



Der Beauftragte der Bundesregierung  
für Kultur und Medien

# **Guideline Issued by the Federal Government Commissioner for Culture and the Media: “Incentive to Strengthen the Film Industry in Germany”**

**21 December 2006**

**Issued by:**

**The Federal Government Commissioner for  
Culture and the Media [hereinafter: BKM]**

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## **I. Principles and Objectives**

The objective of the measure is to improve the economic framework conditions for the film industry in Germany, to preserve and promote the international competitiveness of enterprises in the film industry with the object of achieving long-term effects for Germany as a production location in conjunction with further effects on the macro-economy.

The particular objective of the measure is to facilitate the financing of films as a cultural good, for producers in Germany. The measure is aimed at enabling higher production budgets in order to further the artistic scope, the quality, attractiveness and hence the dissemination of films.

At the same time the costs spent in Germany in connection with the production of films are to be increased, leading to a better utilization of the capacity of technical film businesses. An improvement in film financing for production companies and the existence of the corresponding technical infrastructure constitute the prerequisites for a German and European film culture which is both creative and successful in the long run.

### **§ 1 Purpose of a Grant and Objective of the Measures**

(1) The German federal government awards grants for the financing of the production costs of a film in accordance with these Guidelines and the General Administrative Provisions on § 23, § 44, Federal Budgetary Regulations [BHO]. The expenditure is to be financed in the relevant budget year from Kap. 0405 Tit. 683 22 of the Federal Budget. The measure is limited in time to a maximum of 3 years (until 2009). An applicant has no claim for a grant; the grant authority decides on the basis of its duly exercised discretion within the confines of the budget funds available.

(2) The objective of the measure is to strengthen films as a cultural good as well as Germany as a production location, within the confines of the budget funds available for the individual measure.

(3) Realization of the objectives of the measure will be evaluated by a committee.

## **II. Recipient of a Grant**

### **§ 2 Recipient of a Grant**

The recipient of a grant is the applicant, provided all grant requirements are satisfied.



## III. Grant Requirements

### Chapter 1: Grant Requirements to be Satisfied by the Applicant

#### § 3 Applicant

(1) The producer of the film is entitled to file the application. The producer is the person responsible for production of the film up to delivery of the first release print or – in case of a co-production – the person who is co-responsible and actively involved in production of the film.

(2) The applicant has to have his/her domicile or registered office in Germany. Insofar as the applicant has his/her domicile or registered office in another EU Member State or another EEA contracting state, he/she has to have a business establishment within Germany.

(3) If the film is produced by the German subsidiary or establishment of a producer with his/her registered office outside the European Union or the EEA, then all grant requirements have to be met by the German subsidiary or establishment.

(4) The application may only be filed by the German subsidiary or establishment.

(5) The producer or – in case of production of the film underlying the application by a single-purpose company founded solely for that purpose – an affiliated company of the producer has to have produced, as an enterprise or a person, at least one feature-length film during the last five years (reference film) before filing of the application, in Germany or another EU Member State or EEA contracting state. The reference film must have been commercially released in theatres in Germany in at least 30 prints, or at least 15 prints where the production costs of the reference film did not exceed EUR 2 million. If the reference film is the producer's first work, theatrical release with 10 prints will suffice. 4 prints of documentary films will suffice.

If financial aid is requested for the first work of an applicant, the grant of a subsidy by the BKM, the Federal Film Board [FFA] or a film promotion institution in one of the federal states of Germany will suffice as a reference.

(6) If, in case of a co-production, several co-producers satisfy the grant requirements, the application may nevertheless only be filed by one of the producers. The producers participating in the co-production have to reach agreement on this point and issue a corresponding joint declaration to the FFA at the time of filing an application.



## Chapter 2: Film-Related Grant Requirements

### § 4 Definitions of Terms

(1) Total production costs in the sense of these Guidelines are all costs according to No. 2 in Schedule 1.

(2) German production costs in the sense of these Guidelines are production costs that are attributable to film-related goods and services provided in Germany by companies or their employees as well as by freelancers and self-employed persons, in accordance with the following provisions:

1. Services provided by persons, wages, salaries, fees and charges will qualify as German production costs if and insofar as they are subject to unrestricted or limited tax liability in Germany. The persons employed within the context of production of the film have to be indicated in a cast and staff list customary in the industry which also indicates the domicile or place of business relevant for tax purposes.
2. Services provided by companies will only qualify as production costs spent in Germany if and when,
  - the company providing the services has its place of business or a business establishment in Germany and is entered in the Commercial Register or if a registered trade exists there, and
  - the company or establishment providing the services has, at the time the services are rendered, at least one permanent employee working in Germany, and
  - the detailed invoice for the services is issued by the business or establishment, and
  - the services billed are all provided in Germany or the material used to provide the services is all in fact procured in Germany and the necessary technical equipment for provision of the services is in fact used in Germany. As regards mobile technical film equipment (e.g. cameras, lighting and sound equipment), it has to be procured (i.e. purchased, leased or hired) in Germany.



## **§ 5 Film-Related Requirements**

(1) The grant is awarded for feature-length films. A film is a feature-length film if it has a screen length of at least 79 minutes, for children's films of 59 minutes.

(2) The total production costs of the film have to amount to at least EUR 1 million for feature films, EUR 200,000 for documentary films and EUR 3 million for animated films. The "Principles of Economical Business Management" according to Schedule 1 hereto apply.

(3) A grant will only be awarded for films one final version of which at least is produced in the German language, save for dialogue scenes where the script provides for a different language. As regards the language version of the film, a version with German subtitles suitable for cinema showing will suffice. The German-language version has to be submitted to the FFA prior to disbursement of the final instalment of the grant and no later than six (6) months after completion of the rough cut.

(4) The contents of the film may not violate the German Constitution or the laws in force in the Federal Republic of Germany, or moral or religious feelings, and they may not show sexual matters or brutalities in a garishly coarse, speculative manner.

(5) The shooting or animation work may not commence until after a notification of grant has been issued. The applicant may file a request for premature commencement of the shooting or animation work. The FFA will decide on such a request at its duly exercised discretion.

## **§ 6 Theatrical Release**

(1) The film has to be commercially released in Germany. The intention to theatrically release the film has to be proven by presenting a legally binding and unconditional distribution agreement at the time of disbursement at the latest. The distribution agreement has to provide for the release in theatres of at least 30 prints of the film, of at least 15 prints in case of a grant of less than EUR 320,000; the distribution agreement has to provide for at least 10 prints of a film which is the producer's first work, in case of documentary films 4 prints will suffice.

(2) The distributor in the sense of para 1 above, as a company or a person, has to have released at least 3 feature-length films in theatres during the last 12 months preceding filing of the application. The FFA will keep a list of distribution companies that satisfy these criteria.



(3) Theatrical release in Germany has to be proven within 1 year of completion of the film. In justified exceptional cases the advisory board (§ 22, § 23) may extend this period.

## **§ 7 Holdback Periods**

The provision on holdback periods pursuant to § 30, Act on Film Promotion [FFG], shall apply subject to the proviso that the FFA managing director will decide on curtailments of the holdback periods and in cases of § 30(5) and (7), FFG.

## **§ 8 Applicant's Contribution**

(1) A grant will only be awarded if the applicant makes a contribution of at least 15% of the total production costs. § 34(1), 2<sup>nd</sup> sentence, to § 34(4), FFG applies accordingly.

(2) The FFA managing director may provide for exceptions from para. 1, 1st sentence, above for the first 2 feature-length films of a producer and for documentary films; in that case the producer's own contribution nevertheless has to amount to at least 5% of the total production costs.

## **§ 9 Minimum Amount of German Production Costs**

(1) A grant will only be awarded if the German production costs amount to at least 25% of the total production costs in the sense of § 4(1); if the total production costs exceed EUR 20 million, the German production costs have to amount to at least 20% of the total production costs.

(2) Paragraph 1 will not apply if the German production costs amount to at least EUR 15 million.

## **§ 10 Test of Cultural Characteristics**

(1) In order to ensure the cultural objectives of the measure, a test of characteristics will be conducted. A grant will only be awarded if the film obtains the relevant minimum number of points in the test of characteristics for feature films, documentary and animated films respectively. As regards feature films, the test of characteristics will be conducted according to Schedule 2 hereto, for documentary films according to Schedule 3 and for animated films according to Schedule 4 hereto.

(2) In order to ensure the cultural character, feature films have to satisfy at least 4 criteria in the category "Cultural Content" (A-Block No. 1). Documentary and animated films have to satisfy at least 2 criteria in the category "Cultural Content".



(3) In order to qualify for a grant a feature film has to be awarded a total of at least 48 points from both categories, a documentary film at least 27 points and an animated film at least 41 points, in each case from both categories.

(4) As regards international co-productions made in accordance with the European Convention on Cinematographic Co-Production, the points system provided for in Schedule II to that Convention will apply.

## **§ 11 International Co-Productions**

(1) As regards international co-productions, the applicant has to furnish a financial contribution of at least 20% of the total production costs; if the total production costs exceed EUR 25 million, a financial contribution of at least EUR 5 million will suffice.

(2) If the film for which a grant is being applied for is an international co-production involving a producer from a country which is not an EEA contracting state, then as regards the reference film required under § 3(5), the applicant has to have produced that film either alone or as a co-producer with majority participation. In exceptional cases the FFA managing director may waive the requirement of majority participation if there are no doubts as to the applicant's professional skills.

(3) International co-productions will not receive a grant if the German contribution consists solely of financing without the German participant in the sense of § 3(1) hereof bearing any responsibility for the contents or being actively involved in production of the film.

## **§ 12 Archiving**

The applicant has to provide a technically flawless print of the film in the original format shot to the German Federal Film Archive free of charge within 12 months after the first public showing of the film or, should the theatrical release run for longer than 12 months, after the theatrical release, unless this obligation has already been otherwise met.

# **IV. Nature, Scope and Amount of a Grant**

## **§ 13 Nature of a Grant**

(1) The grant will be approved in the form of financial aid for the project. The grant will be awarded as partial financing. This requires a financing need on the part of the producer filing an application in at least the amount of the grant.



(2) The financial aid is awarded as a non-repayable grant; § 17(2) of these Guidelines shall remain unaffected.

## **§ 14 Amount of a Grant; Total Production Costs Eligible For a Grant**

(1) The basis for calculating the amount of the grant is a maximum of 80% of the total production costs.

(2) The grant shall amount to 20% of the German production costs in accordance with § 4(2) hereof, subject to the following provisions.

(3) The following costs do not qualify as German production costs when calculating the amount of the grant:

- pre-production costs (according to Schedule 1, No. 6)
- costs for the rights to underlying material and rights to other pre-existing works (including pre-existing music)
- costs for legal advice
- insurance costs
- financing costs
- travel and transport costs for actors
- overhead costs (according to Schedule 1, Chart C)
- actors fees insofar as they exceed 15% of the total production costs
- Excess reserve unless it can be dissolved in the final costs calculation in favour of goods and services eligible for a grant.

(4) The maximum grant per film project is EUR 4 million.

(5) In exceptional cases, at the request of the applicant it is possible to diverge from the maximum grant limit of EUR 4 million and award a grant of up to EUR 10 million if the German production costs amount to at least 35% of the total production costs or if the film is awarded at least two-thirds of the possible total points in the test of characteristics. The advisory board (§ 22, § 23) will decide on such a request.

(6) If compelling dramaturgical requirements in the script call for shooting on location which cannot take place in Germany or only at an unreasonably high cost, then the on-location shooting costs incurred abroad for these reasons will qualify as German production costs subject to the following restrictions:

1. The costs incurred must otherwise satisfy the criteria under § 4(2), and
2. there is a limit of 30% for the entire shooting. The limit of 30% for the entire shooting does not apply to documentary films.



The costs incurred under the above paragraph will however not be taken into account when calculating the minimum amount of German production costs pursuant to § 9 hereof.

(7) A belated increase in the German production costs vis-à-vis the costs indicated in the application will be taken into account retroactively only up to 8% of such costs, subject to availability of funds.

## **V. Procedure**

### **§ 15 Competent Authority**

The competent authority for the implementation of the measure according to the present Guidelines is the Federal Film Board [FFA] in Berlin. The Federal Film Board is subject to the legal and content supervision of the BKM as regards the measures according to these Guidelines.

### **§ 16 Filing of Applications and Application Procedure**

(1) The written application has to be addressed to the FFA – Filmförderungsanstalt, Bundesanstalt des öffentlichen Rechts, Große Präsidentenstraße 9, 10178 Berlin. The application may only be filed by post, by courier or in person.

(2) An application may not be filed until the applicant has proven that 75% of the total production costs of the film project are financed.

(3) The application has to contain the information and documents stipulated by the FFA in the implementation provisions to these Guidelines. In particular, fulfilment of the grant requirements has to be proven in the application. If it is not possible to present proof at the time of filing the application, fulfilment of the grant requirements has to be established with sufficient probability. In this case the proof has to be submitted by the date on which the grant is disbursed. If an invoice is required as proof, this has to be issued in the applicant's name. Insofar as documents do not exist in a German-language original version, the FFA may require the applicant to obtain a translation of the documents by a generally sworn translator, or a German-language summary of the main contents required in order to process the application; the accuracy and completeness of the summary has to be confirmed by the applicant.

(4) Applications may be filed as of 2 January 2007. Applications received by the FFA prior to that date will be deemed received on 2 January 2007. Applications will be processed by the FFA in the order in which they are received. The receipt stamp determines the date of receipt. Applications received during the hours of business of the FFA on the same calendar day shall all be deemed simultaneously received.



(5) If the application is incomplete or does not satisfy the requirements as to sufficient probability or proof of the grant requirements, or if other information or documents are missing, the FFA may allow the applicant a grace period in order to complete the application. If the application is not completed by the applicant within the grace period granted, it will be refused. An application may be re-submitted twice for the same film project.

(6) All application documents become the property of the FFA.

## **§ 17 Approval**

(1) The grant will be awarded by way of a notification. The date on which the completed application with the required documents is submitted determines the order in which grants are approved. Several completed applications submitted on the same day will be treated as simultaneously received applications.

(2) The General Ancillary Terms on the Grant of Financial Aid (ANBest-P) constitute an integral part of the notification of grant. The FFA may ensure satisfaction of the grant requirements by including ancillary terms in the notification of grant. In particular, the notification of grant may be tied to the condition that the applicant, in case of an assignment of the rights to the subsidized film to another country, has to make a financial contribution to the central services organization of the German film industry for the representation of German films abroad. The contribution amounts to 1.5% in case of net proceeds of up to EUR 1.5 million. Proceeds in excess of EUR 1.5 million shall not be taken into account.

(3) The notification of grant will expire unless total financing of the project is proven within 3 months of receipt of such notification. The deadline may be extended by 1 month.

(4) The notification of grant will also expire unless shooting or animation work commences within 4 months of receipt of the notification, and unless the film is completed within the project term mentioned in the application. The FFA may grant a request for postponement of the start of shooting or animation work or a request for an extension of the project term.

(5) If adequate budget funds are no longer available for an application which fulfils the grant requirements, a partial amount may be awarded. If adequate budget funds are no longer available for simultaneously received applications which fulfil the grant requirements in order to grant the full amount to each application, then a grant with a reduced percent figure of the German production costs eligible for a grant may be approved for each application; the percent figure depends on the amount of funds available and the number of applications to be granted simultaneously. In this case an equal percent of the funds available may be divided among the film projects to be subsidized. The German production costs eligible for a grant in the sense of § 14 constitute the basis of the relevant calculation.



## **§ 18 Disbursement**

(1) Disbursement of the grant to the applicant will take place after completion of the film, an audit of the final costs and presentation of proof of the grant requirements. Proof of actual theatrical release may be provided after disbursement.

(2) Upon request the grant may be disbursed in instalments depending on the progress of production; in this case 33% of the grant will be disbursed at the start of shooting, 33% upon completion of the rough cut, and the remainder following an audit of the final costs. Such a request has to be supported by reasons. In case of grants of over EUR 2 million, disbursement in instalments requires the furnishing of a completion bond or a guarantee in the amount of the grant approved. A guarantee in accordance with § 31, FFG, is excluded.

(3) The appropriation of resources and the final costs will be audited by a CPA commissioned by the FFA.

(4) No disbursement will be made

1. if proper financing of the film project is not ensured;
2. if the applicant has breached the principles of economical business management within the context of the financing, production, rental, distribution or video distribution of a film subsidized by the FFA or the BKM.

(5) A claim for disbursement of a grant may be assigned to banks or other financial institutes solely for the purpose of interim financing.

## **§ 19 Repayment**

As regards co-productions, the co-producers are jointly and severally liable for repayment of the grant.

## **§ 20 Compliance with the Law Governing the Grant**

The grant, disbursement and accounting of the grant as well as proof and auditing of application thereof as well as the possible revocation of the notification of grant and a possible claim for repayment of the grant awarded are governed by § 23, § 44, Federal Budgetary Regulations [BHO], by the relevant General Administrative Provisions as well as by § 48-§ 49a, Act on Administrative Procedures [VwVfG], unless otherwise stipulated herein. The Federal Audit Office [Bundesrechnungshof] is authorized to conduct audits pursuant to § 91, § 100, Federal Budgetary Regulations [BHO].



## **VI. Information**

### **§ 21 Information**

§ 70, FFG, applies accordingly to the applicant's duties to provide information.

## **VII. Advisory Board**

### **§ 22 Composition of the Advisory Board and Procedure**

(1) The advisory board is composed of up to 7 members.

(2) The managing director of the FFA shall chair the advisory board and is entitled to vote. Other members of the advisory board entitled to vote shall be a representative of the BKM, 2 representatives of film promotion institutions of the federal states who are appointed by the BKM. The BKM may appoint up to 3 experts from the film industry. Expert members of the board are not entitled to vote.

(3) An alternate shall be appointed by the BKM for each member.

(4) The advisory board shall meet once each half-year or at the request of the chairperson of the FFA or an advisory board member entitled to vote. The managing director of the FFA shall chair and call the advisory board meetings with at least 2 weeks' notice.

(5) The advisory board has a quorum if the majority of members entitled to vote are present. The board may adopt its own rules of procedure.

(6) Resolutions of the advisory board will be adopted by a majority of the voting members present. In case of a tie, the chairperson's vote shall decide. Resolutions may also be adopted by way of a circular procedure.

(7) The members of the advisory board and the experts serve in an honorary capacity. Travel costs will be reimbursed in accordance with the provisions applicable to civil servants. The FFA managing director may in agreement with the advisory board agree on fees for the preparation of written expert opinions by experts.

### **§ 23 Decisions of the Advisory Board**

(1) The advisory board shall decide by way of a resolution in case of a decision pursuant to § 6(3), 2nd sentence, § 14(5), 2nd sentence, of this Guideline and on objections raised.



(2) The FFA managing director may consult the advisory board at any time on other issues in connection with the interpretation or execution of these Guidelines.

(3) The advisory board may make proposals for amendment of this Guideline and advises the FFA in implementing the measure, insofar as is necessary.

## **VIII. Evaluation**

### **§ 24 Evaluation of the Measure**

(1) The measure according to these Guidelines shall be evaluated by a committee consisting of representatives of the BKM, of the Federal Ministry of Finance and of the Federal Ministry of Economics and Technology. Other experts, yet not persons entitled to vote, may be consulted. The evaluation shall be conducted on the basis of an agreed evaluation concept.

(2) The evaluation committee may recommend modifications of the Guidelines at any time.

(3) For the purpose of evaluation the FFA may require the applicant to provide information in order to establish an adequate basis of information and data for the evaluation. The FFA may declare the provision of such information to be a prerequisite for the issue of a notification of grant or for disbursement of the grant.

## **IX. Final Provisions**

### **§ 25 Competence of the Superior Federal Authority for Culture and the Media**

The abbreviation BKM in these Guidelines designates the superior federal authority competent for culture and the media.

### **§ 26 Provisions on Implementation**

With the consent of the BKM, the FFA may issue the provisions required for implementation of the Guidelines.



Der Beauftragte der Bundesregierung  
für Kultur und Medien

## **§ 27 Entry into Force**

This Guideline will enter into force on 1<sup>st</sup> January 2007.

Bonn, 21 December 2006

The Federal Government Commissioner  
for Culture and the Media

pp.  
signed Ulrike Schauz

File No. K 35a – 346 200-2/0



## **Schedule 1**

Guideline of the Federal Government Commissioner for Culture and the Media  
"Incentive to Strengthen the Film Industry in Germany"

### **Principles of Economical Business Management**

#### 1. Principles of Economical Business Management

The applications shall comply with the Principles of Economical Business Management in accordance with the following provisions.

#### 2. Total Production Costs

The total production costs of a film include the kinds of costs listed in Chart A below. Production costs are calculated exclusive of VAT (deductible input VAT) (net principle).  
Chart A of Production Costs

#### ***Chart A of Production Costs***

1. Pre-production costs
2. Rights and manuscripts
3. Salaries/fees
  - production staff
  - director's staff
  - equipment staff
  - other staff
  - actors
  - musicians
  - extra costs salaries
4. Set
5. Equipment and technology
6. Travel and transportation expenses
7. Film material and editing
8. Final completion
9. Insurance costs
10. Other project-related costs (see Chart B below)



11. Overhead expenses
12. Excess reserve
13. Financing costs
14. Trustee's fee
15. Legal fees
16. Additional costs for production of the German version of the film (including first release print).

The producer's other project-related costs include the individual kinds of costs listed in Chart B below, provided such costs are not already included in the overhead expenses.

***Chart B of other Project-Related Costs***

1. Passenger transportation
2. Goods transportation
3. Minor expenses
4. Rail and air freight charges
5. FSK (Voluntary Self-Control Association) / FBW (Film Rating Board) fees if included in the production costs (usually advance distribution costs)
6. Industry association fees
7. Social insurance
8. Production press
9. Producers' association (film-related charge)
10. Telephone, telegram, postage
11. Rent for production rooms
12. Office material
13. Entertainment expenses
14. Agent fees
15. Customs fees
16. Reproductions
17. Temporary workers



### 3. Overhead costs for feature-length films

(1) The producer's overhead costs include the individual kinds of costs listed in Chart C below. These costs may not be stated as production costs according to Nos. 1-9 of Chart A.

(2) Within the context of these Principles the overhead costs incurred by the producer for the production of feature-length films will be recognized at the rate of 7.5% up to a limit of EUR 1,000,000 of the total production costs or the portion of German production costs (yet without the overhead and financing costs in this case).

(3) If the calculated costs exceed EUR 1,000,000, the overhead costs eligible for recognition will increase by EUR 2,500 for each EUR 50,000 of additional production costs, up to a maximum of EUR 250,000.

#### ***Chart C of Individual Kinds of Costs Included Among the Overhead Costs***

1. Expenditure for furnishing and maintaining permanent business premises
2. General business necessities (writing materials, etc.)
3. General postal and telephone charges
4. General personnel costs insofar as they do not concern the specific project
5. Trade tax on income and capital
6. Expenditure for general legal, tax and foreign exchange advice and for auditing of balance sheets
7. Interest and bank charges for general loans
8. General expenditure for entertaining guests, for representation, flowers and gifts
9. Travel expenses and expenditure within the context of the producer's normal business unless incurred for a certain project.

### 4. Financing Costs

In the costs estimate the provable financing costs can generally be stated with the interest rate (including ancillary costs and commitment commission) of the German syndicate banks granting the film loans, but on no account higher than 8% above the relevant basic interest rate in force of the European Central Bank. Financing costs for the producer's own funds may not be stated.



## 5. Excess Reserve

An excess reserve of up to 8% of the total amount of calculated kinds of costs Nos. 1-9 (production costs) in Chart A may be stated in the costs estimate.

## 6. Pre-Production Costs

The pre-production costs include costs for location/motif scouting, underlying material development costs, costs for screen tests and preliminary negotiations, in each case insofar as they concern the project.

## 7. Travel Expenses

Within the context of these Principles, the expenses rates for travel expenses may not be higher than the rates under collective agreements or tax law. Justified exceptions are permissible for top personnel.

## 8. Rebates, Discounts, Bonuses, Sale or Other Disposal of Materials

(1) Rebates and discounts shall be deducted from the relevant cost items in the final costs calculation. Discounts obtained through the producer's own additional achievements outside the film project do not have to be deducted from the relevant cost items.

(2) Rebates and discounts shall be deducted from the costs for prints of the films subsidized. However, discounts and turnover-related bonuses obtained through additional own achievements outside the relevant procurement of prints do not have to be deducted.

(3) Income from the sale or other disposal of items (objects and rights) included among the production costs shall be stated as reducing the production costs.

## 9. Producer's Fee, Special Provisions on Producer's Own Participation and Multiple Participation

(1) Where the total production costs do not exceed EUR 5 million, the producer's fee shall amount to a maximum of 2.5% of the total production costs. In special, justified exceptional cases the FFA managing director may permit exceptions. The recipient of the producer's fee is the natural person who bears the responsibility for the creative tasks of the producer relating to production of the film.

(2) If the producer participates in kind, such participation may only be stated up to the relevant prices or list prices customary on the market, insofar as possible, subject to a 25% reduction of such amounts. If the producer otherwise participates personally, such participation may only be stated up to the relevant prices or list prices customary on the market, insofar as possible, less the discounts customary in the industry.



- (3) If the producer or the co-producer or the proprietor, exclusive or majority shareholder of the production company (individually owned company, partnership or company limited by shares) is identical to the director, the fee for the director shall amount to a maximum of 4% of the total production costs.
- (4) If the producer or the co-producer or the proprietor, exclusive or majority shareholder of the production company (individually owned company, partnership or company limited by shares) is identical to the executive producer, the fee for the executive producer shall amount to a maximum of 2.7% of the total production costs.
- (5) In the event of other multiple participation on the part of the producer within the production process of a film, the fee rates shall be reduced by 20%.



## Schedule 2

Guideline of the Federal Government Commissioner for Culture and the Media  
“Incentive to Strengthen the Film Industry in Germany”

### Test of Characteristics for Feature Films

The information "from Germany or the EEA" refers to the nationality of the natural person or to their domicile<sup>1</sup> and the focus of their daily lives in Germany or another EEA contracting state. Of the "Cultural Content" category at least four criteria must be met. Full points only will be awarded.

<b>A Block: Cultural Content and Creative Talents</b>	<b>Points</b>	<b>Total</b>
<u>1. Cultural Content</u>		
• Film (substance/underlying material) plays mainly in Germany or in the German culture area <sup>2</sup>	2	
• uses German landmarks <sup>3</sup> (i.e. motives that can be attributed to Germany, e.g. German architecture or landscape, such as "Black Forest cottage")	2	
• uses German locations <sup>4</sup>	2	
• Main character(s) of the underlying material is/was German <sup>5</sup>	2	
• Storyline/underlying material is German <sup>6</sup>	2	
• Storyline/underlying material is based on literary material	2	
• Storyline/underlying material deals with artists or art genre (e.g. composition, dance, performance art, painting, architecture, pop art, comic)	2	
• A contemporary artist from areas other than film art takes a substantial part in the film	2	
• Storyline/underlying material refers to a personality of contemporary or world history (e.g. Gandhi) or a fictional character in cultural history (e.g. Hercules, Siegfried, Hänsel & Gretel)	2	

<sup>1</sup> A person is domiciled if he/she has a residence in circumstances which permit the conclusion that he/she will keep and use the residence.

<sup>2</sup> The German cultural area includes German-speaking areas, formerly German-speaking areas or areas in which a German minority lives.

<sup>3</sup> Subject: Clearly German subjects, no matter where they are shot (Frankfurt's Renaissance City Hall Roemer, Reeperbahn in Hamburg, German Reichstag building in Berlin). Subject means the described scene of the action, to lead the viewer's imagination into a certain direction.

<sup>4</sup> Location: Location actually shot in Germany (a studio is no location in this sense). As opposed to the Subject, the Location is the place where imagination is transposed into a film work.

<sup>5</sup> The main character is German in the sense of the test of characteristics if he/she is or is presumably a German national according to the storyline, or (presumably) lives permanently in Germany.

<sup>6</sup> The storyline/underlying material is German if it originated from a German-speaking author or from an author who lives permanently in Germany, or if it concerns issues relevant to Germany.



- Storyline/underlying material refers to an historical event in world history or a similar fictional event (e.g. the conquest of Troy) 2
- Storyline/underlying material deals with issues of religious or philosophical beliefs or issues of current social or cultural relevance (e.g., Islamic headscarf; refugee problem, etc.) 2
- A final version in the German language 3
- Film plays mainly in another EEA state 1
- Film uses other European landmarks<sup>7</sup> (if there are no German landmarks or locations) or further European landmarks (if there are German landmarks or locations as well) 1
- Main character of the underlying material from another/further EEA state 1 **30**

## 2. Creative Talents

- Film artists of international standing from Germany in an important role - "German stars" (meaning the below-listed persons who have participated in a film, attended a festival according to § 22 (3) FFG or won a prize according to § 22 (3) FFG) 4
- Film artists of international standing from another/further EEA state in an important role – "European stars" (meaning the below-listed persons who have participated in a film, attended a festival according to § 22 (3) FFG or won a prize according to § 22 (3) FFG) 2
- Actors from Germany or the EEA (unless already covered under the "stars" definition) (max. 3 points)
  - 1st principal actor (1 point)
  - or 2nd principal actor (1 point)
  - or two supporting actors (1 point)3
- Creative talents from Germany or the EEA (nationality) in responsible position who, within the past ten years prior to beginning of shooting, have creatively contributed to a film made in the EEA or shot with the participation of a producer from the EEA or creative talents from Germany or the EEA for whom such film is their first work:
  - director 3
  - scriptwriter 3
  - producer/co-producer (individual) 3
  - composer 2
  - director of photography 2
  - editor 2
  - costume designer 1
  - make-up artist 1
  - props 1
  - production designer 1

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<sup>7</sup> See footnote 3.



- art director	1	
- set decorator	1	
- line producer	1	
- VFX supervisor	1	
- post-production supervisor	1	
		<b>33</b>
		<hr/> <b>63</b>

### **B Block: Production**

• Location shooting or studio shooting in Germany (at least 50% of shooting (= studio and location) and at least 70% of studio shooting, if any, spent in Germany)	12	
(at least 25% of shooting (= studio and location) and at least 70% of studio shooting, if any, spent in Germany)	(6)	
• At least 25 % of digital effects (VFX) in Germany, based on the overall cost of the measure): 1 point	max. 4	
• At least 25% of special effects (SFX) in Germany, based on the overall cost of the measure: 1 point	max. 4	
• 100% of music recordings in Germany	2	
• 100% of sound editing and mixing in Germany	2	
• 100% of laboratory work up to first release print in Germany	3	
• 100% of print editing (incl. telecine) in Germany	2	
• 100% of final editing (incl. digital intermediate) in Germany	2	<b>31</b>
		<hr/> <b>94</b>

**48 out of 94 points from both categories are required**



### Schedule 3

Guideline of the Federal Government Commissioner for Culture and the Media  
“Incentives to Strengthen the Film Industry in Germany”

#### Test of Characteristics for Documentary Films

The information "from Germany or the EEA" refers to the nationality of the natural person or to their domicile<sup>8</sup> and the focus of their daily lives in Germany or another EEA contracting state. Of the "Cultural Content" category at least two criteria must be met. Full points only will be awarded.

<b>A Block: Cultural Content and Creative Talent</b>	<b>Points</b>	<b>Total</b>
<u>1. Cultural Content</u>		
• Film mainly deals with or plays in Germany or the German culture and language area <sup>9</sup> or with issues relating to Germany	4	
• Principal character(s) is/was German <sup>10</sup> or can be attributed to the German language or culture area	4	
• Film is shot in original German version or final version is German	2	
• Film refers to an important historical or contemporary personality	1	
• Film deals with artists or art genre (e.g. composition, dance, performance art, painting, architecture, pop art, cartoon)	1	
• Film deals with an historical event of world history	1	
• Film deals with ways of life of people/minorities (e.g. material about nomads)	2	
• Storyline/underlying material deals with issues of religious or philosophical beliefs or issues of current social or cultural relevance (e.g. discrimination, drugs, refugee problem, etc.)	2	
• Film deals with scientific topics or phenomena of nature	2	<b>19</b>
<u>2. Creative Talents</u>		
• Creative talents from Germany or the EEA (nationality) in responsible position who, within the past ten years prior to beginning of shooting, have creatively contributed to a film		

<sup>8</sup> A person is domiciled if he/she has a residence in circumstances which permit the conclusion that he/she will keep and use the residence.

<sup>9</sup> The German cultural area includes German-speaking areas, formerly German-speaking areas or areas in which a German minority lives.

<sup>10</sup> The main character is German in the sense of the test of characteristics if he/she is a German national or lives permanently in Germany.



made in the EEA or shot with the participation of a producer from the EEA or creative talents from Germany or the EEA for whom such film is their first work:

- director	5	
- producer	3	
- author	3	
- director of photography	3	
- editor	3	
- composer	2	
- sound/music design	1	<b>20</b>
		<b>39</b>

### **B Block: Production**

• Location or studio shooting in Germany (at least 50% of shooting days, otherwise total cost of shooting spent in Germany; 1 point per each 10 %)	5	
• 100% of digital effects in Germany	1	
• 100% of musical recordings in Germany (50% = 1 point)	2	
• 100% of sound editing and mixing in Germany in D (50% = 1 point)	2	
• 100% of final picture editing (50% = 1 point)	2	
• 100% of laboratory work up to first release print in Germany	1	<b>13</b>
		<b>52</b>

**27 out of 52 points from both categories are required**

## Schedule 4

Guideline of the Federal Government Commissioner for Culture and the Media  
“Incentives to Strengthen the Film Industry in Germany”

### Test of Characteristics for Animated Films

The information "from Germany or the EEA" refers to the nationality of the natural person or to their domicile<sup>11</sup> and the focus of their daily lives in Germany or another EEA contracting state. Of the "Cultural Content" category at least two criteria must be met. Full points only will be awarded.

<b>A Block: Cultural Content and Creative Talent</b>	<b>Points</b>	<b>Total</b>
<u>1. Cultural Content</u>		
• Main character was/is German <sup>12</sup> or from the German language or cultural area <sup>13</sup>	2	
• Storyline/material is German or originates from the German language or cultural area <sup>14</sup>	4	
• A final version is in the German language	2	
• Storyline is intended and suitable as children or youth film	3	
• Storyline/underlying material is based on literary material or is derived from traditional fairytales/sagas	2	
• Storyline/underlying material deals with artists or art genre (e.g. composition, dance, performance art, painting, architecture, pop art, cartoon)	2	
• Storyline/underlying material refers to a personality of contemporary/world history or to a fictional character of cultural history	2	
• Storyline/underlying material refers to an historical event of world history or a comparable fictional event	2	
• Storyline/underlying material deals with issues of religious or philosophical beliefs or issues of current social or cultural relevance	2	
• A contemporary artist from areas other than film art take a substantial part in the film	2	<b>23</b>
<u>2. Creative Talents</u>		
• Creative talents from Germany or the EEA (nationality) in responsible position who, within the past ten years prior to	2	

<sup>11</sup> A person is domiciled if he/she has a residence in circumstances which permit the conclusion that he/she will keep and use the residence.

<sup>12</sup> The main character is German in the sense of the test of characteristics if he/she is or is presumably a German national according to the storyline, or (presumably) lives permanently in Germany.

<sup>13</sup> The German cultural area includes German-speaking areas, formerly German-speaking areas or areas in which a German minority lives.

<sup>14</sup> See footnote 3.



beginning of shooting, have creatively contributed to a film made in the EEA or shot with the participation of a producer from the EEA or creative talents from Germany or the EEA for whom such film is their first work:

director	3	
scriptwriter	3	
producer	3	
composer	3	
character designer animation supervisor	3	
character designer	2	
head of production design <sup>15</sup>	2	
speaker (one point each for the first four principal characters)	4	
sound designer	1	
editing	1	
head of production	1	<b>26</b>
		<hr/>
		<b>49</b>

### **B Block: Production**

Except for the animation work, always 100% of the work must be performed in Germany to achieve the full number of points in each case. If less than 30 % of the animation work are performed in Germany, 0 points will be given.

• pre-production (storyboarding, layout work)	4	
• background work	4	
• 1 point each for 10% German spend for animation work	10	
• speech and sound editing; mixing	3	
• music recording in Germany	2	
• rendering in Germany	2	
• compositing in Germany	2	
• laboratory work up to the first release print in Germany	2	<b>29</b>
		<hr/>
		<b>78</b>

**41 out of 78 points from both categories each are required**

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<sup>15</sup> The "Head of Production Design" at the same time acts as "Background Supervisor".