



# LAZIO CINEMA INTERNATIONAL

## Attraction of Cinematographic Productions – Notice 2018

### 10 million Euros

**POR FESR Lazio 2014-2020 Theme 3 – Competitiveness**

**Endowment: 10 million Euro**, of which **5 million Euro** for the **first time window** and **5 million Euro** for the **second time window**

**Submission of application:** from **November 2018 (first time window)** and from **July 2019 (second time window)**

#### Objectives

The initiative is aimed at supporting investments in Audiovisual Co-productions that envisage the partnership of the industry of Lazio and abroad. An international distribution of products and the creation of works that allow greater international visibility of Lazio tourism destinations.

#### The Fund

The endowment of the Notice 5,000,000 Euro for each of the two “time windows” (two different and successive opening dates for submission).

The financial endowment is attributed to the admissible applications according to their order of submission. 50% of the resource is reserved for the Co-productions considered to be of “Regional Interest” or of “Particular Regional Interest”. The Funding is a non-repayable grant adequate to cover the Admissible Costs incurred by the beneficiaries relating to the Italian portion of the costs of the Co-production.

#### Recipients

The PMI (Small and Medium Businesses) already registered in the Register of Companies, or in an equivalent Register in a Member State of the European Union, who are Independent Producers and operate mainly in the “Cinematographic, video and television production” sector (ATECO code 2007 59.11). The beneficiary may be a single company or may be numerous beneficiaries (Aggregation) for the same Co-production, provided that they participate in the Production Costs in accordance with the Co-production Agreement and are owners of the usage rights of the Work, at least for Italy. The beneficiaries must have, at the latest, at moment of the request of the first disbursement, fiscal residence in Italy and an operations office in Lazio.

The recipients must, in addition, have an adequate administrative, financial and operative capacity. To that end, it must be at least equal to one, the ratio between: A) the sum of the Production Value (average of the latest three years) of the Applicants, the non-Applicant Producers that each cover at least 10% of the Co-production Cost and any Associated Producers who cover at least 15% of the Co-production Cost; and B) the Co-Production Cost net of the financial coverage gathered at the date of submission of the application, including that provided by Producers and Associated Producers that do not exceed the minimum percentage limits indicated in letter A). The eventual cession of economic usage rights other than ticket sales in cinemas (generically: pre-sold television rights), if “in perpetuity”, is equivalent to the contribution of the Associated Producers; only with regard to the Cinematographic Co-productions, it is the right of the Applicant to choose whether these contributions are assimilated with the other financial cover.

#### Eligible Works

The intervention is aimed at supporting the creation of Co-productions, intending:

- **Cinematographic Co-productions:** those recognised by Ministero dei Beni e delle Attività Culturali e del Turismo (“MIBACT”) [Ministry of Cultural Assets and Activities and Tourism] as Cinematographic Works created in an agreement of international participation pursuant to art. 4 of the DPCM (Prime Ministerial Decree) of 11 July 2017, (or pursuant to the equivalent regulation previously in force where applicable) and that, therefore, have a shareholding interest in the coverage of the Production Costs and the relative ownership share in the rights of one or more Italian companies of not less than 20%, except for lower percentages required in specific international agreements. The ownership share of the Italian companies must include, in any case, the usage rights for the Italian territory. In the case of Cinematographic Works, at the time of granting with reserve, the shareholding interest in the coverage of the Production Costs by the Foreign Producer or Producers shall not be less than 10%, except for lower percentages required in specific international agreements.
- **Other Audiovisual Co-productions:** Audiovisual Works other than those Cinematographic to which the Italian nationality is recognised pursuant to article 2 of the DPCM of 11 July 2017 regarding the coverage of the production cost participate for at least 20% of the resources received from one or more Foreign Producers or, in any case, deriving from the economic exploitation of markets outside of Italy or to which Italian nationality is recognised pursuant to article 4 of the DPCM of 11 July 2017. In this second case, for the purpose of granting with reserve, said coverage of the cost by the Foreign Producer or Producers, even in the form of pre-purchase of the rights, must be at least equal to 10% or to lower percentages required in specific international agreements.

In both cases, the Foreign Producer or Producers or Applicants must not be reciprocally connected to each other by relations of control and/or common management and/or any other nature, except when the connection is inherent to the Work itself or an individual Audiovisual Work co-produced in the past.

The Co-productions created on the basis of a Co-production Contract are eligible. At the moment of the submission of the application, at least one Letter of Intent must be submitted, signed by the Applicant or Applicants and by, at least, one Foreign Producer who ensures the Co-production, jointly, a coverage of at least 40% of the Co-production Costs, including the amount of any Associated Producers, and that:

- if Cinematographic Co-productions, present a duration of greater than 52 minutes and an expected Production Cost equal to at least 1,500,000 Euro, 750,000 Euro for first and second works and 400 Euro per minute for documentaries;
- if Other Audiovisual Co-Productions of narration and fiction, present a duration equal to or greater than 52 minutes and an expected Production Cost equal to at least 2,000 Euro per minute;
- if Other Audiovisual Co-productions different from those specified in the previous paragraph, present a Production Cost equal to at least 400 Euro per minute and a duration equal to or greater than 40 minutes, if a documentary (individual or serial), or 24 minutes, if a work of animation.

At the moment of the submission of the application, the Co-productions must have submitted a request of “cultural eligibility” to MIBACT pursuant to the regulation on State subsidies (also in the form of provisional eligibility referred to in article 7, paragraph 5 of Ministerial Decree of 15 March 2018, the so-called “tax credit”). In addition, Co-productions are excluded that, at the moment of finalisation of the GeCoWEB Form have already contracted more than 25% of the total Production Costs and, to the exclusion of documentaries, those that have already begun filming (or work, in the case of works of animation).

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## Eligible expenses

The Italian portion of the Co-production Cost to be paid by the Recipient or Recipients is eligible, gross of the State subsidies and net of the coverage in kind or financial secured by any non-Recipient Associated Producers and Foreign Producers, and the financial contributions by companies not belonging to the cinematographic or audiovisual sector. The Co-production Costs (i) so-called “above the line” and (ii) expenses for insurance, warranty, financial and legal expenses directly attributable to the Work, are eligible within the maximum, respectively, of 30% and 7.5% of the total Co-production Cost.

The expenses related to said Co-production Costs, eligible paid by the Recipient or Recipients, are permitted in proportion to the ratio between the days of filming completed in the Lazio territory and the total number of filming days (or work, in the case of an animation work). In alternative to those criteria, the expenses are permitted for the portion paid by natural persons tax residents in Lazio or companies that have an operative headquarters in Lazio. Moreover, also eligible is the portion of expenses not territorially bound and incurred indirectly by the recipient or recipients since it was assigned by them to third parties (services or executive production), where documented in transparency, and including the producer fee effectively paid within the maximum of 15% of the order amount. Producer fees not effectively paid to third parties and expenses documented through statement of charges with a net lower than 200 Euro (excluding staff expenses) are not eligible, but indirect flat fee costs are eligible, in the measure of 15% of the eligible costs for “below line” personnel incurred by each recipient.

The eligible expenses must be incurred after the submission of the application, except for Preparatory Expenses that may be recognised within a maximum of 5%.

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## The grant

The amount of the grant allowed for each Co-production is determined as follows:

- 15% of the admissible expenses, increased to 20% in the case where the portion of Italian and foreign production are both equal to or greater than 20%, with a maximum grant in absolute value of 475,000 Euro.
- a further 5% of the admissible expenses if the Co-production is recognised to be of Regional Interest, with a maximum grant in absolute value of 100,000 Euro;
- a further 5% of the admissible expenses if the Co-production is recognised to be of Particular Regional Interest, increased to 10% in the case where the portion of Italian and foreign production are both equal to or greater than 20%, with a maximum grant in absolute value of 225,000 Euro.

The grant determined in this way must be reduced where and in necessary measure to comply with the prohibition against combining Italian State subsidy relating to the same work on the Italian portion of the Co-production Cost, as established by the Italian law in compliance with the EU law.

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## Evaluation procedure

The evaluation is the responsibility of a Technical Evaluation Commission that attributes the relative score on the basis of the following criteria:

- technical quality and originality of the project;
- curricula or track record of the key figures (director, screenwriter, authors, producers and distributors);
- financial coverage of the Co-production Cost;
- expenditure in the regional territory in proportion to the total cost of the Co-Production;
- economic impact on the direct/indirect production chain and on the Lazio system;
- ability of the project to promote awareness of the territory, the history, the culture and traditions of Lazio, outside of the Rome urban area, for the purposes of supporting competitiveness of the less-known and recognizable territories to a wider public.

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## Submission of application

The grant application may only be presented electronically by filling in the Form available online on the **GeCoWEB** platform accessible at [www.lazioinnova.it](http://www.lazioinnova.it) on the dedicated page. The online access for completion of the online Form will be open, for the **first time window**, from **12:00 of November 8<sup>th</sup>, 2018**; following completion of the Form, the system will generate a file containing the Submission and its attachments that must be sent by **PEC (Certified Electronic Mail)** to Lazio Innova starting from **November 15<sup>th</sup>, 2018**, and **within 90 days from the date of completion of the online Form**. Date of submission of application means the date of sending it by PEC. Selection of the applications follows the evaluation procedure on a first served basis, which sets out that granting of the financial grant follows the order of transmission of the Submission and its attachments (PEC sending date)

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## Information

For further details: [www.lazioeuropa.it](http://www.lazioeuropa.it) – [www.lazioinnova.it](http://www.lazioinnova.it)

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