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Dramatic Boost to Czech Republic's Incentive Program Set to Kick-Start

An exceptional rate of 35% for digital production and animation, an increase in the main rate to 25%, and a tripling of the cap. These are, in a nutshell, the main changes in the production incentive program provided by Prague.

Prague, December 11, 2024

"The amendment to the Audiovisual Act has passed the Senate today and will come into effect on January 1st," said Pavlína Žipková of the Czech Film Commission, describing the final steps of the legislative process. "We are thrilled that this step deepens our cooperation with international partners and helps us maintain and highlight our position as a leading filming hub in continental Europe. To be honest, we couldn't wait any longer."

In terms of production incentives, the most significant changes will take effect now: starting January 2025, a separate rate of 35% will be introduced for animation and digital production without live-action. Traditionally produced projects can look forward to 25%. The maximum amount of the incentive has also been increased to \$19 million USD.

The entire law including all changes will come into force in 2026. One of the exciting new changes is the introduction of a category for documentary series. This means that documentary series can then also tap into production incentives, opening up new possibilities for creative storytelling.

A major change is the new financing method. Under the new act, the total annual incentives budget will be calculated at six times the amount of money raised by the parafiscal levies raised from streamers plus the mirror funding. The Czech government will pay to the program the same amount as the parafiscal levies. The amount is estimated at USD 92 million per year.

"We, like other European filmmaking hubs, also felt the impact of last year's Hollywood strikes, and I firmly believe that the benefits of our program will be advantageous for both our international partners and local filmmakers," said Helena Bezděk Fraňková, director of the Czech Audiovisual Fund, which is the new name following the transformation of the Czech Film Fund.

The Czech Republic traditionally hosts large studio projects as well as low-budget films and European co-productions. Recent high-profile productions include Amazon Prime Video's limited series *Blade Runner*

2019, Apple TV+'s sci-fi series *Foundation*, the anticipated blockbuster *Nosferatu* starring Bill Skarsgård, Willem Dafoe, and Lily-Rose Depp, and Lionsgate's *John Wick* spin-off *Ballerina* with Ana de Armas and Keanu Reeves. German feature film, an adaptation of the famous E. M. Remarque's novel *All Quiet on the Western Front* (Netflix) was shot entirely in the Czech Republic and earned 4 Academy Awards in 2023.

Since the early days of filmmaking, the Czech Republic has stood out for its unique locations including 11 centuries of architecture, 4 distinctive seasons and top craftsmanship. As David S. Goyer, showrunner of the second season of *Foundation* aptly described: "The locations here are stunning – both in the cities and out in the countryside. Prague has an incredible treasure in its crews – they're some of the most skilled craftspeople and creative heads of departments I've ever worked with."