

Movies Used as Collateral for RWS Loan

By [The Moscow Times](#)

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Sberbank and ING Bank will provide a 1.2 billion ruble (\$43 million) three-year loan to filmmaker Russian World Studios owned by AFK Sistema, accepting copyrights to its movies as a collateral, the companies said Wednesday in a statement.

"This deal is an unprecedented step in the Russian corporate lending market — the copyright for movies is used as a collateral for getting a loan for the first time in the Russian media industry," the companies said in a joint statement.

Using copyright as a collateral — a practice used abroad by foreign filmmakers — allows RWS to develop its business and create more new products, increasing the value of its movie library, said Sistema chairman Yevgeny Yevtushenkov.

Sberbank and ING are ready to provide loans collateralized with copyright to other filmmakers as well, Vedomosti reported Monday citing sources in Sistema and the government.

Local film producers normally use property as a collateral, because banks face difficulties assessing copyrights for movies and television series, which makes it hard to collect if a borrower can't pay off, the report said.

The deal is an indication that Russia has "a civilized intellectual property market," the companies said.

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