function of the chairman is exercised by the vice-chairman, the bonus for the administration of the function of the chairman of the board (section 5 (13) of the act) belongs to the vice-chairman of the board, in an aliquot sum calculated in regard to the number of days of administration of the function of the chairman of the board by the vice-chairman of the board in the given calendar month.

(15) Details on the meeting of the board are subject to the standing order of the board, approved by the board.

Article 6

The Supervisory Committee

(1) The supervisory committee is an autonomous control body of the fund, mainly monitoring the execution of the Fund's activities, pursuant to the respective applicable legal enactments as well as internal regulations of the Fund; exercising regular inspection of proper and effective managing of the Fund, an appropriate allocation of the Fund's resources, and the manipulation of the Fund's assets. The supervisory committee signs the internal regulation of the fund, pursuant to article 3, section 4 (e).

(2) The competence of the supervisory committee, its constitution and the conditions of membership in the supervisory committee are assigned by law.

(3) The activity of the supervisory committee is governed by its chairman, elected by the supervisory committee.

(4) The meeting of the supervisory committee is held at least once a calendar month and always when at least one member of the supervisory committee asks for a meeting. The supervisory committee decides in the form of regulations, which are a part of the minutes taken from every meeting of the supervisory committee. The materials from the meeting of the supervisory board shall be made available to the public not later than five days after the meeting, on the website of the Fund.

(5) The supervisory committee shall discuss any material or incentive, if the board asks for it via its resolution.

(6) Based on the written request of the director, the supervisory committee takes a stand only to materials or incentives regarding a proper and effective managing of the Fund, appropriate allocation of the Fund's resources and manipulation of the Fund's assets. The chairman of the supervisory committee informs the board about the supervisory committee's stand, in regard to the previous sentence.

(7) In the time between the meetings of the board, the chairman of the board acts on its behalf.

(8) The members of the supervisory committee are entitled to access all accounting, economic, financial and other documents related to the managing and manipulation of the Fund's assets, as well as access to all contracts signed by the Fund. The body of the Fund is bound to provide such documents without undue delay.

(9) The members of the supervisory committee are bound to secrecy about the facts that they have gathered during their activity. Secrecy does not apply to findings of the supervisory committee, which the supervisory committee is bound to report on to the board or the director, or the control bodies, pursuant to special regulations 3).

(10) Members of the supervisory committee are authorized to take part on meetings of the board without the right of vote. A member of the supervisory committee is obliged to take part on the meetings of the board, if the chairman of the board asks for it beforehand, based on the request of at least three members of the board.

(11) Other details regarding the meeting of the supervisory committee are subject to its standing order, approved by the supervisory committee.

Article 7

The director

(1) The director is the executive body of the Fund, who directs its activity and acts on its behalf within the mandate granted to him by the board. In his or her absence, the director shall be deputised in the extent of his or her powers and responsibilities by a deputy selected by the director, who is an employee of the office of the Fund.

The director submits internal regulations to the board for approval, pursuant to article 3, section 4, subsection a) to c) and f) to n).

(2) The director decides about all matters within the competence of the Fund that are not reserved by law for exclusive competence of the board or supervisory committee. The competence of the director is defined by law and deputed by the board. The director decides on

- a) granting of financial means by the Fund pursuant to section 18 (11),
- b) granting of co-production status pursuant to section 32,
- c) legal acts against the employees of the Fund,
- d) legal acts against persons, who pay allowance to the Fund, pursuant to section 24 to 28,
- e) legal acts against the applicants for granting financial means of the Fund and legal acts against the accepters of financial means of the Fund,
- f) providing information pursuant to special regulation,¹⁾
- g) other matters related to the activity of the Fund within the extent delegated by the board.

(3) The director accounts to the board mainly for

- a) realization of the activity of the Fund within the scope of rights and liabilities of the director resulting from the law, statute and from the mandate granted by the board,
- b) ensuring the realization of strategic objectives and development conceptions of the Fund in accordance with the decisions of the board,
- c) submitting proposals pursuant to section 13 (2),
- d) management of the Fund and manipulation with the Fund's assets pursuant to special regulations;

the details about the management of the Fund and the manipulation with its assets are defined by the guidelines for management of the Fund, which are approved by the board, based on the proposal of the director,

- e) carrying out tasks resulting from the decisions of the board or decisions of the supervisory committee,
- f) the activity of the office pursuant to section 16.

(4) The director manages the organisational and administrative-technical activities of the Fund and manages the activity of the office and the employees of the Fund, and takes legal actions for them according to specific legal regulations. The director submits evaluation of the Fund's activity to the board for every ended quarter year on the next meeting of the board, or whenever the board binds him to it with its resolution. The evaluation of the Fund's activity contains mainly the summary of activities realized within the support activity of the Fund and summary of activities realized within the other activities of the Fund for the specified period.

(5) The director has the right to attend meetings of the board, the supervisory committee or expert committee without the right of vote. The director shall not take part in deciding on the election or recalling of the director.

(6) The director is being elected and recalled by the board, in accordance with specific regulations of the law, the statute and the standing order of the board. The Fund makes an employment contract with the director, where the conditions of his function, as well as the authorization to the execution of his activities are specified. If the director breaches provisions of the function specified in the contract according to the previous sentence, the board may recall the director by course of law.

(7) The Fund performs legal actions for the employer towards the director through the chairman of the board.

Article 8

The Office

(1) The office carries out tasks relating to the organizational, personnel, administrative and technical requirements for the performance of the activities of the Fund. The office administers and advances internal regulations of the fund to the director, pursuant to article 3, section 4 a) to c) and f) to n).

(2) The office prepares documents needed for the meeting and deciding process of the board and the director, in regard to their competences, pursuant to section 2, 4 (2) and section 13 (2).

(3) The activity of the office is being managed by the director.

(4) The office administers special activities in regard to reviewing the completeness of submitted applications for financing from the Fund and forwards applications that are complete to the expert committees for evaluation. The office administers the meetings of the expert committees of the Fund on an organizational, administrative and technical level.

(5) The office administers the applications for granting of the co-production status pursuant to section 32 and submits them to the director for decision.

(6) Details on the activity of the office are regulated by the organizational, competence and working order of the office, approved by the board on the proposal of the director.

Article 9

Management of the Fund

(1) The Fund is a legal entity established for non-entrepreneurial purposes.

(2) The Fund manages the income specified in section 23 (1) based on the internal regulations of the Fund, in accordance with the generally applicable legal enactments, requests of the European Community for transparency of financial relations of public authorities and based on the budget of the Fund for the given period, which is the calendar year. The budget of the Fund is approved by the board, based on the proposal of the director and the stance of the supervisory committee.

(3) The income of the fund comprises of the contribution from the state budget, contributions of persons active in the field of audio-vision, pursuant to section 24 to 28 and the Fund's own income. The contribution from state budget is granted based on a contract with the ministry, signed anew every year. After the board approves the proposal of the contract, it is signed by the chairman of the board.

(4) In accordance with the law, the Fund keeps register of the contributors, pursuant to section 24 to 28, and lays claim for allowance.

(5) The Fund is obliged to use 95% of its total income for the support activity pursuant to this act. The Fund may use at most 5% of its total income for its own operation. The Fund is responsible for correct and appropriate management of its income and assets.

(6) The Fund keeps accounts in the system of double-entry accounting pursuant to special regulations⁴⁾ and in accordance with the Slovak accounting standards, applicable for accounting units whose main area of activity is not entrepreneurship (a non-profit organization). The Fund keeps accounts in such way that a clear differentiation of expenses or earnings related to the support activity or operating expenses is possible. The method of differentiating expenses or earnings shall be set by internal regulations of the Fund.

(7) The director is responsible for the keeping of accounts. The balance of accounts and the accord of the annual report with the balance of accounts is approved by the board, on proposal of the director and based on the stance of the supervisory committee.

(8) Details of the management and incomes of the Fund are regulated by the guidelines of Fund management.

Article 10

Expert committees

(1) The Fund establishes expert committees to evaluate applications for granting of financial means by the Fund, pursuant to section 17.

(2) Expert committees are an advisory body of the Fund, established for the purpose of professional, transparent and independent evaluation of every application for granting of financial means by the Fund (hereafter only "application").

(3) Expert committees evaluate applications presented to the Fund according to the guidelines of evaluation, approved by the board.

(4) The membership in an expert committee is regulated by section 17 of the act. Members of expert committees are established and recalled by the board, on the proposal of the director. Candidates for members of expert committees (hereinafter only "candidates") can be proposed by persons active in the field of audio-vision and the members of the board. The public appeal for the proposal of candidates is approved by the board. The public announcement of the appeal is provided not later than 7 days before the date scheduled for the proposing of candidates. The office will screen if the candidates fulfil the criteria set in the appeal. The director shall present the proposals of candidates, who fulfil the criteria set in the appeal, to the board for nominating members of expert committees.

(5) Membership in an expert committee terminates

- a) at the end of a term of office, specified in section 17 (2),
- b) on resignation from the function; membership shall end on the date of notice concerning the resignation from the function of the Fund,
- c) on recall from the function,
- d) by death or declaration as dead.

(6) The director shall propose a motion for the recall of a member of an expert committee to the board and the board shall recall the member of the expert committee before the end of his term of office if

- a) he or she breaches the regulation of section 17 (3),
- b) provably breaches the regulation of subsection 13 to 15 of this article,
- c) does not perform the function for at least two consecutive calendar months,
- d) repeatedly does not attend to the activity of the expert committee related to the evaluation of the applications.

(7) The list of expert committees including the list of the members of each expert committee together with their curricula are published on the website of the Fund.

(8) When evaluating the applications, members of the expert committees follow the guidelines and priorities approved by the board in regard to

- a) the mission of the Fund pursuant to section 2,
- b) artistic and creative potential,
- c) the overall contribution for audiovisual culture and audiovisual industry in the Slovak Republic,
- d) justification and adequacy of the requested financial means.

(9) When evaluating each application, the expert committees also take into consideration the financial, producing, realization and technological backing of the project, for which the financial means are being requested.

(10) The evaluations of the applications are presented in written form to the director. It must be unambiguously and clearly stated in the evaluation, whether the expert committee recommends or does not recommend the granting of financial means from the Fund. If the committee recommends granting of financial means, it must also recommend the sum of financial means in accordance with the approved budget of the Fund as well as a basic time frame for the use of the financial means. The director apprises the board with the results of the evaluation. A member of the board has the right to inspect the written evaluation of the expert committees.

(11) If not enacted otherwise, the meetings of the expert committees are public. Minutes shall be taken of every meeting of the expert committee, which are to be published within seven workdays of the meeting of the committee on the website of the Fund. A member of the board, a member of the supervisory committee or a representative employee of the Fund may be present at the meetings; but these persons cannot interfere in the activity of the expert committee.

(12) In regard to the evaluation of the applications for the granting of financial means, expert committees may, in case of need, realize a hearing of the applicants.

(13) Members of the expert committees are bound to secrecy about the facts that they have gathered during their activity as well as the results of the evaluation of the applications.

(14) Members of expert committees are bound to secrecy about the facts that they have gathered during their activity, which are the subject of a trade secret, or which could endanger authorized rights of third parties, mainly applicants.

(15) Members of expert committees are bound to act impartially in the performance of their function and refrain from actions that would prioritize a personal interest above the public interest.

(16) Other details about the activity of the expert committees are subject to the organizational and standing

order of expert committees, approved by the board on proposal of the director of the Fund.

Article 11 **Access to information**

(1) The Fund, as a public institution established by law is an obliged person pursuant to special regulation.¹⁾

(2) The Fund accesses information in a way and extent pursuant to special regulation¹⁾ and the internal regulations of the Fund.

Article 12 **Common regulations**

(1) The Fund provides public availability of the documents through the website of the Fund, which is maintained by the office.

(2) Regulations of the law and other related binding bylaws shall be applied to legal relations not regulated by this statute.

(3) The statute can be changed or amended only in the form of written amendment, approved by the board with a regulation. In need of a change of the statute, a member of the board of the Fund makes a proposal of a change. The change of the statute is effective in the moment of approval by the board, if the board does not assign a later term of effect of this change. After the changes of the statute are in effect, the director shall provide the publishing of the complete and current wording of the statute without undue delay on the website of the Fund.

(4) The statute is accessible to the public in the seat of the Fund and on the website of the Fund; the publishing of the statute, its amendments and the complete wording of the statute is provided by the office.

Article 13 **Effectiveness**

This statute gains effect and legitimacy by the day of its approval by the board.

Bratislava, 20th of July, 2009.

Prof. Patrik Pašš

Chairman of the board of the Audiovisual Fund.

¹) Act no. 211/2000 Coll. on free access to information and on amendments and supplements to certain acts (Freedom of Information Act) as amended.

²) Articles 87 to 89 of the Treaty Establishing the European Community in valid version (Official Journal of the European Communities C 325. 24.12.2002). Act No. 231/1999 Coll. as amended. Council Regulation (EC) No. 659/1999/ES of 22 March 1999 laying down detailed rules for the application of Article 93 of the EC treaty (OJ L 83, 22.3.1999). Commission Regulation (EC) No 1998/2006 of 15 December 2006 on the application of Articles 87 and 88 of the Treaty to de minimis aid OJ L 379, 15.12.2006).

³) E.g. the act of the National Council of the Slovak Republic Act No. 39/1993 Coll. on the Supreme Audit Office of the Slovak Republic as amended, Act No. 440/2000 Coll. on Financial Control Administrations as amended.

⁴) Act No. 431/2002 Coll. on Accounting as amended and on the amendments to certain acts.