



# GUIDELINES FOR FILM SUPPORT

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## **1. General Principles**

### **1.1 Objectives**

The aim of the film support scheme is to develop, maintain and strengthen film culture and film business in Hamburg and Schleswig-Holstein. Support should be directed in particular toward:

- film productions that promise to be economically successful
- films of various genres that make an important contribution to film culture
- television films and series of high quality whose content, form and cast make them suitable for international sales
- television and video productions of cultural significance

These include pre-production measures as well as measures to strengthen the areas of distribution and sales, theatrical release and presentation.

In order to strengthen the audio-visual media in Hamburg and Schleswig-Holstein, it is intended that at least 1.5 times the amount of the total funding sum awarded for the current year be spent in Hamburg and Schleswig-Holstein. Irrespective of the regulation stated in the previous sentence, funding recipients can spend at least 20% of the total production budget in another state within the European Economic Area. A further aim of the support scheme is to safeguard and create employment in Hamburg and Schleswig-Holstein.

### **1.2 Areas of Support**

The support scheme covers the following areas:

- screenplays
- project development
- production
- special measures
- distribution and sales
- theatrical release and presentation

### **1.3 Accumulation**

The guidelines allow for an accumulation of funding from different sources. Insofar as German or European law states ceilings for accumulating different state supported funding, the same will also apply to the support scheme of Filmförderung Hamburg Schleswig-Holstein.

## **2. Screenplay and Project Development Support**

### **2.1 Screenplay support**

2.1.1 A conditionally repayable (non-recourse) loan may be granted to support the writing of a screenplay or (for example, in the case of

documentary films) the preparation of a thorough description of the project. Producers working with a screenwriter at the time of application or screenwriters working on their own are eligible to apply. The application must include a treatment together with an example of a dialogue scene or (as above) an outline of the project.

- 2.1.2 The loan will not exceed € 50,000.
- 2.1.3 As a rule, the loan must be repaid at the start of principal photography or if the rights to the project are sold to a third party.
- 2.1.4 The recipient of screenplay support is obligated to apply to Filmförderung Hamburg Schleswig-Holstein GmbH for production support for the project supported within 24 months of payment of the final instalment of the loan. The management shall decide as regards any exceptions to this rule. The recipient has no legal claim to any further support for a project that has received screenplay support.
- 2.1.5 If the project supported does not go into production within 36 months of payment of the final instalment of the loan, any rights that have been acquired with these funds shall revert to the support-giving party. On repayment of the financial support sum, the party supported may, in agreement with the screenwriter, demand that the rights to the screenplay be transferred back.

## **2.2 Project development support**

- 2.2.1 Financial support may be granted for the development of a cinema or television film project. Producers are eligible to apply. The greater part of the proposed project must be intended to be produced in Hamburg and/or Schleswig-Holstein.
- 2.2.2 Financial support is granted in the form of a conditionally repayable (non-recourse) loan. The loan may amount to a maximum of 80% of the development budget, but will not exceed € 110,000.
- 2.2.3 Applications are to include a screenplay (for feature films) or other adequate description of the project as well as a calculation of the financial support applied for.
- 2.2.4 Paragraphs 2.1.3 and 2.1.4 shall apply mutatis mutandis.

## **2.3 Incentive funding**

- 2.3.1 A conditionally repayable (non-recourse) loan may be granted for the development of several films for cinema and/or television. In order to apply, the production company must submit several project outlines, financing plans, a business development plan, etc. Small and medium-sized production and distribution companies with projects predominantly related to the Hamburg and/or Schleswig-Holstein and their culture are eligible to apply.
- 2.3.2 The management shall rule on applications for incentive funding.

- 2.3.3 The loan shall be limited to a maximum of € 160,000; it is assumed that applicants will provide a considerable share of the investment themselves. The awarded financial support will be paid out in stages. The management shall decide as to whether the support will be continued or prematurely terminated on the basis of the progress of the projects and the chances of their being realized.
- 2.3.4 As a rule, the loan is to be repaid for the project or projects already produced, corresponding to the proportion of the respective costs covered by the support, in accordance with the regulations as set down in Paragraph 2.1.3
- 2.3.5 Paragraph 2.1.4 shall apply mutatis mutandis.

### **3. Production Support**

#### **3.1 General conditions**

- 3.1.1 Producers are eligible to apply.
- 3.1.2 Financial support is granted as partial financing of the project in the form of a conditionally repayable (non-recourse) loan. Production support granted will not be paid until the applicant has furnished proof that the entire financing of the project has been secured. As a rule, the Filmförderung Hamburg Schleswig-Holstein's grant shall expire if the applicant is unable to secure the entire financing within 12 months of approval. Longer periods may be stipulated in cases of initial financing.
- 3.1.3 The grant will be paid out in instalments, according to the verified progress of the project.
- 3.1.4 Applicants must invest an appropriate amount of their own funds in the financing of the film project. As a rule, this should be no less than 5% of the production costs, even in the case of smaller projects.
- 3.1.5 The application must contain a detailed account of the share of the production budget that will be spent in Hamburg and/or Schleswig-Holstein ("regional effect").
- 3.1.6 Regarding the assignment of television rights for the subsidised film, the producer undertakes to adhere to the terms and conditions as set down in the currently applicable Project Film Funding Guidelines of the German Federal Film Funding Authority (Filmförderungsanstalt (FFA)) concerning reversion of television rights. Any possible exceptions require a special explanation by and the approval of the management in clearance with the respective Committee.
- 3.1.7 The producer is obliged to supply to Filmförderung Hamburg Schleswig-Holstein GmbH a free-of-charge print of the film in question, suitable for archiving, or, as the case may be, a VTR copy of the financially supported production, as well as a VHS copy. This stipulation may be waived if another German funding body has already been provided with a copy.

- 3.1.8 Filmförderung Hamburg Schleswig-Holstein GmbH must be given adequate mention for its support in the opening and/or closing credits of the film, as well as in all publications about the film.
- 3.1.9 The producer should provide adequate training opportunities for entry-level and advanced positions.

### **3.2 Films for cinema with production budgets exceeding €800,000**

- 3.2.1 A feature film can only be supported if the production shows promise of being a commercial success in the cinema or having special cultural significance for Hamburg and/or Schleswig-Holstein. A detailed concept for the film's exploitation must be enclosed with the application.
- 3.2.2 The loan will not exceed 50% of the total production budget. In certain cases, for which exceptional reasons must be provided, the selection committee can decide to fund up to 80% of the total budget of low budget or difficult-to-realize films.
- 3.2.3 A funded film with a length of 58 minutes or longer may not be commercially released on carriers in the inland nor abroad in the German language on television or in any other way before expiry of the blocking period specified in the respective film funding laws. The management shall decide on any exceptions to this rule. Should the Federal Film Funding Authority (FFA) grant a waiver for the blocking period, Filmförderung Hamburg Schleswig-Holstein GmbH will concur with this decision.
- 3.2.4 The German theatrical premiere of a supported film should take place in Hamburg or Schleswig-Holstein.
- 3.2.5 The producer is obliged to pay off the loan to Filmförderung Hamburg Schleswig-Holstein GmbH with a pro rata share from the proceeds of the financially supported film - corresponding to the percentage of the total production budget constituted by the grant or the German share of the overall production budget. This obligation shall come into effect only after the producer has recouped the amount of his/her own investment as accepted by Filmförderung Hamburg Schleswig-Holstein GmbH and shall end once the full loan sum has been repaid. This obligation to repayment from the proceeds shall expire at the latest eight years after the first theatrical release of the film. In special cases, a contractual agreement may be made stipulating a different period. A different regulation may be set down for projects receiving funding from other funding bodies in agreement with the other funding bodies.
- 3.2.6 Funds repaid by a producer will be made available again to the producer as so-called "reference funds", i.e. funds held in reserve and specifically earmarked for use by the producer for the preparation or production of a new film project. These "reference funds" shall be released to the producer upon consideration and approval by the management as provided for in the applicable Guidelines within a period of time specified by Filmförderung Hamburg Schleswig-Holstein GmbH. In justified cases the "reference funds" can also be used for other special measures eligible for support, which must be stipulated in a separate contractual agreement. In exceptional cases, the

"reference funds" can be used by Hamburg and Schleswig-Holstein producers to increase the production company's own capital resources. Should a producer fail to fulfil the contractual obligations entered into with Filmförderung Hamburg Schleswig-Holstein GmbH, or should no approval to make use of the "reference funds" be given, the funds shall revert to Filmförderung Hamburg Schleswig-Holstein GmbH.

### **3.3 Support for films with production budgets up to €800,000**

[Regulations differing from 3.2]

- 3.3.1 In this category, both producers and directors, if also producing the film concerned, are eligible to apply.
- 3.3.2 Loans for these films shall not exceed 50% of the total production budget. In certain cases, for which reasons must be provided, the selection committee can decide to financially support up to 80% of the total production budget of low budget or difficult-to-realize films (such as films by new talent, innovative projects, documentaries).
- 3.3.3 Under certain exceptional circumstances, for which reasons must be provided, applicants will not have to contribute their own funds to the production.
- 3.3.4 A concept for the exploitation of the film must be submitted with the application.
- 3.3.5 In calculating the repayment obligation, only the proceeds from distribution, world sales and the licensing of other rights shall be taken into consideration.

### **3.4 Support for television productions**

[Regulations differing from 3.2]

- 3.4.1 The production of TV movies and series of excellent quality may be financially supported if there seems to be a good chance of refinancing via the national and international markets.
- 3.4.2 Grants for these films shall not exceed 30% of the total production budget or the German share of the entire production costs.
- 3.4.3 Productions with a predominantly cultural emphasis that are intended primarily for television may be supported in line with the regulations set down in 3.3 and without observing the holdback period for television broadcasting if a considerable part of the production budget is provided by the broadcaster and a considerable share of the rights remains in the hands of the producer once the film has been broadcast a specified number of times as agreed upon.

### **3.5 Special measures**

- 3.5.1 In the case of current projects of certain urgency, it is possible to grant a conditionally repayable (non-recourse) loan of a maximum of € 15,000 for the purpose of securing footage that would otherwise be lost, for example filming and recording events that were not foreseeable at the time of the application deadlines and are unrepeatable. The management shall rule on applications for securing such footage. As a rule, the project must be submitted for

production support as soon as the footage has been secured. Paragraphs 2.1.3, 3.3.1 and 3.3.2 shall apply mutatis mutandis.

3.5.2\* In exceptional cases, financial support may be given in the form of a conditionally repayable (non-recourse) loan for post-production activities for theatrical or television films. An application may only be submitted if principal photography is completed. In addition to the application documents required for production support, the producer must also submit a print of the film or other suitable material. The application must specify the reasons why the support applied for will lead to better results, in particular with regard to the film's exploitation. Only producers are eligible to apply. Paragraphs 3.1.4 to 3.1.7 and 3.2.3 to 3.2.6 shall apply mutatis mutandis.

\*A post-production measure as in 3.5.2 can only receive financial support if the supported measure is part of the film's production process.

#### **4. Support for Distribution and Sales**

4.1 Distribution and sales companies are eligible to apply. In individual cases, producers may also submit applications.

4.2 Filmförderung Hamburg Schleswig-Holstein GmbH may support film distribution and sales measures as well as other special secondary measures for distribution and sales in the following areas:

- for films that contribute to European cinema culture
- for films that are of cultural or economic benefit to Hamburg and/or Schleswig-Holstein
- for films which received production support in Hamburg.

4.3 As a rule, support is granted in form of a conditionally repayable (non-recourse) loan. The grant will not exceed € 200,000. Applicants must provide evidence of having invested an appropriate amount of their own funds. The obligation to repay the loan from the proceeds shall take effect only after the applicant has recouped the proportional amount of his/her own investment as accepted by Filmförderung Hamburg Schleswig-Holstein GmbH and shall expire at the latest eight years after the support first takes effect.

4.4 The special problems involved in distributing children's and youth films, short films, documentaries, and experimental films will be taken into account.

4.5 Grants may be given in order to expand existing markets and open up new ones.

4.6 Six months after support comes into effect, funding recipients are required to provide Filmförderung Hamburg Schleswig-Holstein GmbH with a report about the state of sales and distribution, as well as with promotional material and a video copy/film print.

#### **5. Support for Screenings and Film Presentation**

Operators of cinemas and screening locations in Hamburg are eligible to apply. The following measures are eligible for support:

- 5.1 Special, high quality film presentations.
- 5.2 The use of innovative marketing techniques.
- 5.3 Modernisation and renovation of Hamburg cinemas and screening locations. Support will not exceed 40% of the allowable costs, minus any loan or subsidies granted by the German Federal Film Funding Authority (FFA). The maximum support sum is €50,000.
- 5.4 Cinemas which screen high quality film programmes, which include an appropriate percentage of European and German films, children's and youth films, short films and documentaries are eligible for a special award. These awards will be awarded annually on application by a special jury. The funds awarded must be used in the cinema receiving the award.

Applicants for financial support under Sections 5.1., 5.2. and 5.3. of these Guidelines must provide an appropriate own share of the costs, which is subject to verification. Funding under Sections 5.1. and 5.2. is generally in the form of a subsidy, while funding under section 5.3. is generally in the form of a unconditionally repayable loan.

## **6. Special Regulation**

Projects and measures that benefit the film culture and/or film industry in Hamburg and/or Schleswig-Holstein may receive non-repayable benefits. This requires a resolution by the respective committee.

## **7. Procedure**

- 7.1 Support may only be granted upon application. The documents required for application are listed in the application forms. Production of the project or the activity which is the subject of the application must not have commenced at the time the application is made.
- 7.2 The Filmförderung Hamburg Schleswig-Holstein GmbH may set application deadlines for all of the activities it supports.
- 7.3 Decisions about applications for support shall be reached by a funding committee appointed by the Filmförderung Hamburg Schleswig-Holstein GmbH, unless other regulations are stipulated in the Guidelines.

## **8. Effective Date**

These guidelines come into effect on 13<sup>th</sup> July 2010 in accordance with their approval by the European Commission.