

To the Managing Director of «Clever Production GmbH»

Mrs. Laura CLEVER

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and the Managing Director of «JelFilm LCC»

Mr. Vasily SHARKEVICH

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Dear Laura Clever and Vasili Sharkevich,

With this letter we want to inform you that your letters dated November 29, 2018 and addressed to the President and the Prime Minister of the Republic of Armenia have been forwarded to the Ministry of Culture of the RA with the aim of ensuring the professional process of dealing with the issue.

In response to your letter we would like to inform you that the Ministry of Culture of the RA welcomes your initiative of joint film production with the Armenian cinema company and shares your concern about the issues related to the film project «My Grandma's Locks».

The problem is that the application for extra funding of the film project «My Grandma's Locks» for 2018 was rejected by the film project investigating committee, based on the Article 15 of the Regulations on Film Project Financing and Competitions approved by the Minister's decree on March 17, 2018, according to which the applications submitted by filmmaking companies that have previously received state sponsorships and have not fulfilled the responsibilities towards the National Cinema Center of Armenia stated in the contract are subject to rejection. In 2010-2014 the Parallels Production Company received state financing of 93,400,000 Armenian drams (about € 180,000) for another film project, which has not been completed and has not been submitted to the state up to this day. In autumn 2018 the Prosecutor's Office of the RA has examined the materials related to the production of this film to determine the efficiency of state funds allocation.

At the moment the lawyers are also discussing the issue of the Article 15 of the above-mentioned regulations having a retroactive effect, but even if it is recognized as invalid, the issue of state funding of the film project «My Grandma's Locks» still cannot be resolved automatically, as, according to the contract between the SNCO «National Cinema Center of Armenia» and the Parallels Production Company, the film project «My Grandma's Locks» was funded for years 2016-2017 only, at the end of which the film was to be handed over. In the Armenian version of the letter of intentions to support the film project, up to 30% funding is listed, based on which the film production agreement has been signed, with the consent of the parties. The SNCO

National Cinema Center of Armenia has fulfilled its contractual obligations by allocating 23,000,000 AMD (about € 43,000) to the mentioned film. However, based on the request of the director Hovhannes Galstyan, it extended the film's deadline until December 2018, without additional financial liability. In 2018 Hovhannes Galstyan presented a new application for additional funding, but neither the former contract, nor any other documentations related to state obligations were included in the application package. Thus, the film project investigating committee rejected the application.

At the moment, the problem between the National Cinema Center of Armenia and Parallels Production Company deals with the field of legislation and the Ministry can not interfere in the process. Highlighting the international cooperation in the film industry, we kindly ask you, if possible, to extend co-production arrangements with the Parallels Production Company till the end of the legal process and the final decision.

Sincerely,  
Deputy Minister

N. GARIBIAN

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