



Die Beauftragte der Bundesregierung
für Kultur und Medien

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

(German Federal Film Fund)

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I. Principles and objectives

The German Federal Film Fund (DFFF) is a measure of the Federal Government Commissioner for Culture and the Media (BKM) to strengthen the film industry in Germany. The BKM has tasked the German Federal Film Board (FFA) with implementing the measure.

The measure is intended 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 objective of achieving long-term effects for Germany as a production location in conjunction with further effects on the macro-economy. In this context, the competitiveness of companies in the production industry and the competitiveness of companies providing production services, including those with a high level of digital added value, are especially important.

This measure is intended to facilitate the financing of German and international feature films in Germany as a cultural good. 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 expenditure in Germany in connection with the production of films is to be increased, leading to better utilization of the capacity of production service providers and making Germany as a film location a more attractive place for skilled workers in the film industry. An improvement in film financing for production and production services 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.

Aid is granted pursuant to Article 54 of Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union (OJ L187 of 26 June 2014) - General Block Exemption Regulation (GBER).

Section 1 Purpose of a grant and objective of the measure

(1) The German federal government shall award grants for the production of a film in accordance with these Guidelines and the General Administrative Provisions on Sections 23 and 44 of the Federal Budget Code (BHO). Expenditures shall be financed from Chapter 0452 Title 683 22 within the framework of the estimated budget and commitment appropriations in each case. The measure shall be limited in time until 31 December 2019. An applicant shall have no legal claim to a grant. The grant authority shall decide on the basis of its duly exercised discretion within the confines of the budget funds available.

(2) The objective of the measure shall be to strengthen film as a cultural good and Germany as a production location, within the confines of the budget funds available for this purpose.

(3) Realization of the objectives of the measure shall be evaluated by the committee referred to in Section 33 (1).

Section 2 Nature of a grant

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



(2) The financial aid shall be awarded as a non-repayable grant; Section 18 (3) and Section 28 (4) shall remain unaffected.

II. General provisions

Section 3 Recipient of a grant

The recipient of a grant shall be the applicant, provided all grant requirements are met. In the case of financial aid pursuant to Sections 7 to 20, the applicant may be the producer of a film; in the case of financial aid pursuant to Sections 21 to 30, the applicant may be a provider of production services.

Section 4 Definitions

(1) According to these Guidelines, the producer is the person responsible for production of the film up to delivery of the answer print or – in the case of a co-production – the person who is co-responsible and actively involved in producing the film.

(2) According to these Guidelines, the production service provider is the company which has agreed, on the basis of a contract with the producer for work or services, to assemble the technical and artistic means to produce the films or film segments assigned to them and to ensure the production of these films or film segments and their monitoring, and which is responsible for the production costs resulting from the activities within its area of responsibility in Germany.

(3) Total production costs are all costs arising from the production of the film.

(4) Production costs according to these Guidelines are, for financial aid pursuant to Part III all costs according to No. 2 in Schedule 1 and for financial aid pursuant to Part IV, all costs according to No. 2 in Schedule 2.

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

1. Services provided by persons

Wages, salaries, fees and royalties 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 shall 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

Services provided by companies will only qualify as production costs spent in Germany if

- 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 technical equipment necessary to provide the services is in fact used in Germany. As regards mobile technical film equipment (e.g. cam-



eras, lighting and sound equipment), it must be procured (i.e. purchased, leased or hired) in Germany.

(6) 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.

(7) Difficult audio-visual works are for example short films, first and second films of directors, documentary films and films with low production costs. Further, films the original version of which is in the language of a Member State with a small territory or territories, small population or limited language area may be regarded as difficult films. Other films which can be expected to have only limited market success and whose likelihood of commercial exploitation must therefore be considered limited may be regarded as difficult films in particular due to their experimental nature, if and as far as they are highly subject to risks due to their content, style, artistic and/or technical form or culturally demanding nature.

Section 5 Compliance with the law governing the grant

The grant, disbursement and accounting of the grant as well as proof and auditing of its use as well as the possible revocation of the notification of grant and a possible claim for repayment of the grant awarded shall be governed by Sections 48 to 49a of the Administrative Procedure Act (VwVfG), Sections 23 and 44 of the Federal Budget Code and the relevant General Administrative Provisions, unless derogations from the General Administrative Provisions are permitted under these funding guidelines. The Bundesrechnungshof (German SAI) shall be authorized to conduct audits pursuant to Sections 91 and 100 of the Federal Budget Code.

Section 6 Competent authority

The grant and managing authority for this BKM measure shall be the German Federal Film Board (FFA), Große Präsidentenstraße 9, 10178 Berlin. The FFA shall be subject to the legal and technical supervision of the BKM in respect of this measure.

III. Grant requirements for producers (DFFF I)

Chapter I

Grant requirements to be satisfied by the applicant

Section 7 Applicant

(1) The producer of the film shall be entitled to file the application.

(2) The applicant must have his/her domicile or registered office in Germany, another EU Member State or another EEA contracting state or Switzerland. If the applicant does not have his/her domicile or registered office in Germany, he/she must have a business establishment within Germany at the time of disbursement of the grant.

(3) If the application is filed by the German subsidiary or establishment of an applicant with his/her registered office outside the European Union or the EEA or Switzerland, then all grant requirements must be met by the applicant's German subsidiary or establishment.



(4) The application must contain the following information about the applicant: name, domicile or registered office, legal form and VAT identification number of the company and whether it is a micro-enterprise, small or medium-sized enterprise¹ as referred to in the GBER.

(5) The applicant or – if the film underlying the application is produced by a single-purpose company founded solely for that purpose – a company affiliated with the applicant must have produced, as an enterprise or a person responsible for a production, at least one feature-length film during the last five years (reference film) before filing the application, in Germany or another EU Member State or EEA contracting state or Switzerland.

The reference film must have been commercially released in cinemas in Germany with at least 45 prints, with at least 20 prints where the total production costs of the reference film did not exceed EUR 2 million and with at least eight prints in the case of documentary films.

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

(6) If, in the 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 shall agree on this point and issue a corresponding joint statement to the FFA at the time of filing an application.

(7) An undertaking which is subject to an outstanding recovery order following a previous Commission decision declaring an aid illegal and incompatible with the internal market shall not be granted individual aid within the meaning of the GBER pursuant to Article 1 (4) (a) GBER. Nor shall any financial aid be granted to undertakings in difficulty as defined in Article 1 (4) (c) in conjunction with Article 2 no. 18 of the GBER.

Chapter II

Film-related grant requirements

Section 8 Film-related requirements

(1) The grant shall be awarded for feature-length films.

(2) The total production costs of the film excluding material or services provided free or at a reduced charge, deferred fees for services rendered by those involved in the production of the film and deferred overhead costs must amount to at least EUR 1 million for feature films, to at least EUR 200,000 for documentary films and to at least EUR 2 million for animated films. The minimum production costs referred to in the first sentence shall apply only to applications submitted to the FFA in full before the expiry of these Guidelines. The principles of economical business management according to Schedule 1 of these Guidelines shall apply.

Upon application by the producer, pursuant to Schedule 1, No. 9, para. 1, second sentence, the FFA managing board may in specially justified exceptional cases approve a higher producer's fee than that provided for in Schedule 1, No. 9, para. 1, first sentence. The applicant shall be sent written and

¹The category of micro, small and medium-sized enterprises ('SMEs') as referred to in Article 2 no. 2 in conjunction with Annex I of the GBER is made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding EUR 50 million, and/or an annual balance sheet total not exceeding EUR 43 million. Within the SME category, a small enterprise is defined as an enterprise which employs fewer than 50 persons and whose annual turnover and/or annual balance sheet total does not exceed EUR 10 million. Within the SME category, a micro-enterprise is defined as an enterprise which employs fewer than 10 persons and whose annual turnover and/or annual balance sheet total does not exceed EUR 2 million.



reasoned notification of the managing board's decision regarding the approval or refusal of a higher producer's fee.

(3) No grants shall be awarded for films which meet the film-related requirements for a grant pursuant to Part IV.

(4) A grant shall only be awarded for films, of which at least one final version is produced in the German language, except 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 shall suffice. The German-language version must be submitted to the FFA prior to disbursement of the final instalment of the approved grant and at the latest after completion of the answer print and before the start of its theatrical release.

(5) At least one final version of the film must be produced with German subtitles for the hearing impaired and with a German audio description for the visually impaired of a quality which meets market requirements and is suitable for screening in a cinema. Derogations from this requirement shall be possible in justified exceptional cases upon application by the producer. Such decision shall be taken by the FFA managing board. Proof of production of the barrier-free final version must be submitted to the FFA before disbursement of the final instalment of the approved grant and at the latest after completion of the answer print and prior to its theatrical release.

(6) No aid shall be granted if the film features anti-constitutional or unlawful content. The same shall apply to films which, taking into account the dramaturgical structure, script, design, the actors' performance, animation, camera work or editing, are overall of poor quality. Nor shall films which are focused on pornography or the glorification of violence or which openly violate religious feelings in an inappropriate way be eligible for funding. It shall be up to the FFA managing board to decide whether the prerequisites for denying the aid are met.

(7) The shooting or animation work may not commence until after a notification of grant has been issued. The first real or virtual day of shooting shall be deemed the start of shooting. The FFA may, in exceptional cases and upon application by the producer, decide at its duly exercised discretion and taking account of the administrative provisions issued in regard to Section 44 of the Federal Budget Code to allow shooting or animation work to begin earlier.

Section 9 Theatrical release

(1) The film must be commercially released in Germany. To that end, the film must be screened in a cinema in Germany which regularly screens films, on at least seven consecutive days in a technical format suitable for cinemas and against payment of the market rate. The intention to theatrically release the film shall be demonstrated by presenting a legally binding and unconditional distribution agreement at the time of disbursement at the latest.

(2) The distribution agreement must provide for the release in cinemas of at least 45 prints of the film, or of at least 20 prints in case of a grant of less than EUR 320,000; the distribution agreement must provide for at least eight prints of a film in the case of a documentary film. The FFA managing board may, upon the joint application of the producer and the distributor, permit an exception to the number of prints specified in the first sentence.

(3) If the film is a cinematic film which is also intended to be broadcast as a television miniseries, and the miniseries is at least 20 per cent longer than the version for theatrical release, the distribution agreement must provide for at least 200 prints of the film in the case of feature-length and animated films, in derogation of subsection 2, first sentence, and at least 30 prints in the case of documentary films.



(4) The distributor, as a company or a person, must have released at least three feature-length films in cinemas with at least 15 prints of each film for one week during the last 24 months before filing the application. The FFA shall keep a list of distribution companies that satisfy these criteria.

(5) Proof of theatrical release in Germany must be provided within one year of completion of the answer print. In justified exceptional cases the FFA managing board may extend this period.

Section 10 Holdback periods and television broadcasting right

(1) The provisions on holdback periods stipulated in the Film Promotion Act (FFG) shall apply subject to the proviso that the FFA managing board shall decide on reductions of holdback periods and in the case of violations of holdback periods.

(2) The producer must demonstrate that, in any release agreement with a public broadcasting corporation or a commercial television broadcaster, the complete television broadcasting rights are transferred back to the producer within five years. In individual cases, the release agreement may provide for the television broadcasting rights to be transferred back within no more than seven years, in particular if the producer received more than the average amount of material support from the public broadcasting corporation or commercial television broadcaster for the production of the film. The first and second sentences shall not apply if the producer has granted his or her television broadcasting rights within the German-language licensing area to a distribution- or world sales company in exchange for payment of a distribution or sales guarantee.

Section 11 Applicant's contribution

A grant shall be awarded only if the producer makes an own financial contribution to the total production costs indicated in the cost budget and approved in accordance with Section 4 (3) and (4); the applicant's own financial contribution must be commensurate with the scope of the production, the capitalization and the previous production activities of the producer. The applicant's own financial contribution must amount to at least 5 per cent of the total production costs approved by the FFA pursuant to Section 4 (3) and (4). In the case of international co-productions, the own financial contribution shall be calculated on the basis of the financing share of the German producer. The third sentence shall apply accordingly to films produced with the involvement of a public television broadcaster. Sections 63 and 64 of the Film Promotion Act shall apply accordingly.

Section 12 Minimum amount of German production costs

A grant shall be awarded only if the German production costs within the meaning of Section 4 (3) and (5) amount to at least 25 per cent of the total production costs within the meaning of Section 4 (3) and (4). If the total production costs exceed EUR 20 million, the German production costs must, in derogation of the first sentence, amount to at least 20 per cent of the total production costs.

Section 13 Test of cultural characteristics

(1) In order to ensure the cultural objectives of the measure, a test of characteristics shall be conducted. A grant shall only be awarded if the film obtains the relevant minimum number of points in the test of characteristics for feature, documentary and animated films. The test of characteristics for feature films shall be conducted according to Schedule 3, for documentary films according to Schedule 4 and for animated films according to Schedule 5 of these Guidelines.



(2) In order to ensure the cultural character, feature films must satisfy at least four criteria in the category “Cultural Content” (A-Block No. 1). Documentary and animated films must satisfy at least two criteria in the category “Cultural Content”.

(3) In order to qualify for a grant, a feature film must obtain at least 48 points from both categories, a documentary film at least 27 points and an animated film at least 42 points, in each case from both categories.

(4) As regards international co-productions made in accordance with the European Convention on Cinematographic Co-production, only the points system provided for in Appendix II of that Convention shall apply. For international co-productions of animated or documentary films made in accordance with the European Convention on Cinematographic Co-production, only the points systems provided for in Schedules 6 and 7 shall apply.

(5) The applicant should take into account ecological concerns in the context of the film production. For this purpose, he or she may at the time of filing the application submit the declaration of commitment found in Schedule 8 of these Guidelines or one that goes even further, committing to produce the film in an environmentally friendly and resource-efficient way. If no such declaration of commitment is submitted, the total score calculated pursuant to Schedules 3 to 5 for the category “Production” shall be reduced by 10 points for feature and animated films and by 5 points for documentary films.

Section 14 International co-productions

(1) As regards international co-productions, the applicant must contribute at least 20 per cent 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 Section 7 (5), the applicant must have produced that film either alone or as a co-producer with majority participation. In exceptional cases, the FFA managing board may waive the requirement of majority participation if there are no doubts as to the applicant’s professional skills.

(3) International co-productions shall not receive a grant if the contribution of the producer eligible to apply consists solely of financing, while the producer eligible to apply in the sense of Section 7 (2) bears no responsibility for the content and is not actively involved in the production of the film.

Section 15 Archiving

The applicant shall be required to provide a technically flawless print of the film in an archivable format to the German Federal Film Archive free of charge within 12 months of 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. Further particulars shall be determined by the provisions of the German Federal Archive. If the producer is obliged to produce a barrier-free version of the film in accordance with the provisions of these Guidelines, then the first and second sentences shall also apply to this version.



Chapter III Grants for producers

Section 16 Amount of a grant; production costs eligible for a grant

(1) The basis for calculating the amount of the grant shall be a maximum of 80 per cent of the total production costs.

(2) For projects with German production costs of up to EUR 8 million, the grant shall amount to 20 per cent, and for projects with German production costs of more than EUR 8 million, the grant shall amount to 25 per cent of the German production costs subject to the following provisions, but not to exceed EUR 4 million per film.

(3) The following costs shall not qualify as German production costs eligible for a grant when calculating the amount of the grant:

- Pre-production costs (according to Schedule 1, No. 6)
- costs for rights to content and rights to other existing works (incl. existing music), except royalties for the script on which the film is based, up to 3 per cent of the total German production costs but not exceeding EUR 150,000; for documentary films, archival material up to 30 per cent of the total German production costs
- Costs for legal and tax 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 per cent of the total German production costs
- Contingency funds unless it can be dissolved in the final cost report in favour of goods and services eligible for a grant
- materials and services provided free or at reduced charge, deferred fees for services rendered by those involved in the production of the film and deferred overhead costs
- Costs for shooting and other work done abroad, as far as these do not meet the requirements of subsection 4
- Contributions to the central services organization of the German film industry for the representation of German films abroad

(4) 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 shall qualify as German production costs subject to the following restrictions:

1. The costs incurred must otherwise satisfy the criteria under Section 4 (3) and (5), and
2. there shall be a limit of 40 per cent of the entire shooting. The limit of 40 per cent of the entire shooting shall not apply to documentary films.

The costs incurred under the above paragraph shall however not be taken into account when calculating the minimum amount of German production costs pursuant to Section 12.

(5) A subsequent increase in the German production costs as indicated in the application and approved shall not be taken into account.

(6) The aid may not be cumulated with other state aid – including aid as defined in Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the



Treaty on the Functioning of the European Union to de minimis aid (OJ L 352, 24 December 2013, p. 1) unless the other aid measure concerns different identifiable eligible costs, or if the highest aid intensity applicable to such aid measures in accordance with the GBER or the highest aid amount applicable to such aid measures in accordance with the GBER is not exceeded.

(7) The aid intensity of all the aid granted to a project shall be limited to 50 per cent of the respective total production costs. In the case of cross-border projects financed by more than one EU Member State and involving producers from more than one Member State, the aid intensity may be up to 60 per cent of the respective total production costs. These ceilings shall not apply to difficult audio-visual works and co-productions involving countries that are included on the list of the OECD Development Assistance Committee.

Section 17 Filing of applications and application procedure

(1) The written application shall be addressed to the Deutscher Filmförderfonds c/o 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) Applications must be filed no later than six weeks before the start of shooting.

(3) The application must contain the planned date of completion of the answer print and the information and documents stipulated by the FFA in the implementing provisions to these Guidelines. In particular, the application must demonstrate that the grant requirements have been met. If it is not possible to present proof at the time of filing the application, the fact that the grant requirements have been met must be established with sufficient probability. Section 294 of the Code of Civil Procedure shall apply accordingly. In this case the proof must be submitted by the date on which the grant is disbursed. If an invoice is required as proof, it must 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 content required in order to process the application; the accuracy and completeness of the summary shall be confirmed by the applicant.

(4) Applications shall be processed by the FFA in the order in which they are received. The receipt stamp shall determine the date of receipt. Applications received during the hours of business of the FFA on the same calendar day shall all be regarded as having been received at the same time.

(5) If the application is incomplete or does not satisfy the requirements as to sufficient probability or proof that the grant requirements have been met, 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 shall be rejected. An applicant may submit no more than two applications for the same film project.

(6) All application documents shall become the property of the BKM and remain in the possession of the FFA.

Section 18 Approval

(1) The grant shall be awarded by way of written notification. The date on which the completed application with the required documents is submitted shall determine the order in which grants are approved. Several completed applications submitted on the same day shall be treated as applications received at the same time.



(2) The application may not be approved until the applicant has proved that 75 per cent of the total production costs of the film project are financed.

(3) The General Ancillary Terms on the Grant of Financial Aid (ANBest-P) shall constitute an integral part of the notification of grant. The FFA may ensure that the grant requirements are met by including ancillary terms in the notification of grant. The notification of grant shall be subject to the condition that the applicant, if the rights to the subsidized film are sold to another country, must make a financial contribution to the central services organization of the German film industry for the representation of German films abroad. The contribution shall amount to 1.5 per cent of net proceeds, up to a maximum of EUR 50,000.

(4) The notification of grant shall be subject to the condition subsequent (Section 36 (2), no. 2, Administrative Procedure Act) that

(a) the applicant does not present proof that the total financing of the film is secured within three months of receipt of the notification of grant. Upon application, the time limit may be extended by one month once only. In accordance with Sections 31 and 41 (2), Administrative Procedure Act, the period shall start on the third day after mailing the proof or after electronic transmission of the notification;

(b) shooting or the animation work does not start within four months of receipt of the notification of grant; The FFA may grant a request to postpone the start of shooting or animation work once. Letter (a), third sentence, shall apply accordingly.

(c) the project is not completed by the date of completion of the answer print (project term) specified in the application. The FFA may grant an extension of the project term once only. Letter (a), third sentence, shall apply accordingly.

Section 19 Disbursement

(1) The grant shall be disbursed to the applicant after the answer print has been completed at the time stated in the application, and after presenting the audit of the final costs and proof that all the eligibility criteria have been met. Proof of actual theatrical release may be provided after disbursement, however, no later than 12 months after the answer print is completed.

(2) In order to determine whether the answer print was completed on the date specified in the application, the FFA shall monitor compliance with this deadline. The FFA may, upon request, grant an extension of the deadline for completion of the answer print and proof of theatrical release once only.

(3) Upon request the grant may be disbursed in instalments depending on the progress of production; in this case 33 per cent of the grant shall be disbursed at the start of shooting, 33 per cent upon completion of the rough cut, and the remainder following an audit of the final costs. Such a request shall be supported by reasons. In case of grants of over EUR 2 million, disbursement in instalments shall also require the presentation of a completion bond or a guarantee in the amount of the grant approved. No guarantee pursuant to Sections 65 and 86 of the Film Promotion Act shall be allowed. Disbursement in instalments may be granted only where it is guaranteed that the funding will be used without delay and no later than six weeks from the date of disbursement. The applicant shall present proof when applying for disbursement in instalments that this requirement has been met. The applicant shall present proof prior to disbursement of the first instalment that the overall financing is secured.

(4) The final instalment shall be disbursed in accordance with subsection 3 upon presentation of proof of employment of funds and audit of the final costs. The final cost auditor shall be determined by the FFA. The applicant shall bear the costs of the audit.



(5) No disbursement shall be made

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

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

Section 20 Repayment

(1) All German co-producers of the film shall be jointly and severally liable for repaying the grant.

IV. Grant requirements for providers of production services (DFFF II)

Chapter I

Grant requirements to be satisfied by the applicant

Section 21 Applicant

(1) The production service provider shall be entitled to file the application.

The company must demonstrate specialization in and sufficient experience with services in the audiovisual sector. This shall be regarded as demonstrated if the applicant, as a natural or legal person or a company affiliated with the applicant, provided services having a contract value of at least EUR 1 million net each within the five years prior to filing the application as a service provider for at least two feature-length films with total production costs of at least EUR 10 million net each, or produced such a film as a producer and at the time of filing the application has sufficient specialized skilled workers at his or her disposal.

(2) The applicant must have his/her domicile or registered office in Germany, another EU Member State, another EEA contracting state or Switzerland. If the applicant does not have his/her domicile or registered office in Germany, he/she must have a business establishment within Germany at the time of disbursement of the grant.

(3) If the application is filed by the German subsidiary or establishment of the applicant whose registered office is outside the European Union or the EEA or Switzerland, then all grant requirements shall be met by the subsidiary or establishment filing the application.

(4) The application must contain the following information about the applicant: name, domicile or registered office, legal form and VAT identification number of the company and whether it is a micro-enterprise, small or medium-sized enterprise² as referred to in the GBER.

²The category of micro, small and medium-sized enterprises ('SMEs') as referred to in Article 2 no. 2 in conjunction with Annex I of the GBER is made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding EUR 50 million, and/or an annual balance sheet total not exceeding EUR 43 million. Within the SME category, a small enterprise is defined as an enterprise which employs fewer than 50 persons and whose annual turnover and/or annual balance sheet total does not exceed EUR 10 million. Within

- (5) The production service provider may perform the service itself or delegate it to a third party.
- (6) If multiple production service providers meet the grant requirements for the entire film or the same segment of a film, the application shall be filed by only one of the production service providers. The production service providers participating in the co-production shall agree on this point and issue a corresponding joint statement to the FFA when filing the application. Separate applications from different production service providers shall be permitted for different segments of a film.
- (7) A company which has not complied with a recovery order issued on the basis of an earlier Commission decision on the finding of the unlawfulness and incompatibility of aid with the common market shall not be granted individual aid within the meaning of the GBER pursuant to Article 1 (4) (a) GBER. Nor shall any financial aid be granted to undertakings in difficulty as defined in Article 1 (4) (c) in conjunction with Article 2 no. 18 of the GBER.

Chapter II

Project-related requirements

Section 22 Project-related requirements

- (1) The grant shall be awarded for production services to produce a feature-length film or animated film shown in cinemas in Germany.
- (2) The total production costs of the feature-length film or animated film must amount to at least EUR 20 million. The German production costs of the production service provider filing the application for the commissioned film or segment of a film must amount to at least EUR 8 million. The principles of economical business management according to Schedule 2 of these Guidelines shall apply. Materials and services provided free or at reduced charge, deferred fees for services rendered by those involved in the production of the film and deferred overhead costs shall not be counted when calculating the thresholds pursuant to the first and second sentences.
- (3) A grant shall only be awarded for films of which at least one final version is produced in the German language, except 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 shall suffice. The German-language version must be submitted to the FFA prior to disbursement of the final instalment of the approved grant and at the latest after completion of the answer print and prior to the start of its theatrical release.
- (4) At least one final version of the film must be produced with German subtitles for the hearing impaired and with a German audio description for the visually impaired of a quality which meets market requirements and is suitable for screening in a cinema. Derogations from this requirement shall be possible in justified exceptional cases upon application by the producer. Such decision shall be taken by the FFA managing board. Proof of production of the barrier-free final version must be submitted to the FFA before disbursement of the final instalment of the approved grant and at the latest after completion of the answer print and prior to its theatrical release.

the SME category, a micro-enterprise is defined as an enterprise which employs fewer than 10 persons and whose annual turnover and/or annual balance sheet total does not exceed EUR 2 million.



(5) Aid shall not be granted if the film features anti-constitutional or unlawful content. The same shall apply to films which, taking into account the dramaturgical structure, script, design, the actors' performance, animation, camera work or editing, are overall of poor quality. Nor shall films which are focused on pornography or the glorification of violence or which openly violate religious feelings in an inappropriate way be eligible for funding. It shall be up to the FFA managing board to decide whether the prerequisites for denying the aid are met.

(6) The applicant may not begin with the work to perform the contract (start of the measure) until the notification of grant has been received. In the case of live-action shooting, the start of the measure shall be regarded as the first day of actual shooting; in the case of visual effects, this shall be the first day of virtual shooting, or the start of the production of the digital assets needed for a large number of scenes, if this takes place before the first day of virtual shooting. The FFA may, in exceptional cases and at the request of the production service provider, decide at its duly exercised discretion and taking account of the administrative provisions issued in regard to Section 44 of the Federal Budget Code to allow work to begin earlier. The application for aid shall be rejected if the applicant has started with the work to perform the contract before filing the application.

Section 23 Theatrical release

(1) The film must be commercially released in Germany. To that end, the film must be screened in a cinema in Germany which regularly screens films, on at least seven consecutive days in a technical format suitable for cinemas and against payment of the market rate. The intended theatrical release shall be confirmed to the applicant by a statement of the producer. This statement must be presented no later than the time of disbursement.

(2) Theatrical release in Germany must be demonstrated within one year of completion of the answer print. In justified exceptional cases the FFA managing board may extend this period.

Section 24 Holdback periods and television broadcasting rights

The provisions on holdback periods stipulated in the Film Promotion Act (FFG) shall apply subject to the proviso that the applicant must demonstrate, by means of a statement of the producer to this effect, that the showing of the film will comply with the holdback periods, and that the FFA managing board shall decide on reductions of holdback periods and in the case of violations of holdback periods.

Section 25 Test of cultural characteristics

(1) In order to ensure the cultural objectives of the measure, a test of characteristics shall be conducted. A grant shall only be awarded if the film obtains the relevant minimum number of points in the test of characteristics for feature and animated films. The test of characteristics for feature films shall be conducted according to Schedule 3 and for animated films according to Schedule 5.

(2) In order to ensure the cultural character, feature films must satisfy at least four criteria in the category "Cultural Content" (A-Block No. 1). Animated films must satisfy at least two criteria in the category "Cultural Content".

(3) In order to qualify for a grant, a feature film must obtain at least 48 points from both categories and an animated film at least 42 points from both categories.

(4) The applicant should take into account ecological concerns in the context of the film production. For this purpose, he or she may at the time of filing the application submit the declaration of commitment found in Schedule 8 or one that goes even further, committing to produce the film in an environmentally friendly and resource-efficient way. If no such declaration of commitment is submitted, the total score calculated pursuant to Schedules 3 to 5 for the category “Production” will be reduced by 10 points for feature and animated films and by 5 points for documentary films.

Chapter III

Grants for providers of production services

Section 26 Amount of a grant; production costs eligible for a grant

(1) The basis for calculating the amount of the grant shall be a maximum of 80 per cent of the total production costs.

(2) The grant shall amount to 25 per cent of the German production costs of the production service provider filing the application for the commissioned film or segment of a film, up to a maximum of EUR 25 million per film.

(3) The following costs shall not qualify as German production costs eligible for a grant when calculating the amount of the grant:

- Pre-production costs (according to Schedule 2, No. 6)
- Costs for rights to content and rights to other existing works (incl. existing music), except royalties for the script on which the film is based, up to 3 per cent of the German production costs but not exceeding EUR 150,000; for documentary films, archival material up to 30 per cent of the German production costs
- Costs for legal and tax advice
- Insurance costs
- Travel and transport costs for actors
- Financing costs
- Actors' fees insofar as they exceed 15 per cent of the German production costs
- Contingency funds unless it can be dissolved in the final cost report in favour of goods and services eligible for a grant
- Materials and services provided free or at reduced charge, deferred fees for services rendered by those involved in the production of the film and deferred overhead costs
- Costs for shooting and other work abroad

If the applicant bills its customer according to person-days, the person-days billed shall be recognized as German production costs as long as they meet the conditions of Section 4 (3) and (5).

(4) A subsequent increase in the German production costs as indicated in the application and approved shall not be taken into account.

(5) Applications shall not be accepted if other public film subsidies from the federal budget are used.

(6) The aid may not be cumulated with other state aid – including aid as defined in Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid (OJ L 352, 24 December 2013, p. 1) unless the other aid measure concerns different identifiable eligible costs, or if the highest aid intensity applicable to such aid measures in accordance with the GBER or the highest aid amount applicable to such aid measures in accordance with the GBER is not exceeded.



(7) The aid intensity of all the aid granted to a project shall be limited to 50 per cent of the respective total production costs. In the case of cross-border projects financed by more than one EU Member State and involving producers from more than one Member State, the aid intensity may be up to 60 per cent of the respective total production costs. These ceilings shall not apply to difficult audio-visual works and co-productions involving countries that are included on the list of the OECD Development Assistance Committee.

Section 27 Filing of applications and application procedure

(1) The written application must be addressed to the Deutscher Filmförderfonds c/o 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 must be filed at least six weeks before the start of the work to be carried out. The applicant must present at least a preliminary contract for work or services at the time of filing the application.

(3) The application must contain the planned date of completion of the answer print of the entire film, the planned date of completion of the segment and the information and documents stipulated by the FFA in the implementing provisions to these Guidelines. In particular, the application must demonstrate that the grant requirements have been met. The planned date of completion of the answer print of the entire film and the aid intensity must be verified by a statement from the producer. This statement must include the amount of total production costs and all aid received. If it is not possible to present proof at the time of filing the application, the fact that the grant requirements have been met must be established with sufficient probability. Section 294 of the Code of Civil Procedure shall apply accordingly. In this case the proof must be submitted by the date on which the grant is disbursed. If an invoice is required as proof, it must 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 shall be confirmed by the applicant.

(4) Applications shall be processed by the FFA in the order in which they are received. The receipt stamp shall determine the date of receipt. Applications received during the hours of business of the FFA on the same calendar day shall all be regarded as having been received at the same time.

(5) If the application is incomplete or does not satisfy the requirements as to sufficient probability or proof of that the grant requirements have been met, 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 shall be rejected. An applicant may submit no more than two applications for the same film project.

(6) All application documents shall become the property of the BKM and remain in the possession of the FFA.



Section 28 Approval

(1) The grant shall be awarded by way of written notification. The date on which the completed application with the required documents is submitted shall determine the order in which grants are approved. Several completed applications submitted on the same day shall be treated as applications received at the same time.

(2) An application may not be approved until the applicant has demonstrated by means of a statement from the producer that 75 per cent of the film project's financing is secured.

(3) The approval of a grant shall be based on the (preliminary) contract for work or services presented at the time of filing the application. At the applicant's request, the FFA may provide a non-binding prospect of funding, i.e. without a guarantee of funding, if this is necessary to award the contract for the project.

(4) The General Ancillary Terms on the Grant of Financial Aid (ANBest-P) shall constitute an integral part of the notification of grant. The FFA may ensure that the grant requirements are met by including ancillary terms in the notification of grant.

(5) The notification of grant shall be subject to the condition subsequent (Section 36 (2), no. 2, Administrative Procedure Act) that

(a) The applicant fails to provide proof of the unconditional assignment to produce the project along with a statement from the producer that the total financing of the film is secured within three months of receiving the notification of grant. Upon application, the time limit may be extended by one month once only. In accordance with Sections 31 and 41 (2) of the Administrative Procedure Act, the period shall start on the third day after mailing the proof or after electronic transmission of the notification;

(b) Work to be carried out (start of the measure) does not start within four months of receipt of the notification of grant. The FFA may grant a request to postpone the start of shooting or animation work once. Letter (a), third sentence, shall apply accordingly;

(c) The film or, if the complete film is not the responsibility of the production service provider, the segment for which the production service provider is responsible, is not completed by the date specified in the application (project term). The FFA may grant an extension of the project term once only. Letter (a), third sentence, shall apply accordingly.

Section 29 Disbursement

(1) The grant shall be disbursed to the applicant after the answer print has been completed at the time stated in the application, and after presenting the audit of the final costs and proof that all the eligibility criteria have been met. Proof of actual theatrical release may be provided after disbursement, however, no later than 12 months after the answer print is completed.

(2) In order to determine whether the answer print was completed on the date specified in the application, the FFA shall monitor compliance with this deadline. The FFA may, upon request, grant an extension of the deadline for completion of the answer print and proof of theatrical release once only.

(3) Upon request the grant may be disbursed in instalments depending on the progress of production; the instalments shall be determined by the FFA in consultation with the BKM. There shall be no right to claim disbursement of the first instalment before 18 months have elapsed since receipt of the notification of grant. Such a request shall be supported by reasons. Disbursement in instalments shall also require the presentation of a completion bond or a guarantee in the amount of the grant ap-



proved. No guarantee pursuant to Sections 65 and 86 of the Film Promotion Act shall be allowed. Disbursement in instalments may be granted only where it is guaranteed that the funding will be used without delay and no later than six weeks from the date of disbursement. The applicant shall present proof when applying for disbursement in instalments that this requirement has been met. The applicant shall present proof prior to disbursement of the first instalment that the overall financing is secured.

(4) The final instalment shall be disbursed in accordance with subsection 3 upon presentation of proof of employment of funds and audit of the final costs. There shall be no right to claim disbursement of the final instalment before 30 months have elapsed since receipt of the notification of grant. The final cost auditor shall be determined by the FFA. The applicant shall bear the costs of the audit.

(5) No disbursement shall be made

1. if proper financing of the film project has not been confirmed by the producer;
2. if proper financing of the work to perform the contract is not secured, or
3. if the applicant has violated the principles of economical business management within the context of the financing, production or performance of the contract, rental, distribution or video distribution of a film subsidized by the FFA or the BKM.

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

Section 30 Repayment

The applicant shall be liable for the repayment of the grant. This shall apply also if a third party was assigned to perform the work, or if the repayment results from the fact that, contrary to the assurance of the producer,

- the overall financing of the film is not secured or the limits of aid intensity allowed are exceeded,
- the answer print of the film was not completed by the date specified in the application,
- the film did not have a theatrical release,
- the funded segment was not used in the film, or
- the holdback periods pursuant to the Film Promotion Act were not observed when showing the film.



V. Information and publication

Section 31 Information

Anyone who applies for financial aid in accordance with these Guidelines must provide the FFA with the information necessary to carry out these Guidelines and present the relevant documents. The provision of information shall take place on the basis of and in accordance with the FFA rules.

Section 32 Publication of data

Financial aid pursuant to these Guidelines shall be published in writing and on the Internet in accordance with Article 9 (1) in conjunction with Annex III GBER, including the name of the recipient of the aid, the VAT identification number, the amount of the aid, the aid intensity and the name of the project funded. Aid amounting to more than EUR 500,000 shall also be published in the transparency register of the European Commission.

VI. Evaluation

Section 33 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 Economic Affairs and Energy. Other experts who are persons not entitled to vote may be consulted. The evaluation shall be conducted on the basis of an agreed evaluation plan.

(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 issuing a notification of grant or for disbursing the grant.

(4) Funding granted may, in individual cases, be monitored by the European Commission in accordance with Article 12 GBER.

VII. Final provisions

Section 34 Competence of the supreme federal authority for culture and the media

The abbreviation BKM in these Guidelines shall designate the supreme federal authority competent for culture and the media.

Section 35 Implementing provisions

With the consent of the BKM, the FFA may issue the provisions required to implement the Guidelines.

Section 36 Transitional provision

Applications received by the FFA before these Guidelines enter into force shall be decided in accordance with the Guidelines applicable at the time the application is complete.

Section 37 Entry into force

These Guidelines shall enter into force on 1 August 2017.

Berlin, 1 August 2017

The Federal Government Commissioner
for Culture and the Media

For the Federal Government Commissioner for Culture and the Media

signed Katharina Cramer-Hadjimos



Schedule 1

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

Principles of economical business management for measures pursuant to Part III (DFFF I)

1. Principles of economical business management

Applications shall comply with the principles of economical business management in accordance with the following provisions.

2. Production costs

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

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, including staff for rigging and animation set-up, storyboarding, character conception and modelling, set conception and modelling, exposure sheets, pre-visualization, rotoscoping, tracking, motion capture, layout, animation, set construction, tracing, opaquing, colourization, lighting and rendering, compositing, visual effects, image and sound editing, mixing

Actors

Composer / musicians / speaker

Extra costs salaries

4. Set

5. Equipment and technology

6. Travel and transport expenses

7. Film material and editing

8. Final completion (including additional costs for production of the German version of the film and dubbed foreign-language versions of the film, including the answer print)

9. Insurance costs

10. General project-related costs (see Chart B below)

11. Overhead expenses

12. Contingency fund



13. Trustee's fee

The producer's general project-related costs shall 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 general project-related costs

1. Minor expenses
 2. FSK (Voluntary Self-Control Association) / FBW (Film Rating Board) fees if included in the production costs (usually initial distribution costs)
 3. Production press
 4. Telephone, postage
 5. Rent for office space
 6. Office material
 7. Entertainment expenses
 8. Agent fees
 9. Reproductions
 10. Translations
 11. Office equipment (rental)
 12. Financing costs
 13. Legal and tax advising
 14. Fees for ecological consulting ("Green Adviser")
 15. Charge for German Films
3. Overhead costs for feature-length films
- (1) The producer's overhead costs shall include the individual kinds of costs listed in Chart C below. These costs may not be stated as production costs (Nos. 1 to 10 of Chart A).
 - (2) Within the context of these Principles, the overhead costs incurred by the producer for the production of feature-length films shall be recognized at the rate of 7.5% up to a limit of EUR 2,000,000 of the production costs (Nos.1–10 of Chart A). In the case of international co-productions, the calculations shall be based on the German financing share.
 - (3) If the calculated production costs exceed EUR 2,000,000, the overhead costs eligible for recognition shall increase by EUR 2,500 for each EUR 50,000 of additional production costs, up to a maximum of EUR 350,000.
 - (4) In the case of feature-length films with total production costs of less than EUR 1,000,000, the overhead costs shall amount to 9% of the production costs; a total of EUR 75,000 may not be exceeded.

Chart C of individual kinds of costs included among the overhead costs

1. Expenditure for furnishing and maintaining permanent business premises
2. General business needs (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 expenditures within the context of the producer's normal business unless incurred for a certain project.

4. Financing costs

In the costs estimate the financing costs to be proved may 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 more than 8% above the relevant basic interest rate in force of the European Central Bank. No financing costs for the producer's own funds may be stated.

5. Contingency fund

An Contingency fund of up to 8% of the total amount of calculated kinds of costs Nos.1–10 (production costs) in Chart A may be stated in the costs estimate.

6. Pre-production costs

The pre-production costs shall include costs for location scouting, underlying material/script development costs, costs for test-shootings 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 shall be permitted 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 cost report. Discounts obtained through the producer's own additional contributions 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 contributions 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 contribution and multiple participation

- (1) The producer's fee shall amount to a maximum of 2.5% of the total production costs, exclusive of the producer's fee, up to a maximum of EUR 125,000. In special, justified exceptional cases the FFA managing board may permit exceptions. The recipient of the producer's fee shall be the natural person responsible for the creative tasks of the producer relating to production of the film.
- (2) If the producer makes own contributions, such contributions may only be stated up to the prices customary on the market. If the contribution is in kind and list prices are available, these prices shall be reduced by 25 per cent.



- (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 (exclusive of the fee).
- (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 line producer, the fee for the line producer shall amount to a maximum of 2.7% of the total production costs (exclusive of the fee).
- (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

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

Principles of economical business management for measures pursuant to Part IV (DFFF II)

1. Principles of economical business management

Applications shall comply with the principles of economical business management in accordance with the following provisions.

2. Production costs

The production costs of a film shall include the kinds of costs listed in Chart A below, as far as they are incurred by the production service provider. Production costs shall be calculated exclusive of VAT (deductible input VAT) (net principle).

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, including staff for rigging and animation set-up, storyboarding, character conception and modelling, set conception and modelling, exposure sheets, pre-visualization, rotoscoping, tracking, motion capture, layout, animation, set construction, tracing, opaquing, colourization, lighting and rendering, compositing, visual effects, image and sound editing, mixing
 - Actors
 - Composer / musicians / speaker
 - Extra costs salaries
4. Set
5. Equipment and technology
6. Travel and transport expenses
7. Film material and editing
8. Final completion (including additional costs for production of the German version of the film and dubbed foreign-language versions of the film, including the answer print)
9. Insurance costs
10. General project-related costs (see Chart B below)
11. Contingency fund
12. Trustee's fee

The general project-related costs of the production service provider shall include the individual kinds of costs listed in Chart B below.

Chart B of general project-related costs

1. Minor expenses
2. FSK (Voluntary Self-Control Association) / FBW (Film Rating Board) fees if included in the production costs (usually initial distribution costs)



3. Production press
4. Telephone, postage
5. Rent for office space
6. Office material
7. Entertainment expenses
8. Agent fees
9. Reproductions
10. Translations
11. Office equipment (rental)
12. Financing costs
13. Legal and tax advising
14. Fees for ecological consulting ("Green Adviser")

3. Financing costs

In the costs estimate the financing costs to be proved may 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 more than 8% above the relevant basic interest rate in force of the European Central Bank. No financing costs for the own funds of the production service provider may be stated.

4. Contingency fund

A Contingency fund of up to 8% of the total amount of calculated kinds of costs Nos.1–10 (production costs) in Chart A may be stated in the costs estimate.

5. Pre-production costs

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

6. 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 shall be permitted for top personnel.

7. Rebates, discounts, bonuses, sale or other disposal of materials

- (1) Rebates and discounts shall be deducted from the relevant cost items in the final cost report. Discounts obtained through the producer's own additional contributions 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 contributions 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.

8. Fee of the production service provider, special provisions on production service provider's own contributions and multiple participation

- (1) The production service provider's fee shall amount to a maximum of 2.5% of the production costs, exclusive of the production service provider's fee, up to a maximum of EUR 250,000. In special, justified exceptional cases the FFA managing board may permit ex-



ceptions. The recipient of the production service provider's fee shall be the natural person responsible for providing the production services.

- (2) If the production service provider contributes, such contributions may only be stated up to the prices customary on the market. If the contribution is in kind and list prices are available, these prices shall be reduced by 25 per cent.
- (3) If the natural person responsible for providing the production services or the proprietor, exclusive or majority shareholder of the production service provider (individually owned company, partnership or company limited by shares) is identical to the producer, the fee for the producer shall amount to a maximum of 2.5% of the total production costs (exclusive of the fee), up to a maximum of EUR 250,000. In this case, no additional fee for the production service provider may be calculated.
- (4) If the natural person responsible for providing the production services or the proprietor, exclusive or majority shareholder of the production service provider (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 (exclusive of the fee).
- (5) If the natural person responsible for providing the production services or the proprietor, exclusive or majority shareholder of the production service provider (individually owned company, partnership or company limited by shares) is identical to the line producer, the fee for the line producer shall amount to a maximum of 2.7% of the production costs (exclusive of the fee).
- (6) Other multiple participation by the natural person responsible for providing the production services within the production process of a film shall be subject to a 20% reduction in the fee rates.

Schedule 3

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

Test of Characteristics for Feature Films

The information “from Germany, another EU Member State, another EEA contracting state or Switzerland” refers to the nationality of the natural person or his or her domicile³ and the focus of his or her daily life in Germany, another EU Member State, another EEA contracting state or Switzerland. At least four criteria from the “Cultural Content” category must be met. Only full points shall be awarded.

A-Block: Cultural Content and Creative Talents	Points	Total
<u>1. Cultural Content</u>		
<ul style="list-style-type: none"> • Film (fictional content/underlying material) is set mainly in Germany or in the German cultural area⁴ • Uses German motifs⁵ (i.e. motifs that can be attributed to Germany e.g. German architecture or landscapes, such as “Black Forest cottage”); • Uses German locations⁶ • Main character(s) of the underlying material is/was German⁷ or can be attributed to the German cultural or language area. • Storyline/underlying material is German⁸ • Storyline/underlying material based on literary material • Storyline/underlying material deals with artists or art genre (e.g. composition, dance, performance art, painting, architecture, pop art, comics) • A contemporary artist from areas other than film-making makes a significant contribution to the film • 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, Hansel & Gretel) • Storyline/underlying material refers to a historical event in world history or a similar fictional event (e.g. the conquest of Troy) 	<p>3</p> <p>3</p> <p>2</p> <p>2</p> <p>2</p> <p>2</p> <p>2</p> <p>2</p> <p>2</p>	<p></p> <p></p> <p></p> <p></p> <p></p> <p></p> <p></p> <p></p> <p></p>

³ A person is domiciled where he/she has a residence in circumstances which permit the conclusion that he/she will keep and use the residence.

⁴ The German cultural area includes German-speaking areas, formerly German-speaking areas and areas in which a German minority lives.

⁵ Motifs that are clearly German, no matter where they are shot (Frankfurt’s Renaissance City Hall, Reeperbahn in Hamburg, German Reichstag building in Berlin). The motif is the described scene of the action, to lead the viewer’s imagination in a certain direction.

⁶ Location: Location actually shot in Germany (a studio is not a location as referred to in these Guidelines. As opposed to a motif, the location is the place where imagination is transposed into a work of film.

⁷ The main character is German in the sense of the test of characteristics if he/she is or is presumably a German national or (presumably) lives permanently in Germany.

⁸ 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 deals with religious or philosophical beliefs or issues of current social or cultural relevance (e.g. Islamic headscarf, refugees, etc.) 2
- A final version in the German language 3
- Film plays mainly in another EEA state or Switzerland 1
- Film uses European motifs (in the absence of German motifs or locations) or European motifs (in addition to German motifs or locations)⁹ 1
- Main character of the underlying material from a different/additional EEA state or Switzerland 1 30

2. Creative Talents

- Film artists of international standing from Germany in an important role – "German stars" (meaning the persons listed below who have participated in a film which was entered in a festival according to Section 75 (2) of the Film Promotion Act or won a prize according to Section 75 (2) of the Film Promotion Act) 4
- Film artists of international standing from a different/additional EEA state or Switzerland – "European stars" (meaning the persons listed below who have participated in a film which was entered in a festival according to Section 75 (2) of the Film Promotion Act or that won an award as defined in Section 75 (2) of the Film Promotion Act) 2
- Actors from Germany or the EEA (unless already covered under the "stars" definition) (max. 3 points) 3
 - first leading actor (1 point)
 - or second leading actor (1 point)
 - or two supporting actors (1 point)
- Creative talents from Germany or the EEA or Switzerland in a position of responsibility who, within the ten years before the start shooting 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 making their first film:
 - director 3
 - scriptwriter 3
 - producer/co-producer (natural persons) 3
 - composer 2
 - director of photography 2
 - editor 2
 - costume designer/lead animation artist 1
 - make-up artist/lead FX artist 1
 - sound recordist/sound designer 1
 - production designer/environment/digital matte painting artist 1
 - art director/lead shading/texturing artist 1
 - lead compositing artist 1
 - line producer 1

⁹Motifs that are clearly German, no matter where they are shot (Frankfurt's Renaissance City Hall, Reeperbahn in Hamburg, German Reichstag building in Berlin). The motif is the described scene of the action, to lead the viewer's imagination in a certain direction.



- VFX supervisor	1	
- post-production supervisor	1	33
		63

B- Block: Production:

• Location shooting or studio shooting in Germany (at least 50% of the total costs of shooting (= studio and location) and at least 70% of the total costs of any studio shooting spent in Germany) (at least 25% of the total costs of shooting (= studio and location) and at least 70% of the total costs of any studio shooting spent in Germany)		
• If a real shoot is done in Germany for which points can be acquired based on the above requirements regarding location or studio shooting in Germany, the following shall apply: 25% of digital effects (VFX) in Germany, based on the overall cost of digital effects (VFX): 1 point	max. 4	
• If no real shoot is done in Germany or a real shoot does not accrue points based on the above requirements regarding location or studio shooting in Germany, and the VFX budget spent in Germany amounts to at least EUR 2 million and at least 20% of the total VFX budget: 8		
• 25% of special effects (SFX) in Germany, based on the overall cost of special effects (SFX): 1 point	max. 4	
• 100% of music recording in Germany	2	
• 100% of sound editing and mixing in Germany	2	
• 100% of laboratory work up to answer print in Germany	1	
• 100% of postproduction during shooting of the film in Germany	3	
• 100% of final editing in Germany	3	31
		94

At least 48 out of 94 points from both categories are required



Schedule 4

Guidelines Issued by 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, another EU Member State, another EEA contracting state or Switzerland” refers to the nationality of the natural person or his or her domicile¹⁰ and the focus of his or her daily life in Germany, another EU Member State, another EEA contracting state or Switzerland. At least two criteria from the “Cultural Content” category must be met. Only full points shall be awarded.

A-Block: Cultural Content and Creative Talents

	Points	Total
<u>1. Cultural Content</u>		
• Film mainly deals with or is set in Germany or the German cultural and language area ¹¹ or with issues relating to Germany	4	
• Lead character(s) is/was German ¹² or can be attributed to the German cultural or language area	4	
• Film is shot in original German version or final version is in German	2	
• Film focuses on a significant historical or contemporary figure	1	
• Film deals with artists or art genre (e.g. composition, dance, performance art, painting, architecture, pop art, comics)	1	
• Film deals with a 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 religious or philosophical issues or issues of current social or cultural relevance (e.g. discrimination, drugs, refugees, etc.)		
• Film deals with scientific topics or natural phenomena	<u>2</u>	<u>19</u>

¹⁰ A person is domiciled where he/she has a residence in circumstances which permit the conclusion that he/she will keep and use the residence.

¹¹ The German cultural area includes German-speaking areas, formerly German-speaking areas and areas in which a German minority lives.

¹² 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.



2. Creative Talents

Creative talents from Germany or the EEA or Switzerland in a position of responsibility who, within the ten years prior to the start 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 making their first film:

director	5	
producer	3	
screenwriter	3	
director of photography	3	
editor	3	
composer	2	
sound/music design	1	<u>20</u>
		39

B- Block: Production:

- Location or studio shooting in Germany (at least 50% of the total costs of shooting spent in Germany)
otherwise 1 point for each 10%
 - 100% of digital effects in Germany 1
 - 100% of musical recording in Germany (50% = 1 point) 2
 - 100% of sound editing and mixing in Germany (50% = 1 point) 2
 - 100% of final picture editing in Germany (50% = 1 point) 2
 - 100% of laboratory work up to answer print in Germany 1 13
- 52**

At least 27 out of 52 points from both categories are required



Schedule 5

Guidelines 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, another EU Member State, another EEA contracting state or Switzerland” refers to the nationality of the natural person or his or her domicile¹³ and the focus of his or her daily life in Germany, another EU Member State, another EEA contracting state or Switzerland. At least two criteria from the “Cultural Content” category must be met. Only full points shall be awarded.

A-Block: Cultural Content and Creative Talents

	Points	Total
<u>1. Cultural Content</u>		
• Lead character was/is German ¹⁴ or can be attributed to the German cultural or language area ¹⁵	2	
• Storyline/underlying material is German or originates from the German cultural or language area ¹⁶	4	
• A final version is in the German language	2	
• Storyline is intended and suitable as children’s or youth film	3	
• Storyline/underlying material is based on literary material or derived from traditional fairytales/sagas or deals with artists or art genre (e.g. composition, dance, performance art, visual art, architecture, pop art, comics)	4	
• Story/material refers to a personality or a historical event in contemporary or world history or a fictional figure of cultural history or a comparable fictional event	4	
• At least 50% of the story/material takes place in reality or virtually in Germany or another EU Member State or the EEA or Switzerland or in a place attributed to Germany or another EU Member State or the EEA or Switzerland	2	
• A contemporary artist from a field other than film-making makes a significant contribution to the film	<u>2</u>	<u>23</u>

¹³A person is domiciled where he/she has a residence in circumstances which permit the conclusion that he/she will keep and use the residence.

¹⁴The main character is German in the sense of the test of characteristics if he/she is or presumably is a German national or (presumably) lives permanently in Germany.

¹⁵The German cultural area includes German-speaking areas, formerly German-speaking areas and areas in which a German minority lives.

¹⁶The German cultural area includes German-speaking areas, formerly German-speaking areas and areas in which a German minority lives.



2. Creative Talents

- Creative talents from Germany or the EEA or Switzerland in a position of responsibility, who within the ten years before the start of shooting have creatively contributed to a film in the EEA or Switzerland or with the participation of a producer from the EEA or Switzerland or creative talents from Germany or the EEA or Switzerland making their first film:
 - director 3
 - screenwriter 3
 - producer/co-producer or VFX producer (natural person) 3
 - composer 3
 - VFX or animation supervisor 3
 - character designer / lead FX artist or lead animation artist 2
 - head of production design/background supervisor/lead environment artist or digital matte painting artist 2
 - speaker (1 point each for the first four principal characters) 4
 - sound designer 1
 - lead shading/texturing artist 1
 - editing or lead compositing artist 1
 - line producer 1
- 1 27
50

B- Block: Production:

Except for the animation and VFX work, 100% of the work listed below must be performed in Germany to achieve the full number of points in each case.

- pre-production (storyboarding, layout work)/pre-visualization 4
 - background work, digital environment, matte painting, creature animation or VFX work on a sequence 4
 - 1 point each for 10% expenditure of production costs in Germany for animation work or 1 point each for VFX work per VFX sequence 10
 - speech and sound editing; mixing or VFX asset creation for a sequence 3
 - music recording in Germany 2
 - rendering (of the VFX sequence) in Germany 2
 - compositing (of the VFX sequence) in Germany 2
 - laboratory work up to the answer print or VFX editorial 2 29
- 79**

At least 42 out of 79 points from both categories are required



Schedule 6

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

Test of Characteristics for Documentary Films produced in accordance with the European Convention on Cinematographic Co-production

The documentary film shall be produced in accordance with the European Convention and score at least 50% of the total points available in the following catalogue. The information “from Germany, another EU Member State, another EEA contracting state or Switzerland” refers to the nationality of the natural person or his or her domicile¹⁷ and the focus of his or her daily life in Germany, another EU Member State, another EEA contracting state or Switzerland.

Creative talents from Germany or the EEA	Points	Total
• Director	3	
• Script	2	
• Camera	2	
• Research	1	
• Composer	1	
• Editor	2	
• Sound engineer	1	
Production in Germany or another EEA contracting state:		
• Shooting in Germany or another EEA contracting state	2	
• Post-production in Germany or another EEA contracting state	<u>2</u>	<u>16</u>

¹⁷ A person is domiciled where he/she has a residence in circumstances which permit the conclusion that he/she will keep and use the residence.



Schedule 7

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

Test of Characteristics for Animated Films produced in accordance with the European Convention on Cinematographic Co-production

The animated film must be produced in accordance with the European Convention and score at least 14 points in the following catalogue. The information “from Germany, another EU Member State, another EEA contracting state or Switzerland” refers to the nationality of the natural person or his or her domicile and the focus of his or her daily life in Germany, another EU Member State, another EEA contracting state or Switzerland.¹⁸

Creative talents from Germany or the EEA	Points	Total
• Conception	1	
• Script	2	
• Character designer	2	
• Composer	1	
• Director	2	
• Storyboard	2	
• Production designer	1	
• Background supervisor	1	
• Layout	2	
Production in Germany, another EEA contracting state or Switzerland:		
• 50% of expenditure for animation work in Germany or another EEA contracting state		2
• 50% of colouring in Germany or another EEA contracting state	2	
• 100% of compositing	1	
• 100% of editing	1	
• 100% of sound	1	<u>21</u>

¹⁸A person is domiciled if he/she has a residence in circumstances which permit the conclusion that he/she will keep and use the residence.



Schedule 8

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

Voluntary declaration of commitment to sustainable, resource-efficient film production

By signing the declaration of commitment, the undersigned indicates his or her commitment to producing the film in the most environmentally friendly way possible. The undersigned agrees in particular to undertake the following measures:

COMMUNICATION

Starting at the preproduction stage, all persons involved in the production shall be informed of possible and/or planned measures for a resource-efficient and environmentally friendly production and in particular the following areas of action (e.g. production office, transport, on location, equipment and set design, catering, etc.) and actively invited to identify further suitable measures where appropriate. For this purpose, information material on resource-efficient film production is available on the DFFF website. The undersigned shall further examine whether it would be useful to engage an environmental consultant (“Green Adviser”).

RESOURCE-EFFICIENT EQUIPMENT

Minimization and environmentally sound disposal of electrical waste, use of ecologically safe materials for props and equipment wherever possible, maximum recycling of props and equipment.

CATERING

Avoid use of disposable tableware and consistently sort waste. Regional and seasonal products and local water resources should be used.

PRODUCTION OFFICE

Minimize the use of paper; use environmentally friendly paper, print paper on both sides, use electronic planning and scheduling tools, consistently sort waste and use renewable electricity if possible. In the case of temporary production offices use leased or second-hand furniture.

TRANSPORT/MOBILITY

Rely on carpooling wherever possible; avoid air travel; use rail services in Germany and abroad.

LIGHTING/TECHNOLOGY

Use energy-efficient lighting and solid and/or rechargeable power sources on the set; avoid the use of generators.

It is recommended that a CO2 footprint be produced and submitted if possible.

Upon finalization of the answer print at the latest and before the final instalment is disbursed, the undersigned shall submit a brief report to the funding agency, outlining the areas of action in which and the measures by which the objective of a sustainable, environmentally friendly production process was achieved and identifying possible areas for improvement.