



JULY 2018

## CORPORATE

# SUPPORT FUND FOR TOURISM AND CINEMA AND THE INCENTIVE FOR MAJOR INTERNATIONAL EVENTS

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Decree-Law no. 45/2018 of 19 June created the Support Fund for Tourism and Cinema ("Fund"), which is represented by the Portuguese Tourism Institute ("Turismo de Portugal"). One of the purposes of the Fund is to grant support to programmes to strengthen Portugal's position as a tourist destination. Against this background, it was acknowledged that one of the ways to boost Portugal's image as a tourist destination would be to attract and put on major international events.

As a result, Order no. 196/2018 of 5 July approved the Regulations on the Incentive for Major International Events through the Fund, which was given an initial funding of €10 million.

Specifically in the area of culture, any events which, because of the international profile they achieve, help to promote Portugal internationally as a tourist destination are eligible for the incentive. The promoters of projects benefiting from the incentive will be public bodies charged with carrying out the projects, or private bodies that have the right to organise the event in question. For this purpose, the promoters must be qualified to carry on the activity in question. They must also be in compliance with their financial obligations, including tax and social security.

For a project to obtain the incentive, it is necessary to demonstrate that it will have a significant impact on Portugal's international profile as a tourist destination, based on providing proof of the geographic scope of publicity for the event, the attendance it achieves and the media recognition of the participants. Among other matters, it will also be necessary to demonstrate that at least 10% of the financing has already been secured.

The evaluation of the projects takes into account the international recognition of the event, the frequency with which it is held in Portugal, its contribution to raising the profile of the country, and the level of exposure in the international media.

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Support is provided in the form of refundable incentives (with or without remuneration), non-refundable incentives and mixed incentives. In the case of refundable incentives, the maximum period for refund is 10 years, the maximum grace period for capital is 3 years (included in the 10-year period), and the maximum rate of default interest is the one applied by Turismo de Portugal, plus 3%.

The Fund may also participate in the public or private bodies set up by the promoters to carry out the events receiving support. In this case, the Fund may also be part of the promoter's management board.

When the incentives are granted, it is necessary to enter into an agreement with Turismo de Portugal. Among other things, this agreement must regulate the nature and amount of the support, the deadline to carry out the project, the timeline for releasing the support, and the terms for monitoring the investments made. Turismo de Portugal will appoint project managers who will be responsible for supervising the projects.

As a rule, the support granted may not exceed €2 million, or correspond to more than 50% of the total amount of the eligible expenses.

Applications for support may be presented at any time using Turismo de Portugal's website. The application must include:

- a written description of the event,
- an estimate of the investment cost, together with the budget and the planned sources of financing,
- a timeline of the events, and
- proof that the promoter's tax and social security obligations are in order.

Turismo de Portugal must then evaluate the application within 20 business days, but this period is suspended if additional clarification is requested. After the applications are evaluated, the final decision falls to the member of the Government responsible for tourism.



FUNDAÇÃO  
PLMJ

JOÃO NORA

S/ Título, (da série Louise Lawler), 2007

Acrílico s/ papel  
50 x 70 cm

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