



**APULIA
NATIONAL
& INTERNATIONAL
FILM FUND**

**Regulations for Funding Allocation
APULIA NATIONAL & INTERNATIONAL FILM FUND**

**PUBLIC APPLICATION NOTICE 2014
Apulia Film Commission Foundation**

Modified and approved by the Board of Directors on 6 February 2014

CUP (Project Code): B99G14000070002

Fondazione Apulia Film Commission

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SUMMARY

Type of grant

Public tender application for free grants while total funding budget resources of €1,850,000 are still available.

Who can apply

Italian, European and non-European audiovisual, film and TV production companies.

Eligible projects

- full-length feature and animation films (min. 75 mins)
- TV/internet films, fiction and animation (min. 75 mins)
- TV/internet series, fiction and animation (min. 100 mins)
- documentaries or docu-fictions
- fiction or animation shorts (max. 20 mins)
- other formats (all film types not included in the previous categories, with the exception of commercials and TV programmes)

Application requirements

Financial funding guarantees at the time of application as follows:

- 60% for full length films, TV/internet films, TV/internet series (also animation)
- 30% for documentaries and docu-fictions
- 30% for shorts (also animation)
- 40% for other formats

Selection criteria

The AFC Foundation Board assesses projects within 60 days and bases evaluation on a project's artistic and technical qualities, assigning a score up to a maximum of 100. Projects which are awarded a score of 70 or more will be considered for funding.

Amount of funding and maximum grant available

- for full-length feature films, TV/internet films, TV/internet series (also animation), 25% of the budget spent in Apulia (net of VAT), up to a maximum of €250,000
- for documentaries or docu-fictions, 50% of the budget spent in Apulia (net of VAT), up to a maximum of €40,000
- for fiction or animation shorts, 70% of the budget spent in Apulia (net of VAT), up to a maximum of €20,000
- for other projects, 40% of the budget spent in Apulia (net of VAT), up to a maximum of €40,000.

Accumulation with other AFC Foundation grants The grant is accumulable with all other types of AFC Foundation funding, except the Apulia Regional Film Fund.

Introduction

The Apulia Film Commission Foundation (AFC), set up under Regional Law 6/2004 art.7, is to allocate part of its annual resources for 2014 to national and international audiovisual, film and TV production companies. This fund assigns direct financial support in the form of a free grant towards the production costs of audiovisual projects made in any media format and created for any distribution chain that are produced (partly or entirely) in Apulia.

In accordance with European Commission regulations issued in the EU statement of 15 November 2013, the total amount of grant available, taking into account all other forms of funding (including tax credit) may not exceed 50% of the total production budget. This rises to 60% in the case of co-productions financed by more than one member state in which there are producers from more than one member state. Complex audiovisual productions¹ and co-productions from countries on the DAC list of the OECD² are not subject to these limits.

1. Who may apply

Funding is available for:

- a. Italian audiovisual, film and TV production companies registered with principal code ATECO 2007 n. 59.1 at the Ministry of Cultural Heritage and Activities' Directorate General for Films. These may be sole or co-producers for the film project or executive producers contracted to the film production company;
- b. EU audiovisual, film and TV production companies with an equivalent classification to Eurostat NACE n. 59.1 as principal code. These must have a majority stake in the applying film project as well as proof of at least one completed film project of the same type;
- c. Non-EU audiovisual, film and TV production companies with a majority stake in the applying film project as well as proof of at least one completed film project of the same type;

presenting projects within the following categories:

- full-length feature or animation films (min. 75 mins)
- TV/internet feature or animation films (min. 75 mins)
- TV/internet fiction or animation series (min. 100 mins)
- Documentaries or docu-fictions
- Fiction or animation shorts (max. 20 mins)
- Other formats (all film types not included in the previous categories, with the exception of commercials and TV programmes)

¹ "Complex films" are those with over 70 points in the following categories; primary and secondary film projects, documentaries, shorts, projects produced by Italian state-recognised film schools and films of cultural interest.

² <http://www.oecd.org/dac/stats/daclistofodarecipients.htm>

Film projects must be clearly set (entirely or partially) in Apulia, except for animation films.

Except in exceptional and justifiable cases, applicants will be denied funding where the applicant has not settled invoices pertaining to suppliers or outstanding payments or wages to be made to cast and crew for film projects produced previously in Apulia or has not completed any previous projects which received funding from an AFC Foundation grant.

2. Funds available

The allocation of funds is dependent on the availability of resources at the time of application. The total budget for 2014 is **€1,850,000³** and each film project may receive a maximum grant of:

- **€ 250,000** for full-length fiction films, TV/internet films and TV/internet series
- **€ 40,000** for documentaries and docu-fictions
- **€ 20,000** for shorts
- **€ 40,000** for other formats (all film types not included in the previous categories, with the exception of commercials and TV programmes)

The grant is accumulable with the AFC Foundation's Apulia Development Film Fund and Apulia Hospitality Film Fund, but not the Apulia Regional Film Fund.

3. Selection criteria and allocation of funds

The Board will consider projects from production companies which present a budget plan, including relative contracts, that certifies a **minimum overall project financial funding guarantee** of:

- a. **60%** for full length films, TV/internet films, TV/internet series
- b. **30%** for documentaries and docu-fictions
- c. **30%** for shorts (also animation)
- d. **40%** for other formats.

Full-length films, TV/internet films and TV/internet series must also be in possession of a **contract** with a distributor, broadcaster or video-on-demand web platform.

Applications will be examined by the AFC Foundation Board whose final, indisputable decision will be made and communicated **within sixty days of receipt of applications**. The Board's decision will be aided by the pertinent but non-binding opinions of two film experts, critics or historians.

³ The AFC Foundation reserves the right to increase funding if there is a surplus of resources or other forms of saving have been made.

Once application requirements have been confirmed, the Board will evaluate film projects based on the following criteria:

- A. **Artistic mark** - maximum 60 points based on:
 - a) originality of story (20 points)
 - b) quality of writing (20 points)
 - c) solidity of narrative structure (20 points)
- B. **Technical mark** – maximum 40 points:
validity of technical and technological aspects of the film project: consistency of the artistic features with production and financial aspects and economic and employment impact on the local area.

Projects which have been previous beneficiaries of the Apulia Development Film Fund are entitled to an additional 10 points as part of their final mark.

Projects which obtain a **minimum mark of 70 points** out of 100 will be eligible for funding as follows:

- **25%** of the budget spent in Apulia (net of VAT) for **full-length films, TV/internet films, TV/internet series**;
- **50%** of the budget spent in Apulia (net of VAT) for **documentaries / docu-fictions**;
- **70%** of the budget spent in Apulia (net of VAT) for **shorts**;
- **40%** of the budget spent in Apulia (net of VAT) for **other project types**.

The Board reserves the right to request further information or additional documentation from applicants.

Public notice of the results of applications will be published on the website www.apuliafilmcommission.it in the Apulia National and International Film Fund section.

If an application is successful, the Apulia Film Commission will draw up a contractual agreement with the applicant in line with a Board resolution.

Decisions made by the Board of Directors are final and irrevocable.

4. Application procedures

All applications for funding must be made **before the start of production** on a signed copy of the attached application form and include the following (failure to comply with these conditions will invalidate applications):

- Budget plan, attaching relative contracts, which certify the **minimum project financial funding guarantee** as follows:
 - a. 60% for full length films, TV/internet films, TV/internet series⁴;
 - b. 30% for documentaries / docu-fictions;
 - c. 30% for shorts;

⁴ For these types of projects, applicants must be in possession of at least one of the following contracts: distribution contract, broadcaster contract, video-on-demand web platform contract.

d. 40% for other formats.

In cases where an applicant's budget plan indicates a **direct financial shareholding** of the company within the project's minimum funding guarantee, a bank document (dated as per the application) must be provided, certifying the availability of the amount indicated by the production company: cash assets, third party resources, loans to repay (e.g. mortgages).

- contract with a distributor, broadcaster or video-on-demand web platform for full-length films, TV/internet films and TV/internet series;
- company profile of the applicant⁵ and all other parties involved in the production (co-producers or executive producers);
- any co-production or executive production contracts;
- detailed budget estimate (above and below the line costs) for the complete film project;
- detailed budget estimate (above and below the line costs) for expenditure incurred in Apulia;
- certificate of registration of film companies at the Ministry of Cultural Heritage and Activities' Directorate General for Films;
- copy of Certificate of Incorporation or Foundation Deed and copy of the statute, where required by law;
- photocopy of ID document and tax code of legal representative of applying production company;
- DVD of most recent projects completed by production company and director;
- storyline, synopsis and screenplay;
- filmography of writer(s);
- filmography of producer;
- profile of cast and crew, highlighting local professionals hired or to be selected, excluding extras, special appearances and trainees;
- receipt of bank draft for €244 (incl. VAT) as reimbursement for AFC secretarial duties for full-length films, TV/internet films and TV/internet series or €122 (incl. VAT) for documentaries and docu-fictions, shorts and other project types. An invoice will be issued for this payment

In cases where applications are incomplete or missing requirements, the AFC Foundation will contact the applicant by PEC to request the additional material. In light of this, it is stressed that only completed applications can be considered for Board evaluation.

⁵ Non-Italian production companies must indicate proof of at least one other completed film project of the same type as that applying for funding.

A production company may only apply for this grant with a maximum of **three projects per year** and may not apply for further funding from the AFC Foundation for second and third projects before receiving the Board's decision on the previous application.

Production companies which were **unsuccessful in previous** applications for the Apulia National Film Fund are **exempt from the secretarial reimbursement charge** but must however **re-present their application** as set out in this public notice.

The Apulia Film Commission will not consider stories, adaptations or screenplays which incite violence or encourage racism, political hatred, sexism or discrimination of any kind. Applications must be sent by PEC e-mail for Italian production companies or by other systems of certified mail (REM - registered electronic mail) for foreign production companies to the following address:

email@pec.apuliafilmcommission.it

The subject of the e-mail must state the following text:
"Application for Apulia National & International Film Fund"

The bank draft should be made out as follows:

Fondazione Apulia Film Commission
San Paolo Banco di Napoli – Ag. 2 – Bari
IBAN: IT 19 D 01010 04002 100000001503

Reason for payment: **"Reimbursement of expenses for Apulia National & International Film Fund application"**.

5. Allowable expenses

Expenses **after VAT** are only permitted when incurred in the following circumstances:

- production management, acting personnel, production, direction, technical staff, skilled manual workers;
- wardrobe, set design, studio stages and set building, real-life interior and exterior scenes, technical equipment or vehicle hire, transport, film, film processing, editing, insurance, general rental, catering, hotels.

Costs incurred in Apulia refer only to the payslips of personnel **resident** in the Apulia region or invoices from suppliers with both **head office and operating branches** in Apulia. The following categories are **not allowable expenses**:

- invoices from suppliers which only have operating branches in Apulia;
- invoices from sub-contractors of goods or non-owners of hired goods;

- invoices from Apulian travel agents or tour operators for entire costs of travel, accommodation facilities with head offices outside Apulia, etc. Fees charged by the Apulian agency or operator are deemed allowable.

Above the line costs incurred in Apulia may be claimed up to a **maximum amount of:**

- **€ 100,000** (net of VAT) for full-length films, TV/internet films, TV/internet series;
- **€ 40,000** (net of VAT) for documentaries and docu-fictions;
- **€ 10,000** (net of VAT) for shorts;
- **€ 20,000** (net of VAT) for other project types.

6. Production company obligations

As part of funding regulations, the beneficiary and its producers (as well as the owners of the film rights) are obliged to:

- a. send funding applications before the start of production;
- b. deliver the completed project in DVD format to the AFC Foundation, together with a full financial report, **within the following time periods:**
 - **18 months from the Board's decision** to allocate funding for full-length films, TV/internet films, TV/internet series, documentaries and docu-fictions. Failure to comply will result in the withdrawal of funding;
 - **12 months from the Board's decision** to allocate funding for shorts and other project types. Failure to comply will result in the withdrawal of funding;
- c. adhere to current regulations regarding social security contributions, medical assistance and workplace insurance for technical and artistic staff hired, including temporary staff, with clear reference to the payment of all legally required contributions;
- d. comply with law no. 136 (passed on 13 August 2010), "Extraordinary anti-mafia legislation and government authority for anti-mafia regulations" (Official Gazzette no.196, 23 Aug 2010);
- e. send a copy of the contract, to be signed and counter-signed by the legal representative of the beneficiary production company;
- f. send, by e-mail, before the start of production preparation:
 - a pre-production programme;
 - a complete list of cast and crew (highlighting Apulian personnel);
 - a complete list of suppliers (highlighting Apulian suppliers);
- g. send, by e-mail, before the start of production (including any updated information during shooting):
 - a complete production plan;
 - a complete list of cast and crew (highlighting Apulian personnel and actors);
 - a complete list of suppliers (highlighting Apulian suppliers);
 - a complete list of locations to be used (highlighting Apulian locations);
- h. during filming, to send daily production shooting schedules by e-mail;

- i. organise a press conference in Apulia before the start of or during shooting with the presence of national and international newspaper journalists with the participation of the director and/or leading actors as well as representatives of the AFC Foundation;
- j. allow, at any given time, for the presence of an AFC representative during production;
- k. permit video recording or photography during production, to be carried out by an AFC representative for purely documentary purposes;
- l. send by e-mail before the end of production in Apulia:
 - a post-production plan;
 - a complete list of post-production crew (highlighting Apulian personnel);
 - a complete list of cast (e.g. sound dubbers), highlighting Apulian personnel;
 - a complete list of suppliers (highlighting Apulian suppliers used);
- m. include the AFC Foundation logo in the opening credits or as the first frame in the closing credits as well as on all the film's information, publicity and promotional material (press kits, etc.) together with the text "Film made with the support of the Apulia Film Commission". Screen image previews of the opening and closing credits in jpeg format must be sent to the AFC Foundation before any final or duplicate version of the film is completed. Failure to comply with this condition will result in the revocation of the outstanding balance of allocated funds;
- n. grant the Apulia Film Commission the rights for the free use of film footage as well as scene and backstage photography for AFC Foundation and Apulia Region use in institutional and promotional advertising;
- o. provide the AFC, at no additional charge, with 5 DVD copies of the film and backstage footage (or extra promotional footage) and 2 CD copies of scene photography;
- p. in cases of participation in national or international film festivals, allow for the presence of an AFC representative at the film presentation press conference at the festival where it has been entered.

7. Financial statements and further production company obligations

In order to obtain funding allocation and to avoid administrative and legal penalties ratified by law, beneficiary production companies must:

- adhere to current regulations regarding social security contributions, medical assistance and workplace insurance for technical and artistic staff hired, including temporary staff, with clear reference to their employment status and the payment of all legally required contributions;
- adhere to article 3, law no. 136 (passed on 13 August 2010), "Extraordinary anti-mafia legislation and government authority for anti-mafia regulations" (Official Gazzette no.196, 23 Aug 2010 in order **to trace cash flow**;
- compile and deliver an **itemised financial breakdown of the film project** (on paper), **verified by a certified accountant** or auditing company;

- submit certified copies of invoices, payslips and **all other documentation relating to allowable expenses incurred in Apulia, after VAT**. Each accounting document must include relative receipts.
- present:
 - self-certification of a DURC account (Certificate of national insurance contribution payments) as per Presidential Decree no.445 (28 Dec 2000) as a requirement of contribution and insurance obligations; this is required even for companies that have no permanent employees if they are required to be insured both with INAL and INPS;
 - self-certification, as per Presidential Decree no.445 (28 Dec 2000), attesting to compliance with obligations set out by Legislative Decree no.83 (2012), art.13.iii, with regard to contractors and sub-contractors of works and services and regular payment of tax deductions.

In cases where production companies are also beneficiaries of the Apulia Hospitality Fund or Apulia Development Film Fund, relative invoices may be reported on only one of the three funds.

8. Allocation procedures

Funding will be allocated in accordance with the conditions set out in this document or following any additional formally stipulated agreements and will be divided into two separate payments as follows:

- **30%** advance payment;
- **70%** outstanding balance payment after the post-production phase.

As the second tranche payment is subject to modification or withdrawal (as per article 7 of the current document), it may only be requested from the AFC Foundation **after final audit checks have been made on the financial statement**.

Funding is **exempt from VAT** as it is allocated by a non-profit organisation, as per article 2,3A of Presidential Decree no.633 (26 Oct 1972). The grant is subject to a **4% withholding tax** under clause 28, section 2 of Italian Presidential Decree no.600 (29/9/73). This levy, paid by the AFC Foundation in the form of a withholding agent, must be clearly shown on the pre-payment invoice. The invoice, including a €2 revenue stamp, must clearly show the **CUP number and CIG code**.

In accordance with legislation governing payments made by public administrations, the AFC Foundation is legally obliged to carry out **checks through the Equitalia system** and examine any contracted payment of over €10,000 for outstanding fiscal burdens with regard to the Italian tax authorities. In case of non-compliance, any debts which production companies have incurred with the tax authorities will be automatically distrained by Equitalia and paid by the AFC in the name and on behalf of the production creditor.

9. Cancellation of funding, jurisdiction and treatment of personal data

Agreed funding will not be allocated (or if already allocated, must be returned) where there is evidence of forgery of documentation or financial accounts, if false or deliberately imprecise statements have been made or if the documentation provided is inadmissible.

Failure to comply with the regulations stipulated in this document will result in the return of funding already allocated and the non-payment of any outstanding balance.

It is agreed that the place of jurisdiction for all disputes arising out of, or in connection with these regulations will be exclusively that of Bari.

On signing the application form, applicants agree to accept all conditions set out under these regulations.

Under Legislative Decree 196/2003, the holder of all data requested in applications to the Apulia National & International Film Fund will be the AFC Foundation.

Bari, 10 February 2014
Protocol. no. 668/14/U