

**PUBLIC CALL RELATED TO A MARKET SURVEY FOR THE EXECUTIVE PRODUCTION
OF 8 SHORT MOVIES IN THE FRAME OF REEL PROJECT
FINANCED UNDER INTERREG CBC ITALY-CROATIA PROGRAMME 2021/2027 (CUP
CODE B39G23003470007)**

Frequently Asked Questions (FAQ)

Eligibility criteria

1. Does the director under 35 means that the director can be 34 years + 364 days old?

Yes, the director must be younger than 35 years old. In practical terms, this means they must not have reached their 35th birthday. If you turn 35 on or before the call deadline (i.e., 9th March 2025), you will no longer be eligible for this call.

2. A clarification on the age requirement for the young director: If the director is still 35 years old but not yet 36, are they eligible to participate?

Directors must be under 35 years old. If a director has already turned 35, they are not eligible to participate. For more details, see question above.

3. The directors must be born or resident in the cities indicated in the Call. Are the towns that are in the province of the cities indicated also included?

We confirm that the directors involved may be born or resident also in the towns of the provinces indicated on the page 2 of the present Call.

4. Can you specify what are the general requirements as laid down in art. 94 and art. 95 of Leg. Decree no. 36/2023?

While Article 94 establishes mandatory and automatic exclusion causes, Article 95 leaves it to the discretion of the contracting authority to exclude an economic operator in the presence of certain situations that could compromise the fairness and transparency of the procurement procedure. In particular:

Article 94: Automatic exclusion causes

This article lists the situations in which an economic operator is automatically excluded from participating in a procurement procedure. The main causes include:



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Final criminal convictions for offenses such as:

- Criminal association and mafia-type association (Articles 416 and 416-bis of the Italian Penal Code).
- Corruption, extortion, and crimes against public administration (Articles 317, 318, 319, and subsequent of the Penal Code).
- Money laundering and terrorist financing (Articles 648-bis, 648-ter, and 648-ter.1 of the Penal Code).
- False corporate communications (Articles 2621 and 2622 of the Italian Civil Code).

Antimafia interdictive measures, such as disqualification, suspension, or prohibition under Article 67 of the Antimafia Code (Legislative Decree No. 159/2011).

Serious and definitively ascertained violations of obligations related to the payment of taxes, duties, or social security contributions.

The exclusion applies to the individuals specified in paragraph 3 of the article, including owners, technical directors, managing partners, and board members.

Article 95: Non-automatic exclusion causes

This article outlines situations in which the contracting authority has the discretion to exclude an economic operator after due evaluation. The main causes include:

- Serious violations of health and safety regulations at work, as well as environmental, social, and labor obligations established by European and national legislation.
- Unresolvable conflicts of interest that may compromise the impartiality of the procurement procedure.
- Distortion of competition, arising from the operator's prior involvement in the preparation of the procurement procedure, which cannot be resolved through less intrusive measures.
- Relevant indications that the offers from different operators can be traced back to a single decision-making center, suggesting collusive agreements.
- Serious professional misconduct that questions the integrity or reliability of the economic operator.

Additionally, the article provides for exclusion in cases of serious but not definitively ascertained violations related to the payment of taxes, duties, or social security contributions, assessed in relation to the value of the contract.

5. Do the producers (economic operators) need to be from the Programme territory or have any connection to it, or does this requirement apply only to directors?

There are no geographical restrictions for the participation of economic operators; they can be from outside the provinces/counties listed on page 2 of this Call, even from other countries. The geographical restriction applies only to directors, who must be either born or reside in the Interreg



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Italy-Croatia Programme area. Moreover, the shooting will be made in the territory of Italy and/or Croatia involved in the Programme area.

6. Are there any time-related requirements for the production company? Specifically, how many years must it have been active to participate?

There are no time-related requirements for the production company, meaning that even newly registered companies can participate in this call. However, it is important to note that the Curriculum Vitae of the economic operator and the producer will be evaluated, with a total of 15 points assigned to this criterion.

7. Regarding Art. 3 of the call - Requirements for the participation - C. To work mainly in the sector of "Activities of film production..." - my company is registered for those activities, but the main activity is "consulting", so I would need to preregister it which is an expensive process.

Following internal discussions, we confirm that NACE code J.59.11 is required, although it does not necessarily need to be the primary one.

8. Is it acceptable if the ATECO code J 59.11 is listed as a secondary code and the company does not require registration with the Italian Chamber of Commerce because it is a "Ditta Individuale" (a sole proprietorship in Italy)?

In this specific case, participation is not possible if the sole proprietorship (Ditta Individuale) is not registered with the Italian Chamber of Commerce.

9. Is the submission open to organizations (Associazioni) with ATECO code 59.11 and registration with the Chamber of Commerce, or is it only available to production companies (e.g., S.r.l.)?

If an organization (Associazione) is registered with the Chamber of Commerce under ATECO code 59.11, then it is considered an eligible candidate for submission.

10. Are Croatian associations (non-profit organizations) eligible to participate i.e. are they considered an economic operator? If so, it is important to note that in Croatia there is a special register for associations, which is different from the two quoted in the Call "Sudski registar" or "Obrtni registar". Associations are registered in the Register of Associations of the Republic of Croatia, which is maintained by the Ministry of Justice and Administration.



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Yes, an association can be an economic operator if it performs an economic activity. Although associations are primarily non-profit organizations established to achieve goals in the field of social, cultural, sports or other activities, they can perform economic activities under certain conditions. An association is considered an economic operator if:

- Performs an economic activity, i.e. provides services, produce goods or organize events for a fee, thereby generating income.
- It has a registered economic activity in its statute and is registered with the Tax Administration with the appropriate NKD (NACE) code, for example J.59.11 (Movie, video and television program production).
- Pays taxes and contributions – If an association carries out economic activity, it is obliged to keep business books in accordance with accounting regulations and settle tax liabilities.

If all above requirements are satisfied, then we can consider also organizations registered in the Register of Associations of the Republic of Croatia as eligible candidates.

11. Are sole trade producers eligible to apply?

If you are registered in the Commercial Register or in an equivalent register in a EU Member State or in an equivalent State, under ATECO or NACE code J.59.11 then yes, you are eligible to apply.

As indicated on the page 4 of the call, regarding the Commercial Register, in the case of Italian economic operators, these must prove their registration in the register of the Chamber of Commerce, Industry, Crafts and Agriculture; in the case of Croatian economic operators, these must prove their registration in the «Sudski registrar» and «Obrtni registrar» or, for certain activities, a certificate attesting that the interested party is authorised to carry out the activity of this call.

12. Regarding Art. 3 of the call - Requirements for the participation - "D. To not be beneficiary of other contributions..." - does this mean we really can't find any other sponsors and mention them? We will have logistic help from local authorities if our film gets selected; and we would like to thank them by showcasing their logos; we might also get some help in terms of borrowing some equipment, but those bodies should be recognised. Is this allowed?

Regarding Article 3D, "To not be a beneficiary of other contributions..." refers specifically to financial contributions that would duplicate the funding provided by the Apulia Film Commission, which is the sole producer and owner of the work. However, in-kind contributions and non-financial support, such as logistical assistance or borrowing equipment from local authorities, are permitted with prior authorization from the Apulia Film Commission, provided they do not create a financial overlap with



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the project's funding. You may also acknowledge their support by displaying their logos, subject to AFC approval.

13. Would a local producer under 35 be considered as added value, or it would not be important?

It is not relevant as it is not evaluation criteria.

14. Are students of MA Film eligible to participate or does it have to be non-students only?

We assume you are referring to the eligibility of directors who will collaborate with economic operators. The only eligibility criteria for directors are as follows:

- They must be born or residing in the Interreg Italy-Croatia Programme area (as detailed on page 2 and illustrated in the map on page 3 – blue area).
- They must not have turned 35 by the call's deadline, which is set for March 9, 2025.

The call does not include any restrictions on students' participation, so MA Film students are eligible to apply as directors, provided they meet the criteria above.

15. Do the directors have to come from the blue area on page 3, or can they simply be Italian?

As specified on page 3 of the call, economic operators must engage a director who is born or resides within the Programme area, which is described on page 2 and visually represented on the map (blue area) on page 3.

Therefore, it is not sufficient for the director to be merely Italian; they must meet the geographical eligibility criteria specific to the Interreg Italy-Croatia Programme area. Additionally, please note that the director must not have turned 35 by the call deadline, which is set for 9 March 2025.

16. Is it acceptable for the director to come from the city of Karlovac? This is in Karlovačka županija county in Croatia. It was generally said that this is acceptable, but I am looking at the map and the explanations on the website, and it's a bit unclear to me - could it be that only some parts of that county are eligible?

The entire County of Karlovac falls within the eligible Programme area. Therefore, if the director is born or resides in the City of Karlovac, they are eligible to apply.

17. Is it required and/or possible to establish a partnership (co-production) between the two areas (Italy and Croatia / two Italian regions)?



Establishing a partnership (co-production) between the two areas is possible but not mandatory.

18. Is it possible to have two directors for one film?

Yes, it is possible to have two directors for one film, provided that both meet the established participation criteria—specifically, they must be under 35 years old and born and/or residing in the Interreg Italy-Croatia Programme area.

Application process

19. I saw that the project is running until August 2026, does that mean that there were already 8 films made in 2024? And that there will be another call in March 2026 or this is all just same one call?

The current open call is the only one being launched within the framework of the REEL project. There have been no previous calls, and no additional calls will be issued in the future under this project.

20. Is it possible to sign Annex 1 and Annex 2 with digital signature?

Italian economic operators can sign the mentioned annexes using a digital signature, as it can be verified. However, for Croatian economic operators and those from other countries, digital signatures are not acceptable. They must sign Annex 1 and Annex 2 with a handwritten signature.

21. Besides Annex 1 and Annex 2, and the resume/CV of the production company and director, are there any other documents that need to be translated or written in English? For example, the document of authenticity of the production company.

All documents listed in Article 4 – Rules for Participation, which constitute the so-called Application Package, must be in English and saved in a non-editable PDF format. The only exception is the copy of the identity document of the legal representative of the economic operator and the director, as these documents cannot be translated and must remain in their original language.

22. After carefully reading the notice, we found on page 5 that "the economic operator must send, via the platform, the documents in English and in non-editable PDF format". Is it possible to have the link to the platform in question? We were unable to find it on the Apulia Film Commission website. In the previous lines it is indicated to send a





certified email, so do we have to send both a certified email and send the project via the platform?

As regards the participation modalities, in the case of Italian economic operators, it is necessary to send the application (specifically the documentation detailed in Article 4) via certified electronic mail (PEC) to the address progetti@pec.apuliafilmcommission.it. Therefore, the wording "via the platform" reported in the notice represents a typo.

Script and production requirements, post-production and distribution

23. Do the scripts necessarily have to connect Croatia and Italy, or can they focus solely on Italy or Croatia in the Adriatic Sea?

The scripts do not necessarily have to connect Croatia and Italy. They can focus solely on either Italy or Croatia within the Adriatic Sea context, making the second option also acceptable.

24. Are documentaries or docudramas allowed?

Yes, both documentaries and docudramas are allowed.

25. Do the actors and the film crew need to be from the Programme area, or can they be from anywhere else?

The film crew and actors can be from anywhere, as there are no restrictions regarding their origin.

26. Could you clarify what is meant by "Originality and creativity of the script and consistency with the topic: Promotion of lesser-known territories"? Would a non-dialogue, surreal short film that primarily features obscure locations and nature be considered "non-consistent" with the topic? How explicit must the promotion of these regions be?

It is not possible to provide a definitive answer, as this aspect will be evaluated by the cross-border commission. However, it is recommended to ensure a clear connection to the theme of the Adriatic Odyssey.

27. Will the scriptwriting workshop be held online or on-site? If on-site, where exactly? Who is expected to attend—the director, the producer, and/or the scriptwriter (if different from the director and producer)?



The workshop will be organized by Apulia Film Commission in April or May, with the exact date and further details to be communicated to the 8 selected candidates. The participation, travel, and accommodation costs will be covered by Apulia Film Commission. It is expected that 1-2 person will attend the event per short movie. The workshop will begin on-site in Bari and will subsequently continue with online sessions.

28. Since full ownership of the rights is transferred to AFC, does this mean that AFC will handle the full distribution of the short films? Also, does it mean that the production company and the director will no longer be able to use the film after signing the contract?

Apulia Film Commission and the production company will sign an agreement specifying that ownership of the rights remains with AFC, but the producer will still have the right to promote the film independently. This means that while AFC will retain ownership, the production company and director can continue to promote and showcase the film by themselves.

29. Are there additional funds available for participation in events and short film distribution activities? Can other financial sources, such as sponsors, be integrated into the estimated budget?

Within the REEL project, the Apulia Film Commission has allocated a dedicated budget for distribution activities, totaling € 4.000, with € 500 per film. Economic operators must not include distribution costs in the € 20.000 budget outlined in the economic offer to be submitted. The selected economic operators will receive further details on how the distribution phase will be managed.

30. Considering that festival distribution is possible, can festival fees be included in the business plan?

No, festival fees should not be included in the economic offer. The economic offer must only list costs related to the production of the short film. Information regarding the distribution phase, including potential festival participation, will be provided to the selected economic operators at a later stage.

Budget and financial aspects:

31. Must all actors be paid, or can non-professional actors participate for free?

It is not an issue if non-professional actors participate for free. Their services can be included without remuneration.



32. Is cost reporting required? Is it necessary to have a cost auditor? Are there any other related expenses to consider?

No, a cost audit will not be required. Each economic operator will issue a service invoice, and after verification by Apulia Film Commission that the product has been delivered in accordance with the contract, payment will be processed within 30 days. However, please note that the Apulia Film Commission reserves the right to verify compliance with budget allocation rules for the executive production, such as:

- At least 15% of the budget must be allocated to the young director.
- No more than 20% of the budget can be allocated to actors.

By requesting a proof of evidence for this specific budget items.

33. When will the production costs be reimbursed? At the end of the project or before the shooting starts?

It is important to clarify that Apulia Film Commission does not reimburse costs but rather pays for the service. As specified on Page 8 of the present Call, the payment will be processed via a regular invoice (e-invoice for Italian operators) as follows:

- 100% of the balance will be paid upon completion of the provided activities, following the issuance of the certificate of regular execution.
- Each economic operator has the option to request an advance payment of 50% of the established amount after delivering the hard disk containing the shooting and direct drive, subject to approval from the Project Manager and submission of the corresponding invoice.
- Payments will be made within 30 days from the receipt of the original invoice. The Apulia Film Commission Foundation will not be liable for payment delays caused by circumstances beyond its control.

Therefore, no advance payment is foreseen before the shooting starts.

34. A clarification about the taxes/VAT, they're mentioned twice, at one point it was said the budget doesn't include vat, the next time it was said it includes vat. So, is the VAT in the end covered or not?

The budget per movie is € 20.000,00, VAT excluded.





35. Is there a maximum budget limit for each short film? If so, can additional funding from other sources be secured?

The total budget covered by the REEL project is € 20.000,00, VAT excluded. However, the total budget can exceed this amount, provided that the economic operator declares the additional funding from other sources in the application form. Any additional funding must be secured and available at the time of submission of the application.

36. I don't understand if the VAT is covered. If we are a Croatian economic operator and our expenses amount to € 20.000 + € 1.200 VAT, will this be reimbursed?

It is important to clarify that Apulia Film Commission does not reimburse production costs but pays for the service provided. Each economic operator will issue an invoice for payment. Non-Italian economic operators within the EU should issue invoices exempt from VAT and subject to the reverse charge, in accordance with EU cross-border invoicing regulations and after checking the validity of the VAT number on VIES (VAT Information Exchange System).

For Italian economic operators, the VAT will be paid by the Apulia Film Commission according to the Italian law, specifically through the split payment mechanism, meaning AFC will pay the net amount to the supplier and remit the VAT directly to the Italian tax authorities.

37. Do companies outside of Italy receive payment from an Italian organization? This is important for VAT calculations.

Yes, the payment will be made by Apulia Film Commission, which is an Italian equivalent public institution. Payments will be processed within 30 days after receipt of the economic operator's invoice.

38. One clarification about VAT. If I'm using an Italian producer, in the Economic offer and afterwards the invoice they should write 20.000 plus VAT?

For Italian economic operators, invoices will include VAT and this will be handled by the Apulia Film Commission under Italian law, specifically through the split payment mechanism, meaning AFC will pay the net amount to the supplier and remit the VAT directly to the Italian tax authorities.

In the Annex 2 (Economic Offer), the economic operator should indicate the total amount excluding VAT, but including any other applicable taxes or fees.

This means that while the invoice will include the net price (e.g., € 20.000,00), the applicable VAT and the total amount, which includes both, the offer submitted during the application process should present the net amount, exclusive of VAT but covering any other costs required by the project guidelines.



39. If a Croatian company rents, for example, a camera, they will need to pay VAT. However, they will not be reimbursed for the VAT in the invoice issued to the Apulia Film Commission, as it will be VAT-exempt. Is this correct? So, Croatian companies will not be in the same position.

Regarding VAT, it is important to clarify that Apulia Film Commission does not reimburse production costs but directly pays for the service related to the production of the short movie provided by each economic operator, who will issue an invoice for payment. Specifically:

- Non-Italian economic operators within the EU should issue invoices exempt from VAT and apply the reverse charge mechanism, in accordance with EU cross-border invoicing regulations, after verifying the VAT number on VIES (VAT Information Exchange System).
- For Italian economic operators, invoices will include VAT and this will be handled by the Apulia Film Commission under Italian law, specifically through the split payment mechanism, meaning AFC will pay the net amount to the supplier and remit the VAT directly to the Italian tax authorities.

If you are referring to your own Croatian suppliers, then Croatian law will apply, meaning their invoices will likely include VAT, which you will need to pay. The same principle applies to Italian economic operators, who will pay VAT according to Italian law when dealing with their own suppliers.

40. Can other/private funds be used to cover VAT costs?

Provided that both parties – Apulia Film Commission and Croatian production company - are VAT-registered businesses (B2B transaction), the Croatian company will issue an invoice without VAT, stating "Reverse charge applies" and referencing the applicable EU VAT directive. The AFC is responsible for reporting the transaction in their VAT return under the reverse charge mechanism. They declare both the purchase and the VAT due (self-assessed), usually at the Italian VAT rate, and simultaneously deduct it as input VAT. For services, the place of taxation is generally where the customer is established.

For further details and specific financial planning, it is recommended to consult with your accountant.

41. If I understand correctly, we will receive a lump sum payment, although we will need to provide some evidence, and VAT will not be included on our invoices from Croatia due to the reverse charge mechanism. Is this correct?

No, this is not a lump sum payment. The Apulia Film Commission will sign a contract with the economic operator specifying the price for the service of producing the short film.



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Upon completion of the service, the economic operator will issue an invoice for the agreed amount as set in the contract. The economic operator will not be required to provide documentation proving they have spent the entire budget. However, Apulia Film Commission reserves the right to verify compliance with specific budget allocation rules, such as:

- At least 15% of the budget must be allocated to the young director.
- No more than 20% of the budget can be allocated to actors.

Proof of compliance with these budget items may be requested.

Regarding VAT, since the economic operator is based in Croatia, invoices should not include VAT due to the reverse charge mechanism, meaning VAT responsibility shifts to the buyer (Apulia Film Commission) under EU regulations.

For further details and specific financial planning, it is recommended to consult with your accountant.

42. Since co-production is allowed, if I co-produce with a Croatian production company, can we issue two separate invoices to the Apulia Film Commission?

No, Apulia Film Commission cannot make payments to multiple economic operators. In the case of co-production, the majority representative will act as the sole representative towards the Apulia Film Commission, meaning they will:

- Sign the contract with Apulia Film Commission.
- Issue the invoice for the full amount.

The financial arrangements between co-producers must be regulated through an internal agreement, which will govern the transfer of funds between the involved parties.

43. Should we create the budget assuming we will receive the full € 20.000 for the project, and should the percentages for actors and the director be calculated based on this maximum amount?

The budget amount depends on your estimation, as there is no minimum budget limit required. The specified percentages (e.g., for the director and actors) will be calculated based on your proposed budget, not necessarily the maximum amount of € 20.000.

For example, if you estimate a total budget of € 10.000, then:

At least € 1.500 (15%) should be allocated to the young director.

No more than € 2.000 (20%) can be allocated to actors.

You should define your budget according to your project needs while ensuring compliance with the required allocation percentages.

44. If the total budget for the production of the short movie is € 30.000—€ 10.000 secured from additional resources and the remaining € 20.000 from the REEL project—are the



percentages for the young director and actors calculated on the whole amount or only on the part covered by the REEL project?

The specific budget allocation rules are calculated on the entire amount requested from the short production, which in this case is € 30.000.

45. I checked Croatian VAT regulations and consulted both my accountant and the tax office. It turns out that it's pretty complicated. In theory, Croatian businesses should add VAT to our invoice if the service takes place in Croatia because, in that case, we are the ones who are in charge of paying VAT taxes. However, this is an information that many businesses are unaware of, they believe that - if the invoice goes to other EU country, there's no VAT included and "reverse charge" is applied, but as I said, it's a bit more complicated and in this case, it could be interpreted in different ways by the tax authorities. To keep it simpler, I think it would be wise simply not to mention filming locations in the invoices if Croatian companies are going to film in Croatia only. But it's good to know, even if VAT is not included in the invoice, someone has to pay it, so it's probably going to be Apulia Film Commission in accordance to Italian laws. Did you have a chance to check all those VAT questions and are the answers to those questions already published somewhere?

It is not clear whether you are referring to your suppliers or AFC's suppliers (the 8 winning economic operators). In any case, regarding VAT, it is important to clarify that Apulia Film Commission does not reimburse production costs but directly pays for the service provided by each economic operator (8 in total), who will issue an invoice for payment. Specifically:

- Non-Italian economic operators within the EU should issue invoices exempt from VAT and apply the reverse charge mechanism, in accordance with EU cross-border invoicing regulations, after verifying the VAT number on VIES (VAT Information Exchange System).
- For Italian economic operators, invoices will include VAT and this will be handled by the Apulia Film Commission under Italian law, specifically through the split payment mechanism, meaning AFC will pay the net amount to the supplier and remit the VAT directly to the Italian tax authorities.

If you are referring to your own Croatian suppliers, then Croatian law will apply, meaning their invoices will likely include VAT, which you will need to pay. The same principle applies to Italian economic operators, who will pay VAT according to Italian law when dealing with their own suppliers.

