

**Regulations for Allocation of Apulia Film Commission
Foundation Grant
(Apulia Film Fund)**

Application deadlines:
31st January
30th April
31st August

Modified and approved by the Board of Directors on 21 April 2011

1. Introduction

The Apulia Film Commission Foundation, set up under Regional Law 6/2004 art.7, may allocate part of its annual resources – in one or more sessions – to audiovisual, cinema and television productions made in any media format and created for any distribution chain through the assignment of a free grant towards the costs of preparation, production and post-production of audiovisual projects shot (partly or entirely) in Apulia. This grant is called the *Apulia Film Fund*.

Of particular interest to the Foundation is the potential of local production groups in setting up co-productive links with national and international groups in order to create a new culture of production designed to encourage human and technological investment in the Apulia region.

The purposes of this financial support to production companies are;

- to attract direct and indirect investment in the Apulian audiovisual sector
- to enable professional development for regional artistic and technical staff
- to provide opportunities for international culture, art and business
- to publicise Apulian audiovisual culture through comparisons with other productions in the field
- to encourage contact between local public and private institutions with the best international expertise
- to contribute to the promotion and sharing of Apulian cultural identity

In accordance with European regulations set out in the EU Commission statement of 26/09/2001, the amount of grant permitted, when added to other funding from public bodies (EU, state, region, local bodies, public foundations), may not at any time exceed 50% of the total cost of the project (for production and distribution costs). This figure may rise to 80% in the case of “complex films” or “films with limited financial resources”.¹

2. Who can apply

Funding is available for Italian, European and non-European productions presenting projects in the following categories:

- feature-length fiction films (minimum 85 mins)
- TV movies (minimum two episodes of 100 mins)
- TV series (minimum four episodes of 52 mins)
- documentaries, docu-fictions, mockumentaries

¹“Complex films” are those with over 70 points in the following categories; primary and secondary cinema projects, documentaries, shorts, projects produced by Italian state-recognised schools of cinema and films of cultural interest. “Films with limited financial resources” are cinema projects meeting EU regulations whose entire production costs do not exceed €1,500,000 and who meet the cultural eligibility requirements which allow them to obtain a maximum total funding of €1,200,000 from the Ministry of Cultural Affairs and other public bodies.

- fiction shorts (maximum 20 mins)
- video clips
- video games
- animation films

Eligibility for potential applicants for funding is outlined below and may also include temporary enterprises or co-production companies provided that the mandatory ATI or co-production head has been operating for at least three (3) years.

In the case of feature films, TV movies, TV series and animation films, only commercial companies, foundations and co-operative production companies will be taken into consideration.

In the case of all other film projects, in addition to the companies, foundations and co-operative production companies mentioned above, other public and private bodies intending to produce audiovisual, motion picture or videogame projects may also apply.

Each production, co-production company or association may only apply for funding with one project per session and in general only for a maximum of three (3) times during a 12 month period.

Except in special and valid circumstances, returning applicants can not be awarded further funding if the director for the new project has not yet delivered the previous AFC-financed film to the Apulia Film Fund. Furthermore, in accordance with film fund regulations, no funding will be given in cases where the production company has not fully paid invoices pertaining to suppliers or wages for cast and crew for film projects produced previously in Apulia.

3. Criteria for funding

As part of funding regulations, the applying production team and its beneficiaries are obliged to:

- a. ensure that 35% of hired staff (crew and cast) including post-production team, but excluding extras, special extras or apprentices and trainees are made up of citizens resident or born in Apulia;
- b. spend a total that is equal to at least 200% of the grant received within the Apulia Region. This percentage rises to 300% for animation films or videogames;
- c. guarantee that for full-length fiction films (as well as TV films and TV series) at least three (3) weeks of filming of the first reel is on Apulian territory; two (2) weeks for documentaries (including docu-fictions and mockumentaries); four (4) working days for shorts and two (2) working days for video clips. In cases where full-length fiction films (including TV films and TV series) also receive hospitality funding from the Foundation, the minimum working period rises to four (4) weeks.

Fondazione Apulia Film Commission

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Sede Operativa: Cineporto di Lecce, c/o Manifatture Knos, Via Vecchia Frigole 36, 73100 Lecce, Italy

- d. include the brand of the Apulia Film Commission in the opening credits of the film or alternatively in the first frame of the closing credits as well as on all the film's information, publicity and promotional documentation (press kits, etc.), with the wording "produced with the support of the Apulia Film Commission" and sending the Foundation a preview of the opening and closing credits in jpeg format before completing or duplicating the project; failure to do so will result in the withdrawal of the balance payment of 80% of the funding allocated;
- e. allow the Apulia Film Commission the rights for the free use of completed and semi-processed footage as well as production and backstage photography in regional locations for AFC use in promotional advertising for the Apulia region;
- f. provide the AFC, at no additional charge, with five (5) DVD copies of the film and backstage footage (or promotional footage) and two (2) CD copies of scene photography granting rights for the AFC and Apulia Region to use these in promoting the region and its territory;
- g. 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 membership of ENPALS (national insurance office for workers in the entertainment industry) including payment of all necessary contributions;
- h. adhere to 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);
- i. supply punctual and accurate budget data (above and below the line) to allow for internal monitoring procedures. In particular, specific reference must be made to employment data and all expenditure on regional territory;
- j. send the production order by e-mail before the start of production along with a complete list of cast and crew (highlighting Apulian personnel) and a list of locations to be used; during shooting any updated information should also be communicated;
- k. during production, to communicate daily production schedules by e-mail;
- l. organise a press conference in Apulia before the start of or during filming with the participation of national journalists (or international journalists for foreign films) with the participation of the director and/or leading actors as well as representatives of the AFC Foundation;
- m. permit the presence of an AFC representative at any time during production;
- n. permit video recording or photography during production, to be carried out by an AFC representative for purely documentary purposes;
- o. organise a preview of the film in Apulia or, in case 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;
- p. ensure that applications for project funding are not made after the production phase (or production in the case of animation films or videogames).

With regard to funding for productions of:

- Full length fiction films, TV films and TV series; the film must be completed and delivered to the AFC Foundation in DVD format no more than 12 months after the

decision to allocate the grant, extendible once only for a maximum period of 6 months; failure to comply will result in the withdrawal of the grant and the return of any funding already allocated;

- Documentaries, docu-fictions, mockumentaries; the film must be completed and delivered in DVD format to the AFC Foundation no more than 12 months after the decision to allocate the grant, extendible once only for a maximum period of 3 months; failure to comply will result in the withdrawal of the grant and the return of any funding already allocated;
- Fiction shorts; the film must be completed and delivered in DVD format to the AFC Foundation no more than 6 months after the decision to allocate the grant; failure to comply will result in the withdrawal of the grant and the return of any funding already allocated;
- Video games and animation films; the project must be completed and delivered in DVD format to the AFC Foundation no more than 24 months after the decision to allocate the grant; failure to comply will result in the withdrawal of the grant and the return of any funding already allocated.

The Apulia Film Commission will not consider projects which incite violence or encourage racism, political hatred or sexism.

4. Funding availability and allocation procedures

A single production may apply for a maximum grant as detailed below:

- Feature length fiction films, TV films and TV series up to a maximum of €150,000
- Documentaries, docu-fictions, mockumentaries up to a maximum of €40,000
- Fiction shorts and video clips up to a maximum of €30,000
- Videoclips and videogames up to a maximum of €15,000
- The maximum funding available for animation films varies according to the type of project and its duration, in line with the project formats outlined above.

Funds are allocated as follows;

20% upon completion of the contract by the fax transmission to the Foundation of the account invoice and subject to receipt of the following; a detailed, updated budget estimate; an updated production plan; the agenda for the first and subsequent days of filming; a complete list of cast and crew personnel with Apulian members highlighted; a list of locations to be used.

80% upon receipt of complete financial statements and 5 DVD copies of the film (working versions are also acceptable but must include final version of credits with aged position of AFC logo) as well as any other documentation stipulated in article 3 and article 7 of this document and in any additional, formally stipulated agreements. Due to possible modification or withdrawal under article 7, the balance invoice may be emitted by the Foundation only at the end of a complete financial report audit.

The contribution is exempt from VAT as it is allocated by a non-profit institution, and in any case may not exceed 20% of the overall production budget for full-length fiction films, TV films and TV series and 40% for fiction shorts, documentaries, docu-fictions, mockumentaries, videoclips and videogames.

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, is shown on receipts which the production team must send to the AFC Foundation at the time of signing the contract (for advance payment) and at the end of filming (for final balance payment), after which a bank transfer will be paid for the final balance of the allocated grant. 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 contract 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.

5. Application procedures

All applications for funding must include the following attachments in **1 ring-bound or loose-leaf folder (in correctly filed order)**. Failure to comply will result in films being returned without further consideration:

- **for feature-length fiction films, TV films and TV series:**

- application form, completed in accordance with the attached written criteria to appear on the 1st page of the folder; **the application form must be presented both on paper and on CD-rom;**
- production company presentation (company profiles of all parties involved in production);
- DVDs of most recent projects of director and production company;
- story, synopsis and script **both on paper and on CD-rom;**
- director's contract or agreement;

- ❑ director's filmography;
 - ❑ contract and filmography of the writer(s);
 - ❑ leading actors' filmographies and contracts / letters of intent;
 - ❑ file of artistic and technical staff specifying local professionals already selected or to be appointed (except for extras and special extras);
 - ❑ detailed estimated budget of general expenses, including actors' and writers' fees (above the line costs) and preparation and production / post-production fees (below the line costs), highlighting those to be incurred in Apulia;
 - ❑ certification of enrolment in the Official Register of Companies, where required by law;
 - ❑ copy of the Certificate of Incorporation or Foundation Deed and copy of the statute, where required by law;
 - ❑ copy of balance sheets for the last 3 years with relevant attachments;
 - ❑ photocopy of ID document and tax code of the production company's legal representative (or that of the mandate company);
 - ❑ the production project's financial plan together with the following, where applicable; co-production, pre-acquisition, foreign sale, distribution and minimum guaranteed contracts; any public funding granted for purposes of cultural interest, debut or second films; agreements for concession of rights to free-TV and/or pay-TV networks; EU contributions; Ministry of Culture script development grants;
 - ❑ receipt of bank draft for €121 (including VAT) as reimbursement for AFC secretarial duties. An invoice will be issued for this payment.
- **for fiction shorts, documentaries, docu-fictions, mockumentaries, video clips and video games:**
 - ❑ application form, completed in accordance with attached written criteria to appear on the 1st page of the folder; **the application form must be presented both on paper and on CD-rom;**
 - ❑ story, synopsis and script (for video games only, the game design bible) **both on paper and on CD-rom;**
 - ❑ production company presentation (company profile of all parties involved in production);

- ❑ filmography of director and writer(s) as well as for the production or co-production company;
- ❑ file of artistic and technical staff specifying local professionals already selected or to be appointed (except for extras and special extras);
- ❑ DVDs of most recent projects of director and production company;
- ❑ estimated budget of general expenses, highlighting those to be incurred in Apulia;
- ❑ certification of enrolment in the Official Register of Companies, where required by law;
- ❑ copy of the Certificate of Incorporation or Foundation Deed and copy of the statute, where required by law;
- ❑ copy of balance sheets or financial statements for the last 3 years with relevant attachments;
- ❑ photocopy of ID document and tax code of applicant's legal representative;
- ❑ receipt of bank draft for €121 (including VAT) as reimbursement for AFC secretarial duties. An invoice will be issued for this payment.

Applications should be sent by registered post or courier to:

Fondazione Apulia Film Commission
Cineporto
c/o Fiera del Levante
Lungomare Starita, 1
70132 Bari

Application envelopes should clearly state the following text:

“For the attention of Apulia Film Commission – application for AFC Film Fund grant”.

A bank draft for €121 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
BIC/SWIFT CODE: IBSPITNA
Reason for payment: “Reimbursement of expenses incurred for application to AFC Film Fund”.

6. Criteria for allocation of funds

Applications will be examined by the AFC Board of Directors facilitated by two film experts, critics or historians belonging to the National Union of Italian Cinema Critics (SNCCI) to be selected each year. Within 60 days of the final deadline, applications will be submitted to the Foundation Board for their final, indisputable assessment.

The experts' opinions will be relevant but not binding in the final decision-making process.

Public notice of the results of applications will be published on the website www.apuliafilmcommission.it. If an application is successful, the Apulia Film Commission will draw up a contractual agreement with the applicant in line with a Board resolution. If requested by the production company or association, the Board reserves the right to grant or to deny non-onerous legal assistance from the AFC Foundation. During assessment and deliberation for funding, the Board may defer a project found valid but not accepted for funding in the current session to the following session.

The decisions made by the Board of Directors are final and irrevocable.

The AFC will evaluate and select applications based on the following criteria:

For full-length fiction feature films, TV films and TV series:

Projects with a score of at least 60 points out of a total of 100 will be accepted.

Each section contributes towards the total as an overall percentage:

1. Artistic quality of the story and screenplay with regard to different genres of film (40%, max 40 points)
2. Technical quality of the film, defined as technical and technological merit and coherence of artistic and production factors in terms of feasibility (10%, max 10 points)
3. Effect on the Apulia Region defined as local expenditure and employment of staff resident in Apulia (30%, max 30 points)
4. Director's and screenwriters' artistic contributions, defined as awards won at principal international film festivals or international awards, entry of previous films at international film festivals, box-office takings, awards won by actors/actresses directed previously (10%, max 10 points) [Principal festivals and awards are considered as the following: Venice, Cannes, Berlin, Rome, London, Locarno, Montreal, Sundance, San Sebastian, Turin, Moscow, Karlovy Vary, Pesaro, Giffoni,

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Academy Awards, David di Donatello, Nastri d'Argento, Golden Globes, EFA, César, Goya, Solinas, Clermont Ferrand, Arcipelago, Bellaria, Milan Film Festival, Bif&st]

5. Any acknowledgement and/or ministerial funding awarded for films of cultural and national Interest, primary and secondary films or Ministry of Cultural Affairs script development grants; acknowledgement and/or funding awarded by EU Programmes (Eurimages, Media, etc); distribution or sales contracts with pay-TV and free-TV networks and internet services; any contracts for product placement and/or proof of private sponsorship (10%, max 10 points).

For fiction shorts, documentaries, docu-fictions, mockumentaries, video games and video clips:

Projects with a score of at least 60 points out of a total of 100 will be accepted.

1. Artistic quality of the story and screenplay (50%, max 50 points)
2. Technical quality of the project, defined as technical and technological merit and coherence of artistic and production factors in terms of feasibility (20%, max 20 points)
3. Effect on the Apulia Region defined as local expenditure and employment of staff resident in Apulia (20%, max 20 points)
4. Director's and screenwriters' artistic contributions, defined as awards won at principal international film festivals or international awards, entry of previous films at international film festivals, box-office takings, awards won by actors/actresses directed previously (5%, max 5 points) [Principal festivals and awards are considered as the following: Venice, Cannes, Berlin, Rome, London, Locarno, Montreal, Sundance, San Sebastian, Turin, Moscow, Karlovy Vary, Pesaro, Giffoni, Academy Awards, David di Donatello, Nastri d'Argento, Golden Globes, EFA, César, Goya, Solinas, Clermont Ferrand, Arcipelago, Bellaria, Milan Film Festival, Bif&st]
5. Any acknowledgement and/or ministerial funding awarded to short movies; distribution or sales contracts with pay-TV and free-TV networks and internet services; any contracts for product placement and/or proof of private sponsorship (5%, max 5 points)

7. Financial Statements and Production Company Obligations

In order to obtain payment and avoid incurring legal sanctions, beneficiaries must guarantee to the following conditions:

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- to adhere to 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)
- to provide an itemised breakdown of the project upon the notification of the funding decision **to be submitted both in electronic format and on paper** verified by a certified accountant or auditing company.
- to submit certified copies of invoices, payslips and all other documentation relating to expenses incurred in Apulia, for a total that is equal to at least 200% of the grant awarded.

In cases where film projects also receive hospitality funding from the Foundation, the financial statements for expenses incurred in Apulia should be equal to a total of at least 250% of the grant awarded by the Film Fund. In this case, expenses already presented for financial accounts regarding hospitality funding **will not be taken into account** in reaching this quota.

In cases where animation or videogames do not show a clear Apulian setting, the financial statement for expenses incurred in Apulia should be equal to at least 300% of the Film Fund grant.

- to submit certified copies of invoices, payslips and all other documentation relating to expenses incurred for the entire production

During the phase of checking financial statements, if the AFC notes that declared expenses are lower than those shown in the estimated budget included in the funding application, indisputable proceedings may be carried out to proportionally reduce or annul the grant.

8. Allowable expenses

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

Story and screenplay, project management, acting personnel, production, direction, technical staff, manual workers, artistic personnel, wardrobe, set design, studio stages and set building, real-life interior and exterior scenes, technical resources, transport, film, film processing, editing, music, advance organization, insurance, rental, catering, hotels, production services.

9. Annulment of grant and place of jurisdiction

Grants will not be awarded (or, if already allocated, must be refunded) where there is evidence of forgery of documentation or financial accounts or if false or deliberately imprecise statements have been made.

Projects which are not completed and failure to comply with the regulations stipulated under Articles 3, 7 and 8 of this document will result in proceedings to ensure the

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reimbursement of funding already allocated as well as the non-payment of any outstanding balance.

In these cases, the Apulia Film Commission has the right to request a total and immediate reimbursement of previously allocated funds, which may also be in the form of an advance payment.

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.