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CHINA DRAFTS FILM INDUSTRY PROMOTION LAW

Introduction

The National People's Congress (the NPC) conducted its first-round review of the draft PRC Film Industry Promotion Law (《中華人民共和國電影產業促進法(草案)》)(the Draft FIPL) on 30 October 2015. The Draft FIPL aims to boost China's film industry by, among other things, providing tax incentives, reducing examination procedures and introducing copyright protection for local productions. A draft law is normally reviewed at least three times before it is passed.

The Draft FIPL does not propose any major changes to the regulatory regime as it affects foreigners, who are still prohibited from independently producing or distributing films in China. The proposed changes should however benefit Sino-foreign co-productions.

The following table is an overview of the key provisions of the Draft FIPL.

Key provisions

Subject Matter	Relevant regulations	Article
Examinations and review	Screenplays which the State Administration of Press, Publication, Radio, Film and Television of the PRC (the SARFT) considers not to contain prohibited content under article 22 will be issued a "filming licence in relation to a specific movie" (《電影攝制許可證(單片)》), after which filming can commence.	15, 16
	Production companies that have filmed more than two movies which are subsequently permitted to be shown in cinemas, can apply for a "filming licence" (《電影攝制許可證》). This licence allows filming to commence when the relevant script or screenplay is submitted to the SARFT.	
	Whether a film can pass the review process will be determined by experts.	25

Subject Matter	Relevant regulations	Article
Prohibited content	<p>The list of prohibited contents for films includes ideas that harm national unity and sovereignty, incite ethnic hatred and discrimination, promote cults and superstitions, disrupt social order and undermine social stability, or harm public morality.</p> <p>Compared to the Regulation on the Administration of Movies, two additional types of prohibited content are included in the Draft FIPL, namely: (i) religious related extremism (including the promotion of religious fanaticism and harming religious harmony); and (ii) the corrosion of young minds and infringement of the interests of minors.</p>	22
Applications for general release	Applications for general release should be answered within 30 days after being delivered to the SARFT by the local authorities. Rejected applications will be given the reasons for being turned down.	23
Copyright protection	Copyright protection is ensured by the Government. There must be no recording during a movie screening in a cinema.	5, 39
Enhanced freedom in production	Freedom in the creation of films is ensured and filmmakers are encouraged to produce films that reflect the reality of the people in the country. High quality films with philosophical and artistic ideals are also encouraged.	4
Box office management	Box office sales must not be concealed or wrongly portrayed, and ticketing systems of merged cinemas must be installed according to national standards.	37
Incentives and support from the Government	Special funds will be set up for local film productions.	42
	Tax privileges will be given for the creation, filming, distribution and screening of local movies, transfer of copyright, production of film equipment and related research and development activities, promotional activities overseas of local productions and other activities related to the film industry.	43
Collaboration with overseas filmmakers	Chinese film production houses are encouraged to invest overseas, and work in collaboration with other overseas film production companies.	45

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Hong Kong Office

Dominion Centre

12th Floor

43-59 Queen's Road East

Hong Kong

Tel: + (852) 2905 7888

Fax: + (852) 2854 9596

www.charltonslaw.com