



# Films Act 1970

## CHAPTER 26

### ARRANGEMENT OF SECTIONS

#### *The National Film Finance Corporation*

##### Section

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Section

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SCHEDULE—Enactments repealed.

ELIZABETH II



1970 CHAPTER 26

An Act to amend the enactments relating to the financing and exhibition of films. [29th May 1970]

**B**E IT ENACTED by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

*The National Film Finance Corporation*

**1.**—(1) The National Film Finance Corporation may, at any time before the end of the year 1980, make loans to persons who, in the judgment of the Corporation, have reasonable expectations of being able to arrange for the production or distribution of films on a commercially successful basis—

- (a) for the purpose of financing the production or distribution of films ; or
- (b) for the purpose of enabling rights to be acquired or work to be undertaken with a view to the production of films ;

and any such loans shall be made in accordance with section 2 of the Cinematograph Film Production (Special Loans) Act 1949 ; but subsection (4) of that section shall not apply in relation to loans made for the purpose mentioned in paragraph (b) of this subsection, and subsection (3) of that section (approval of Board of Trade required for certain loans) shall cease to have effect.

(2) Where the National Film Finance Corporation have power to make a loan under subsection (1) of this section for the purpose of financing the production or distribution of a film, and other persons are, or might be, willing to finance the production or distribution or to take part in financing it, the Corporation may—

- (a) by an agreement made with those persons, guarantee to them the completion and delivery of the film and the

Extended  
functions of  
National  
Film Finance  
Corporation.

1949 c. 20.

provision of any further finance necessary for that purpose ; or

- (b) by an agreement made with the persons arranging for the production or distribution, undertake to make to them such loan as may be necessary to enable them to repay to the persons financing the production or distribution, within such time of the delivery of the film to a distributor as may be specified in the agreement, so much of any sums advanced by them for financing the production or distribution as may be so specified ;

1949 c. 20. but no loans shall be made in pursuance of an agreement under paragraph (b) of this subsection after the end of the year 1980, and any such loan shall be made in accordance with subsection (1) of section 2 of the Cinematograph Film Production (Special Loans) Act 1949, and subsection (2) of that section shall have effect in relation to such a loan as if the reference to the making of the loan were a reference to the making of the agreement.

(3) Where the National Film Finance Corporation have made or undertaken to make a loan or given a guarantee in connection with a film they may act as agents in disposing of the right to distribute the film to exhibitors, whether within or outside Great Britain.

(4) The National Film Finance Corporation may, at any time before the end of the year 1980, acquire the copyright in any film and the right to reproduce any work in the form of a film, and may dispose of any right acquired under this subsection.

(5) Without prejudice to the generality of paragraph 1 of the Schedule to the Cinematograph Film Production (Special Loans) Act 1949 (incidental powers) the National Film Finance Corporation may, in connection with the discharge of their functions, form or join with other persons in forming any body corporate and acquire or dispose of any securities in a body corporate.

1960 c. 57. (6) In this section “ film ” has the same meaning as in section 38 of the Films Act 1960 ; and section 2 of the Cinematograph Film Production (Special Loans) Act 1949 (loans by the Corporation) shall be construed accordingly.

1957 c. 21.  
1966 c. 48. (7) In paragraph 8 of the Schedule to the Cinematograph Film Production (Special Loans) Act 1949 and in section 12(1) of the Cinematograph Films Act 1957 for the word “ 1970 ” (which was among those substituted by section 2 of the Films Act 1966) there shall be substituted the word “ 1980 ”.

2. In section 4(1) of the Cinematograph Film Production Advances by (Special Loans) Act 1949 (which, as amended, enables the Board of Trade to make advances to the National Film Finance Corporation until the end of the year 1970 but limits the aggregate amount of the principal outstanding in respect of such advances to £6 million) for the words "may until the end of the year 1970" there shall be substituted the words "may until the end of the year 1980" and for the words "six million pounds" the words "£11 million".

3. The National Film Finance Corporation is hereby relieved of any liability to pay interest falling due after the end of March 1970 in respect of advances made to them under section 4 of the Cinematograph Film Production (Special Loans) Act 1949 after the year 1953 and before the year 1965.

*Exhibitors' levy and the British Film Fund Agency*

4. In section 2(1) of the Cinematograph Films Act 1957 (which, as amended by section 3 of the Films Act 1966, provides for the imposition of a levy on exhibitors in respect of each of thirteen successive periods of fifty-two weeks) for the word "thirteen" there shall be substituted the words "twenty-three".

5.—(1) The Board of Trade, after consulting with the Cinematograph Films Council, may by order made by statutory instrument substitute for either or both of the amounts mentioned in section 2(3)(b) of the Cinematograph Films Act 1957 (estimated minimum and maximum yield of levy) such other amount or amounts as may be specified in the order; but no such order shall be made unless a draft thereof has been laid before Parliament and approved by resolution of each House of Parliament.

(2) An order under this section may be revoked by a subsequent order made thereunder.

6.—(1) The following shall be added at the end of section 1(1) of the Cinematograph Films Act 1957 (which provides for the making by the British Film Fund Agency of payments to or for the benefit of makers of British films and, with the approval of the Board of Trade, to the Children's Film Foundation Limited): "and

(c) with the approval of the Board of Trade, payments to the British Film Institute towards the cost of making films; and

(d) with the approval of the Board of Trade, payments to not more than one body incorporated after the

passing of the Films Act 1970 and for the time being approved for the purposes of this paragraph by the Secretary of State, being a body having among its objects the carrying on of a school in Great Britain for the training of persons employed or to be employed in the making of films."

1957 c. 21. (2) The following shall be added at the end of section 1 of the Cinematograph Films Act 1957—

"(5) Before giving their approval to a payment under paragraph (b), (c) or (d) of subsection (1) of this section the Board of Trade shall consult with the Cinematograph Films Council."

Definition of "film" and "British film" for purposes of Part I of Cinematograph Films Act 1957.  
1960 c. 57.

7.—(1) In subsection (1) of section 8 of the Cinematograph Films Act 1957 (which, as amended, assigns to expressions other than "film" the meanings they have in the Films Act 1960) the following shall be substituted for the words preceding the proviso:—

"In this Part of this Act 'film' has the same meaning as in section 38 of the Films Act 1960 and other expressions the same meanings as in that Act."

(2) For subsection (2) of that section there shall be substituted the following subsection:—

"(2) The Films Act 1960 and the Films Act 1970 shall have effect for the purpose of determining whether a film is a British film for the purposes of this Part of this Act as they have effect for the purpose of determining whether a film registrable under the Films Act 1960 is registrable as a British film."

Penalties for offences under Cinematograph Films Act 1957.

8. In relation to offences committed after the passing of this Act section 4(3) and section 5(2) of the Cinematograph Films Act 1957 (penalties for making false statements, etc., and for unlawful disclosure of information) shall each have effect as if for the words from "on summary conviction" to the end there were substituted the words "on summary conviction, to a fine not exceeding four hundred pounds or, on conviction on indictment, to a fine".

#### *Amendments of Films Act 1960*

Extension of period of quota.  
1966 c. 48.

9. In section 1 of the Films Act 1960 (which obliges exhibitors to include British films among those shown but would, by virtue of subsection (6) as amended by section 4 of the Films Act 1966, expire at the end of the year 1970) for the words "1970" there shall be substituted the words "1980".

**10.**—(1) For subsection (2) of section 2 of the Films Act 1960 there shall be substituted the following:—

“(2) For the purposes of section 1 of this Act there shall also be left out of account the exhibition after the end of its quota period of a film registered as a quota film; and for that purpose the quota period of a film shall be taken to be, subject to subsection (2A) of this section, the period of five years beginning on the day on which the film is first registered as a British film, with the addition of any days necessary to make the period end on a Saturday.”

Limits within which exhibition of film counts for quota.

(2A) The Board of Trade may, by a direction given on the application of a person who has the right to distribute a film or is in a position to confer that right—

- (a) extend the quota period of the film, if the application is made before the date on which it would otherwise end (whether by virtue of the preceding subsection or of this subsection);
- (b) renew the quota period of the film from a date not earlier than the application, if the application is made after that period has ended;

for one or more years and such further days (if any) as may be needed to make the extended or renewed period end on a Saturday.”

(2) In section 50(1) of the Films Act 1960, in the definition of “year”, the word “2” shall be inserted after the words “except in sections”.

1960 c. 57.

(3) The preceding provisions of this section do not apply in relation to a film registered before the end of the year 1970; but in relation to such a film section 2(2) of the Films Act 1960 shall have effect as if after the words “having the right to distribute the film” there were inserted the words “or by any person who is in a position to confer that right.”

**11.** In section 3 of the Films Act 1960 the words “during the normal hours in the ordinary programme” shall be omitted both in subsection (1) (exhibition as first feature film) and in subsection (3) (exhibition otherwise than as first feature film); and for subsection (4) of that section (definition of normal hours in the ordinary programme) there shall be substituted the following subsection:—

First feature films and computation of total showing time.

“(4) For the purposes of subsections (1)(a) and (3) of this section no account shall be taken of the exhibition of a film on an occasion where its exhibition is intended wholly or mainly for children under the age of sixteen.”

Exemptions  
and reliefs.  
1960 c. 57.

**12.**—(1) In section 4(1) of the Films Act 1960 (power to reduce prescribed percentage) for the words “and (c) in either case” there shall be substituted the following:—

“ or

- (c) that the programme at the local cinema is changed not more than once a week, not counting Sundays, and the cinema is in competition with another cinema in the same locality at which the programme is normally changed at least twice a week, not counting Sundays; or
- (d) that most of the films exhibited at the local cinema are films in which the dialogue is mainly in a foreign language; or
- (e) that most of the films exhibited at the local cinema have been registered for at least two years; and
- (f) in a case falling under sub-paragraphs (a) to (c) of this subsection.”.

(2) In section 4(3) of the Films Act 1960 (exemption on ground of low average receipts during preceding period) after the words “per week” there shall be inserted the words “(leaving out of account any week during which no films were exhibited at that cinema)”.

(3) After subsection (5) of section 4 of the Films Act 1960 there shall be inserted the following subsection:—

“(5A) Where films are exhibited by two or more exhibitors at the same cinema, the preceding provisions of this section shall apply as if the films exhibited by each of them were exhibited at a cinema different from (but in the same locality as) that at which films are exhibited by the other or others.”

Late night  
shows.

**13.** After subsection (3) of section 50 of the Films Act 1960 there shall be inserted the following subsection:—

“(3A) For the purposes of this Act the exhibition of a film in a programme which begins before and ends after midnight shall be treated as taking place on the day when the programme begins”.

Distribution or  
exhibition of  
unregistered  
films.

**14.**—(1) In section 8(2) of the Films Act 1960 (relaxation of restriction on distribution or exhibition of unregistered films) the following shall be substituted for paragraph (b):—

“(b) the delivery or exhibition of a film which has not been trade-shown, if the delivery or exhibition is in pursuance of valid agreements for the exhibition of the film at not more than three cinemas and on not more



than three days, counting a day on which it is exhibited at two cinemas as two days and a day on which it is exhibited at three cinemas as three days.”.

(2) At the end of section 33(2)(c) of the Films Act 1960 (which permits such agreements as are referred to in section 8(2)(b) of that Act) there shall be added the words “and for this purpose a day on which a film is to be exhibited at two cinemas shall be counted as two days and a day on which it is to be exhibited at three cinemas as three days”.

(3) The preceding provisions of this section do not apply in relation to the exhibition by an exhibitor of a film delivered to him before 1st January 1971.

**15.**—(1) For subsection (2) of section 18 of the Films Act 1960 there shall be substituted the following subsection:—  
 “(2) The playing time of the portions so designated must not exceed  $7\frac{1}{2}$  per cent. of the total playing time of the film.”

Portions of film disregarded in registration.

(2) Subsection (1) of this section does not apply in relation to the registration of a film on an application made before 1st January 1971.

**16.**—(1) At the end of section 21(1) of the Films Act 1960 (exclusion of payments in respect of copyright in determining labour costs) there shall be added the words “unless it is copyright in a work created for the purpose of its use in the film”.

Labour costs and requisite amount of labour costs.

(2) At the end of section 22(2)(b) of the Films Act 1960 (disregard of payments made to two persons at least one of whom was engaged in the capacity of an actor or actress) there shall be added the words “and in no other capacity”.

(3) The preceding provisions of this section do not apply in relation to the registration of a film on an application made before 1st January 1971.

**17.** In relation to offences committed after the passing of this Act the following amendments shall be made in the Films Act 1960, that is to say,—

Penalties for offences under Films Act 1960.

- (a) in sections 8(3), 37 and 39(6) for the words “two hundred and fifty pounds” there shall be substituted the words “four hundred pounds”;
- (b) in section 45(1) for the words from “on summary conviction” to the end there shall be substituted the words “on summary conviction, to a fine not exceeding four hundred pounds or, on conviction on indictment, to a fine”; and
- (c) in section 46(2) for the words from “on summary conviction” to the end there shall be substituted the words “on summary conviction, to a fine not exceeding

four hundred pounds or, on conviction on indictment, to a fine ”.

Circuit  
cinemas.

**18.** Section 27 of the Films Act 1960 (circuit cinemas) shall cease to have effect.

Quarterly  
returns.  
1960 c. 57.

**19.** In section 31 of the Films Act 1960 (returns by exhibitors) subsection (3) (quarterly returns where licence is for quarterly period) shall cease to have effect.

Fees.

**20.** So much of section 44(3) of the Films Act 1960 as requires certain fees to be within the limits specified in Schedule 2 to that Act shall cease to have effect.

*Miscellaneous and supplementary*

Qualification  
of auditors.  
1949 c. 20.  
1957 c. 21.

**21.** In section 6 of the Cinematograph Film Production (Special Loans) Act 1949 and in section 7 of the Cinematograph Films Act 1957 the following shall be substituted for subsection (3) (qualification of auditors):—

“ (3) A person shall not be qualified to be appointed under subsection (2) of this section unless he is a member of one or more of the following bodies—

the Institute of Chartered Accountants in England and Wales ;

the Institute of Chartered Accountants of Scotland ;

the Association of Certified and Corporate Accountants ;

the Institute of Chartered Accountants in Ireland ;

any other body of accountants established in the United Kingdom and for the time being recognised for the purposes of section 161(1)(a) of the Companies Act 1948 by the Board of Trade ;

1948 c. 38.

but a Scottish firm may be so appointed if each of the partners is qualified to be so appointed.”

Citation,  
commence-  
ment, extent  
and repeals.

**22.—**(1) This Act may be cited as the Films Act 1970 ; and—

(a) this Act and the Cinematograph Film Production (Special Loans) Acts 1949 to 1966 may be cited together as the Cinematograph Film Production (Special Loans) Acts 1949 to 1970 ;

(b) this Act and the Cinematograph Films Acts 1957 and 1966 may be cited together as the Cinematograph Films Acts 1957 to 1970 ;

(c) this Act and the Films Acts 1960 to 1966 may be cited together as the Films Acts 1960 to 1970.

(2) Sections 11 to 13 of this Act shall not come into force until 1st January 1971.

(3) The enactments mentioned in the Schedule to this Act are hereby repealed to the extent specified in the third column of that Schedule.

(4) This Act does not extend to Northern Ireland.

Section 22.

## SCHEDULE

## ENACTMENTS REPEALED

Chapter	Short Title	Extent of Repeal
12 & 13 Geo. 6. c. 20.	The Cinematograph Film Production (Special Loans) Act 1949.	In section 1(1) paragraph (b) and the word "and" preceding that paragraph. Section 2(3). The whole Act.
14 Geo. 6. c. 18.	The Cinematograph Film Production (Special Loans) Act 1950.	
15 & 16 Geo. 6. & 1 Eliz. 2. c. 20.	The Cinematograph Film Production (Special Loans) Act 1952.	In section 1(1) the words "under the said Act of 1949". Section 10.
5 & 6 Eliz. 2. c. 21.	The Cinematograph Films Act 1957.	
8 & 9 Eliz. 2. c. 57.	The Films Act 1960.	In section 3, in subsection (1) and in subsection (3) the words "during the normal hours in the ordinary programme". Section 27. Section 31(3). In section 44(3) the words from "but" to the end. Schedule 2. In Schedule 3, paragraphs 4 and 5.
1966 c. 48.	The Films Act 1966.	Sections 1, 3, 4 and 6.

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