

GENERAL DISBURSEMENT REGULATION OF THE FILM PROMOTION FUND

One. General provision

1.1 For the purpose of providing support for film production activities, this Regulation shall govern the common relations arising in connection with the disbursement, issuance, repayment, and monitoring of soft loans from the Film Promotion Fund (hereinafter referred to as "Fund").

1.2 The Law on Government Special Funds, the Law on Budget, the Law on Promotion of Cinematography, the Law on Culture, other relevant legislation, and this Regulation shall be followed in managing the Fund's resources.

1.3. In accordance with Articles 15.2 and 15.3 of the Law on Promotion of Cinematography, the Fund's expenditures shall not be reduced from those reflected in the previous year's budget, and the remaining unspent budget balance of the relevant fiscal year shall be carried forward for the subsequent fiscal year.

1.4. The Fund will not provide support in the following cases:

1.4.1 . Projects and activities promoting violence, aggression, pornography, use of narcotic drugs or psychotropic substances, or which have such characteristics;

1.4.2. Has previously received support from the Fund but has not fulfilled contractual obligations;

1.4.3. Has an outstanding loan from the Fund or is implementing a project with financing from the Fund;

1.4.4. Has overdue loans registered under the Bank of Mongolia's credit information database;

1.4.5. Information regarding the project, event, and its implementer is not allowed to be published in the mass media;

1.4.6. Applied for reimbursement of a certain percentage pertaining to the cost of filming in the territory of Mongolia, has registered a project, and signed a contract.

1.5. The Fund's disbursement shall be used to finance projects, activities and programs specified in Articles 12.2, 13.1 and 13.2 of the Law on Promotion of Cinematography.

Two. Funding percentage and amount

2.1 Funds allocated to the Fund in a given fiscal year shall be allocated and equally disbursed according to the measures specified in Article 12.2 of the Law on Promotion of Cinematography.

2.2. The member of the Cabinet in charge of cultural affairs shall determine the financing schedule associated with the financing of the measures specified in Article 13.1

of the Law on Promotion of Cinematography within the annually approved budget in the following manner.

№	Projects and activities	Phases for providing support		
		Filmmaking		
		Project drafting and development	Filming, montage, audio and video editing	Preparation for the public release of the film
1	Filmmaking			
	1.1. Portraying Mongolian history (series, feature films, documentaries)			
	1.2. Films with a positive impact on the upbringing and development of children and youth (series, feature films, documentaries) or health education documentaries			
	1.3. Demonstrate personal creativity, aesthetic values and expression of ideas of a director aiming to compete in international film festivals (Arthouse film)			
	1.4. First and second feature films and short feature films by young filmmakers depicting Mongolian culture and way of life			
2	Preservation and restoration of Mongolian films			
3	Participation in international film festivals and exhibitions with Mongolian films, organize international film festivals in Mongolia, promote Mongolian cinema abroad, participate in film festivals			
4	Show support in capacity building and professional development of cinematographers and artists			

2.2. Funds allocated shall be to projects where the producer is in charge of at least 50% of the total financing of a Mongolian film project or a co-production film project.

2.3 Project drafting and development costs shall include costs associated with writing a summary of a film story; preparing a design for a film project presentation; publication; screenwriting; film project development training; training for an international presentation of a film project; program participation fees; accommodation; meals; flight expenses; hiring of an international story consultant; and partial experimental filming of the film.

2.4 Expenses concerning the public debut of the film shall be paid for the purpose of film exports, and the promotion expenses of the film shall include costs associated with the production of a digital film screening package.

Three. Fund management and organization

3.1. The Film Council (hereinafter referred to as the “Council”) shall undertake activities concerning Fund disbursements and soft loans, and deliver recommendations and conclusions.

3.2. The daily operations of the Fund shall be carried out by the Secretariat of the Council.

3.3. Foreign experts and specialists may be involved in the organization of the Fund disbursement and soft loan activities as well as in making recommendations and conclusions.

3.4. The Council shall apply principles of assessment based on risk-assessment methods and methodologies to project and activity proposals.

3.5 . The Council shall receive proposals for projects, programs and activities in digital form at least twice a year. An announcement of the initial advertisement regarding funding, soft loan projects, programs and activities for a given fiscal year shall be made within 20 working days after the budget is approved. The date of receipt of proposals shall be determined by the member of the Cabinet in charge of cultural affairs, and the Council shall organize a public announcement.

3.6. Proposals for funding and loans from the Fund shall be electronically received and responded to within a specified period of time, and in the event of a technical delay the deadline shall be postponed.

3.7. The Council shall have the right to discuss and select proposals for projects and activities at its meetings, and request clarifications from applicants.

3.8. Except for the decision of the meeting, the Chairperson and members of the Council shall be obliged not to disclose the details of their discussions to other parties.

3.9. The following conditions shall be taken into account regarding financing and issuance of loans for a film production project:

3.9.1. Production of feature and cartoon films lasting at least 75 minutes;

3.9.2. Production of documentary films lasting at least 60 minutes.

Four. Transparency

4.1 The Council shall publicly disclose on its glass account and website the names of persons, legal entities, selected projects, and operational areas which received financing and soft loans from the Fund, as well as the decision of selection processes.

Five. Miscellaneous

5.1 is missing

5.1.1. Pledge Fund's assets and issue a guarantee using the Fund's assets;

5.1.2. Make donations using the assets of the Fund, sponsor and finance various events;

5.1.3. Spend or overspend the Fund's assets for purposes other than those prescribed in law or on the decision of a competent authority.

5.2. Citizens and legal entities implementing projects and activities shall present budget expenditure, achieved outcomes, and conclusions on the impact of project outcomes as well as the consolidated performance report to the Council's meeting.

5.3. Original documents in a foreign language attached to the proposal shall be received along with a translation.

5.3. The applicant shall be fully responsible for the accuracy of the documents and materials attached to the proposal and shall be able to submit additional documents requested during the selection process.

5.4 The Council shall not accept proposals except under special announcements.

Six. Liabilities

6.1 It is prohibited to spend or overspend the Fund's assets for purposes other than those specified in law and in accordance with decisions made by a competent authority.

6.2 It is prohibited to spend the Fund's assets in a manner that exceeds the approved budget, and to use or disburse Fund assets for purposes other than those specified in law.

6.3. Citizens and legal entities implementing projects and activities shall be obliged to present budget expenditure, achieved outcomes, and conclusions on the impact of project outcomes as well as the consolidated performance to the Council within the period specified in the contract.

6.4. In case it is determined by inspection that Fund disbursements have not been used in accordance with the purpose specified in the contract, or that the obligations under this contract have not been fulfilled, the Council and its Secretariat shall organize actions to remobilize and transfer disbursements to the Fund.

6.5 The Council and the state central administrative body in charge of cultural affairs shall monitor the use of Fund resources.

6.6. The Council and its Secretariat shall publish the annual expenditure report on the Fund's assets through the glass account and website within a period specified by relevant legislation.

6.7. Officials who have misappropriated or used the Fund's assets shall be held liable in accordance with relevant legislation.