



Understanding production incentives as a policy tool

CONECTA 10

Magaluf *Mallorca*, 26 May 2026

Sophie Valais

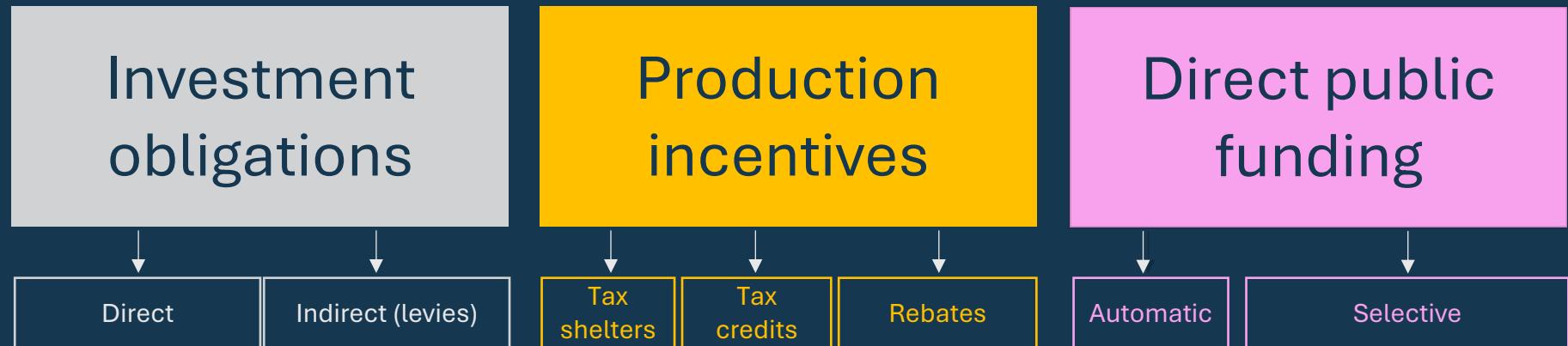
Deputy Head of Department for Legal Information
European Audiovisual Observatory



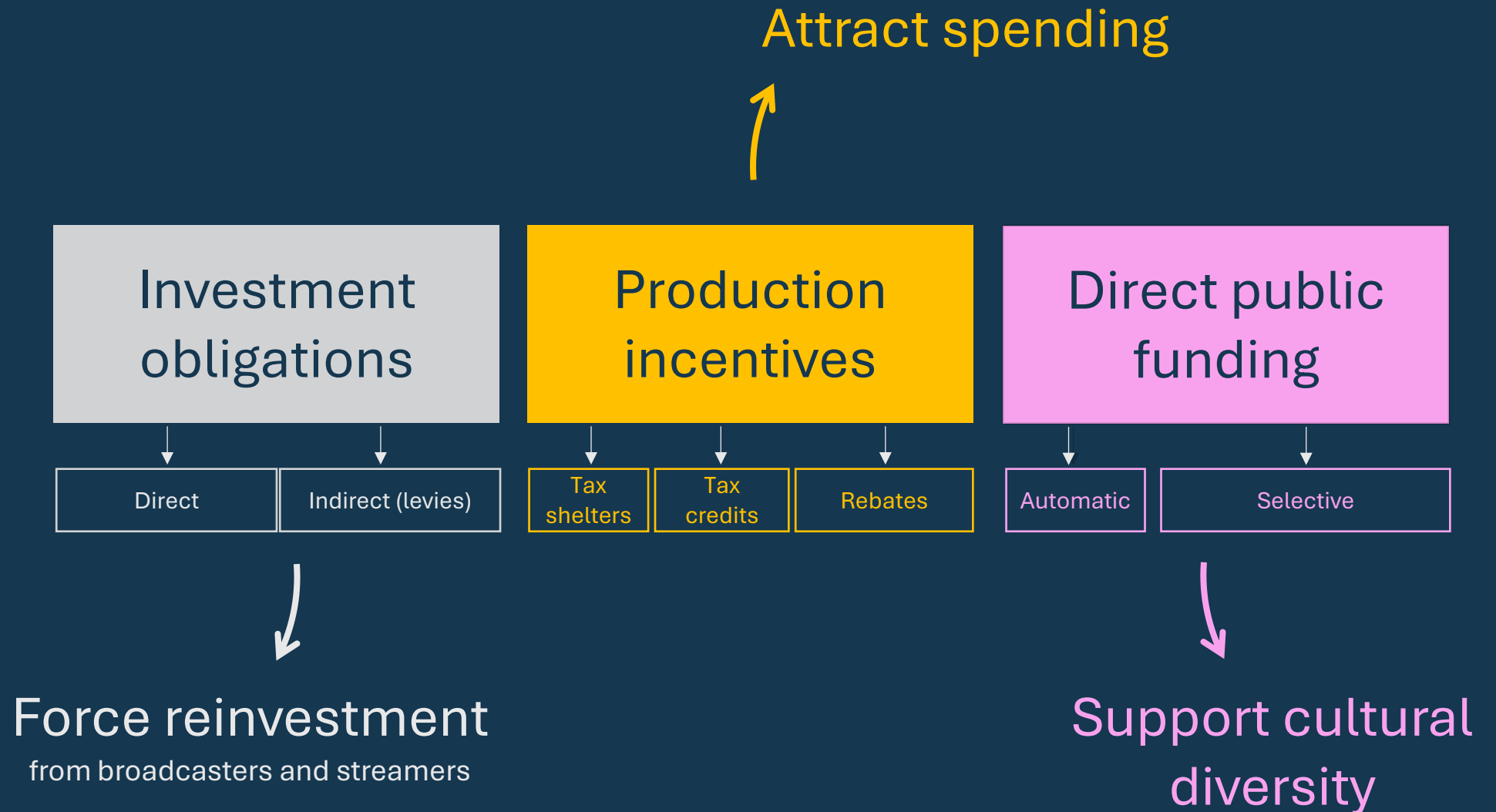
Observatoire européen de l'audiovisuel
European Audiovisual Observatory
Europäische Audiovisuelle Informationsstelle



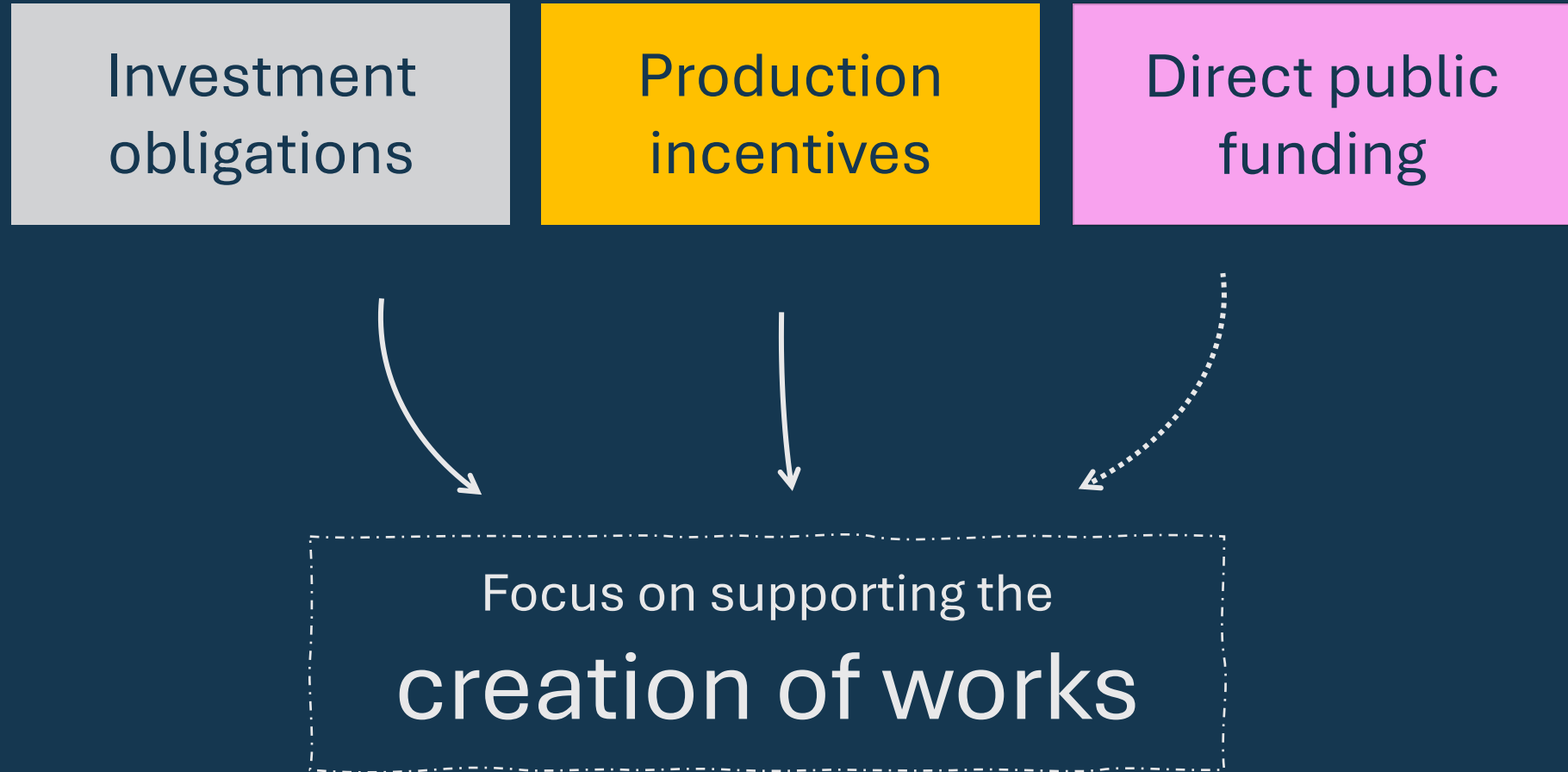
Three main film & audiovisual policy tools ...



... with different purposes...



... but one common characteristic...



Investment
obligations

Production
incentives

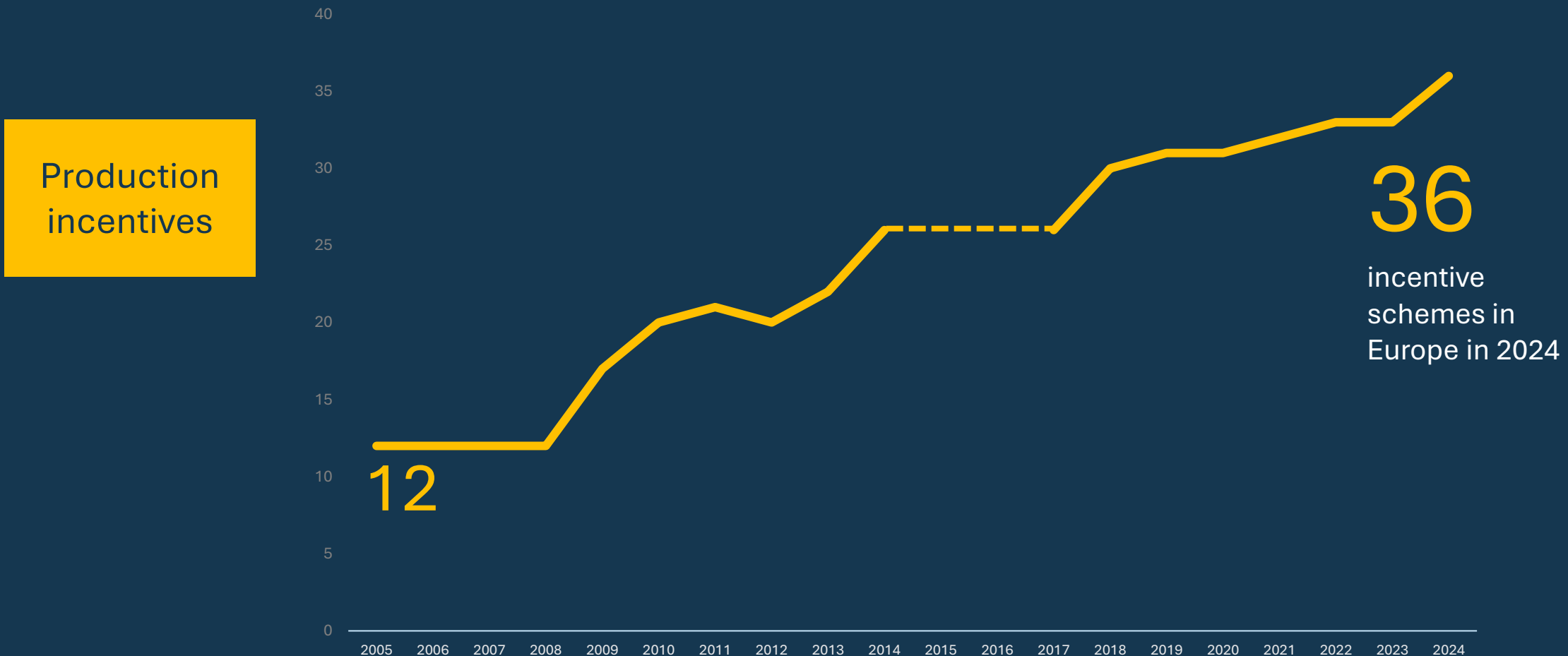
Direct public
funding



game is changing

Increasing number of incentives schemes...

Number of active film and television production incentives schemes in Europe, by year



Related sources:

EAO - Impact analysis of fiscal incentive schemes supporting film and audiovisual production in Europe - December 2014

Olsberg SPI - Incentives White Paper - November 2024

Source: European Audiovisual Observatory, Olsberg SPI

... and still growing...

36

incentive
schemes in
Europe in 2024

Production
incentives

Denmark to launch production rebate in 2026 to attract international film, TV shoots

BY GABRIELLA GEISINGER | 26 NOVEMBER 2024

Independent Film Tax Credit gets official greenlight from UK government

BY MONA TABBARA | 9 OCTOBER 2024

Armenia approves cash rebate program for film production.

Ireland Introduces Europe's First Unscripted Tax Credit



By Jesse Whitlock
January 5, 2025 8:56am

Ukraine launches €50m culture fund, 30% cash rebate for international productions

BY ELLIE CALNAN | 21 NOVEMBER 2025

Swiss cantons Geneva and Neuchatel to launch rebate schemes for filmmakers

BY MARTIN BLANEY | 11 AUGUST 2025

Related sources:

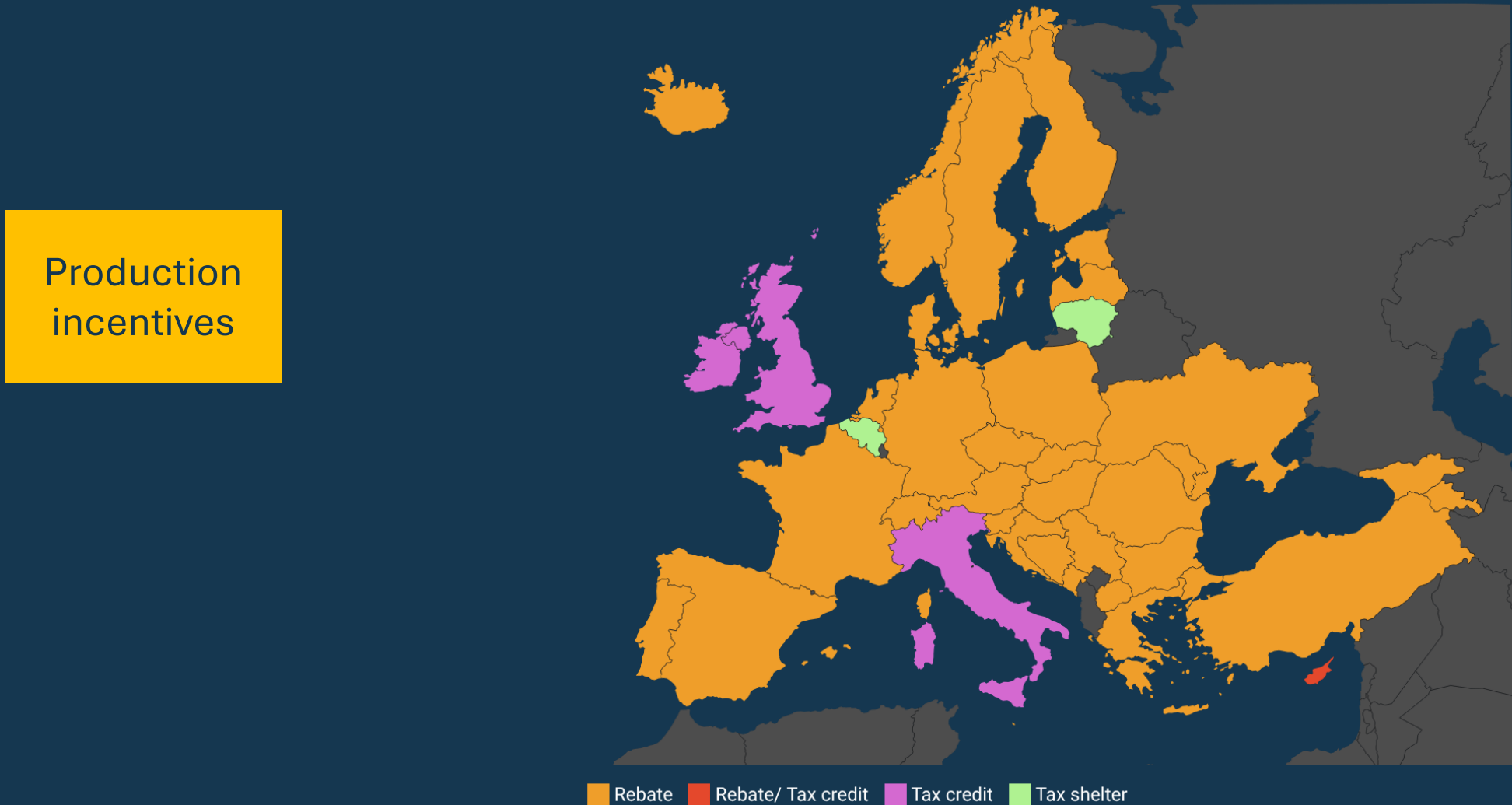
EAO - Impact analysis of fiscal incentive schemes supporting film and audiovisual production in Europe - December 2014

Olsberg SPI - Incentives White Paper - November 2024

Source: European Audiovisual Observatory

... almost every country in Europe has a scheme now...

Incentive schemes active in Europe, by type



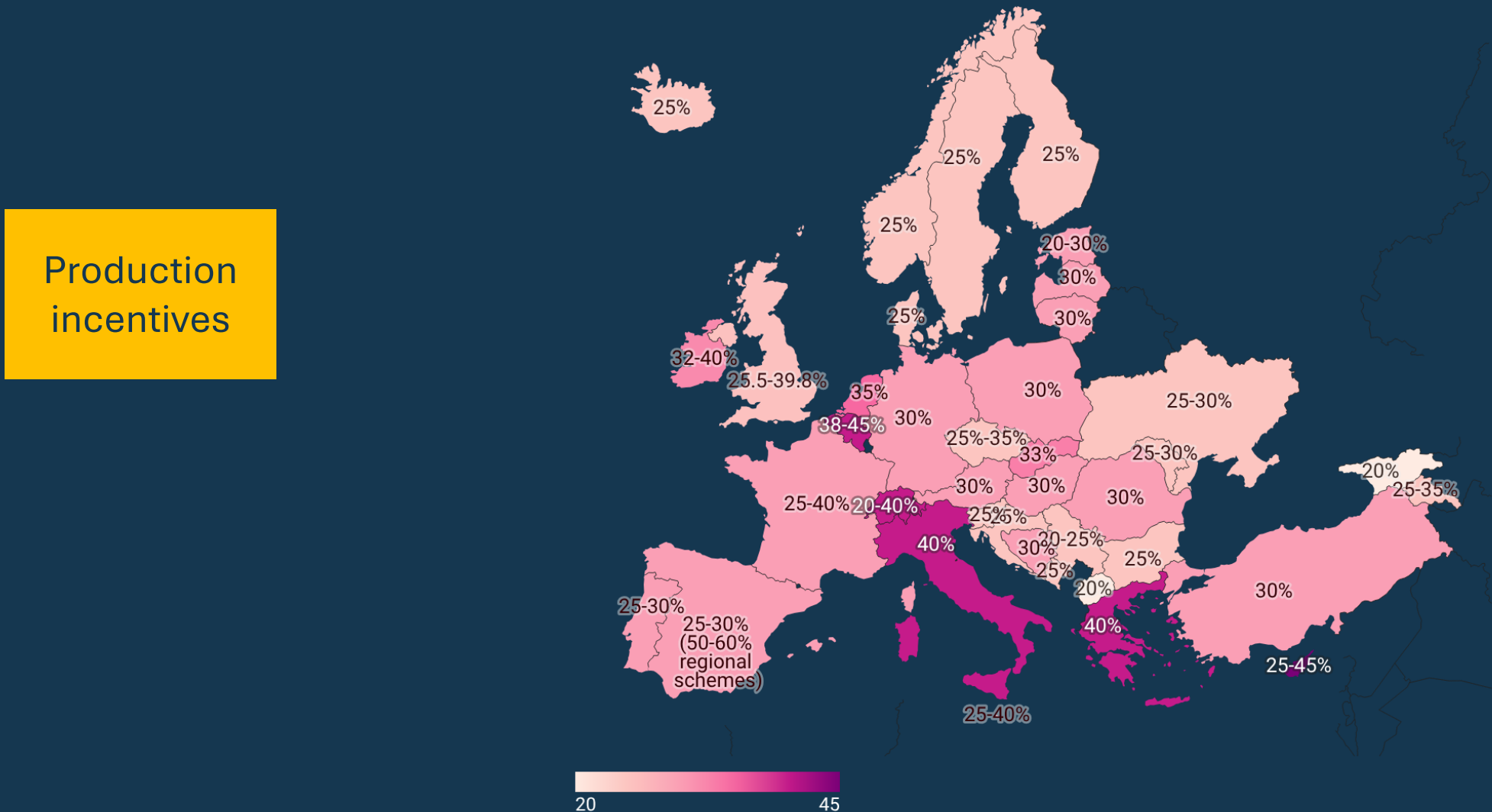
Related sources:

Olsberg SPI – Global
Incentives Index -
November 2025

Source: European Audiovisual Observatory, Olsberg SPI

... with rates ranging between 20% and 45%...

Incentive schemes active in Europe, by rate range

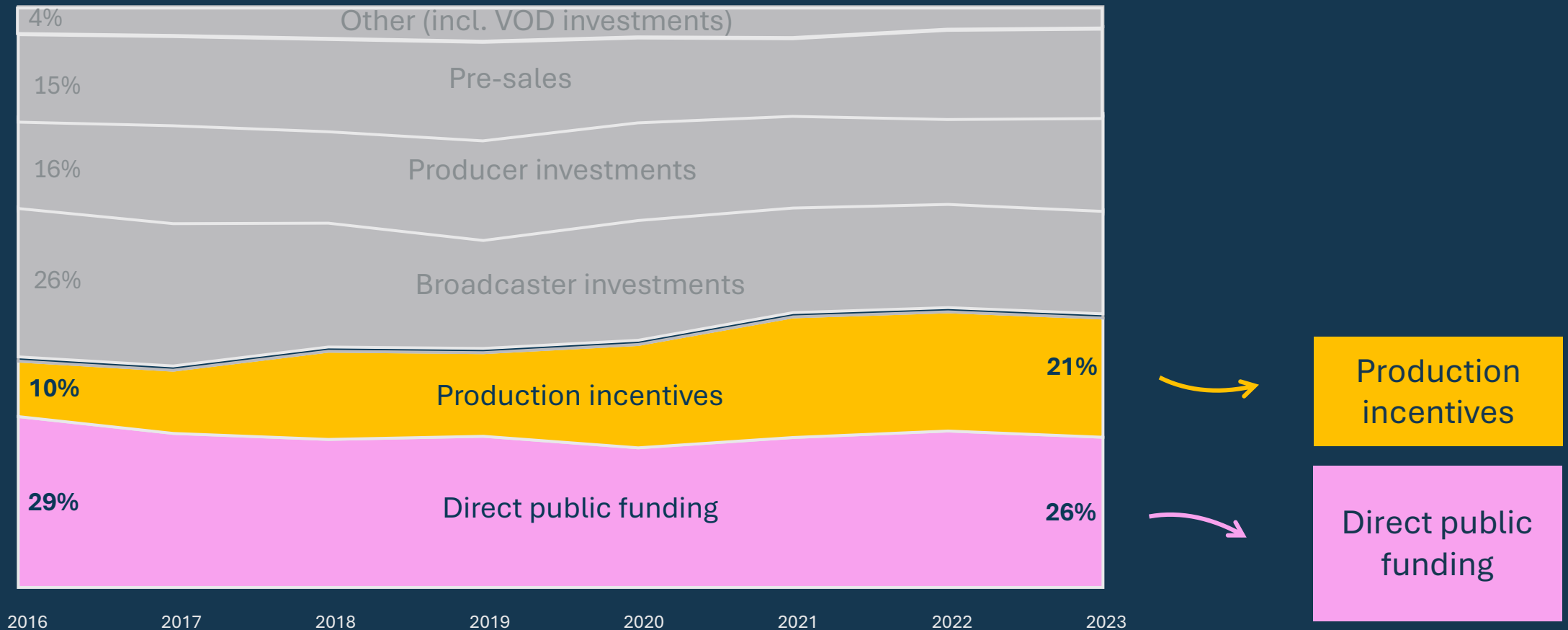


Related sources:

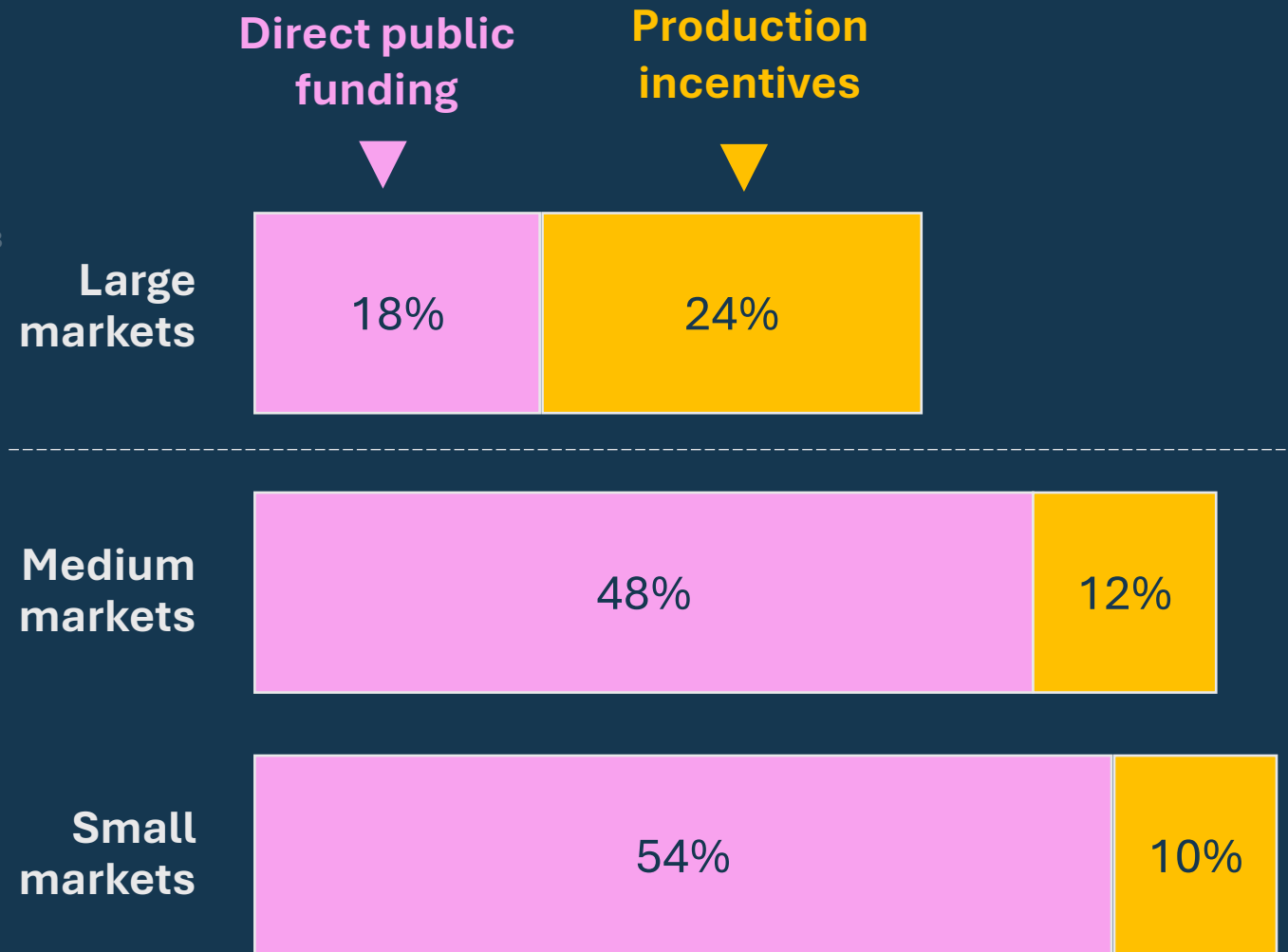
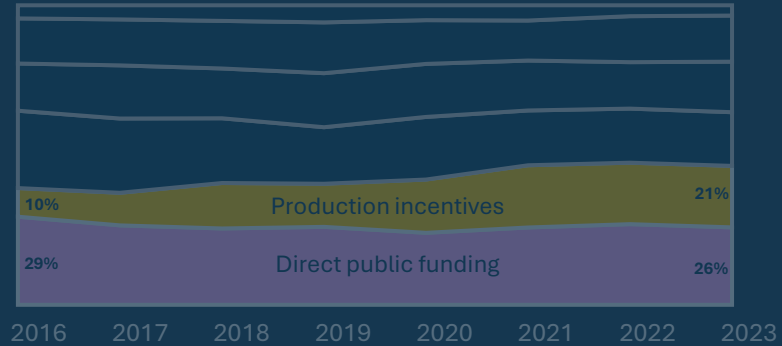
Olsberg SPI – Global
Incentives Index -
November 2025

Source: European Audiovisual Observatory, Olsberg SPI

These trends are also visible in the financing structures of European films...



... with differences according to market size...



What is the rationale behind production incentives ?

DUAL RATIONALE



```
graph TD; A[DUAL RATIONALE] --> B[Cultural promotion: talents, local culture, language]; B --> C[Industrial development: attracting investment, employment, skills development, infrastructure, boosting competitiveness...]; C --> D[NEW TARGETED POLICY OBJECTIVES]; D --> E[Lower-budget production, independent production, attract private capital production, diversity and inclusion, sustainability ..];
```

Cultural promotion: talents, local culture, language

Industrial development: attracting investment, employment, skills development, infrastructure, boosting competitiveness...

NEW TARGETED POLICY OBJECTIVES

Lower-budget production, **independent** production, attract private capital production, **diversity and inclusion, sustainability ..**

Production incentives are states aid, subject to competition rules...

Rule

- Compatibility assessment of State aid under **Art. 107(3)(d) TFEU**
- Four cumulative conditions to qualify as state aid: state resources + selective advantage + distort competition + effect on trade

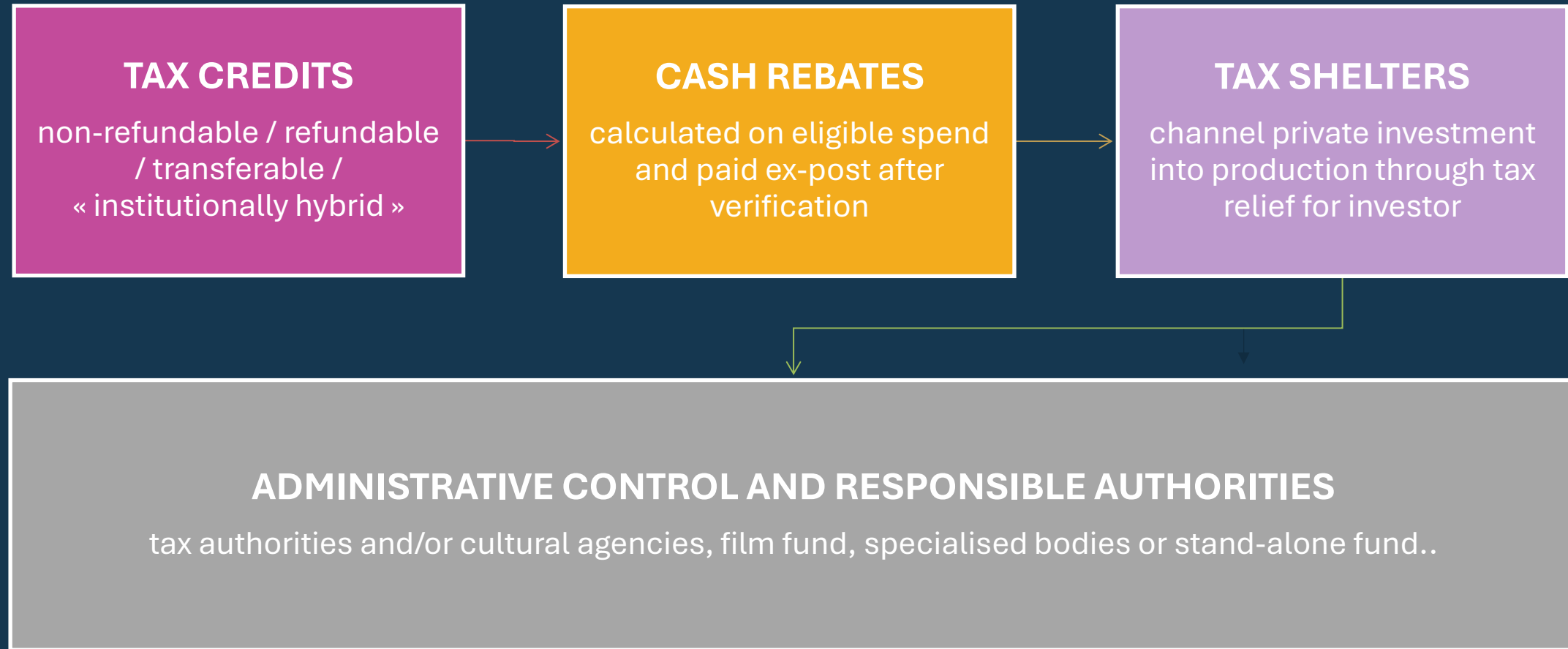
Framework

- Assessed under Communication on state aid for films and other audiovisual works (**Cinema Communication**)
- Ensures that the incentive supports cultural objectives without causing undue distortion of competition.

Exemptions

- **De minimis aid** (<€300 000 / per company / over 3-year period)
- **General Block Exemption Regulation** (GBER) for certain cultural / heritage support

Different types of production incentives...



Key design parameters and policy goals

Thresholds, caps, minimum spend

High: attract large international shoots (e.g. CZ 25–35% rebate)

Low: support domestic/lower-budget works (e.g. IE enhanced tax credit for lower-budget films)

Caps on project/per-work tax credits (e.g. IT)

Higher rates for green productions (e.g. PT cash rebate)

Eligibility

Producer: Executive vs. “delegate”/original producers (e.g. UK: BFI cultural certification, IT...)

Work Origin: Domestic vs. international (e.g., France: separate schemes)

Eligible Content: Feature film, TV series, documentaries, animation...

Specific segments of value chain: e.g. theatrical and international distribution (IT)

Eligible Costs. Local Expenditure..

Cultural test

Mandatory for most schemes; evaluates content, language, talent, and heritage links

Balancing trends & challenges in production incentives



Combine economic & cultural goals



Balance attraction of foreign investment with local sector growth



Integrate fiscal incentives with direct funding and long-term policy



Address skills, infrastructure, and diversity gaps



Adapt schemes to changing market conditions



Strategic calibration is key: not only generosity, but sustainability and impact



Monitor and adjust for effectiveness & equity

New report from the European Audiovisual Observatory ...



Source: European Audiovisual Observatory



Thank you!
↓
sophie.valais@coe.int

