

**Carinthia Film Commission
CFC**

GUIDELINES

effective from 20 Jan. 2017

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Carinthia Film Commission CFC

GUIDELINES

A. MISSION

Thanks to its varied landscape features, Carinthia, at the intersection of three cultures, offers everything that is required for an outstanding film location.

In order to make use of this potential, on the initiative of the Province of Carinthia, the Carinthia Film Commission (hereinafter “CFC”) has been set up as a service and advice centre for film professionals who are active nationally and internationally.

From the aspect of displaying the cultural and regional variety of Europe, with the new focus of its film funding the Province of Carinthia is primarily pursuing the objective of funding cinema and television productions in which the regional culture and the existing creative potential are expressed as cultural products. A further aim is to expand Carinthia as a film location, in the hope of making a contribution towards enhancing the market share of European films, as well as to the positive development of the economy and to increasing employment.

These Guidelines thus regulate on the one hand the objectives and tasks of the CFC, and on the other hand the procedure for the granting of film funding in the three areas of funding:

- Project development
- Production
- Distribution and promotion

The basis for awarding film funding in the form of individual grants is the Carinthian Culture Promotion Act [*Kärntner Kulturförderungsgesetz*] 2001 – K-KFördG, Provincial Law Gazette No. 45/2002 as amended (referred to below as K-KFördG).

In the section of relevance to funding aid (sections C. to F.) these Guidelines take account of the requirements 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, OJEC No. L 187 of 26.06.2014, p. 1 (hereinafter “GBER”).

B. CARINTHIA FILM COMMISSION (CFC)

The Carinthia Film Commission (CFC) has been set up as an independent business division (service and advice centre) of Kärnten Werbung (hereinafter referred to as “Kärnten Werbung”), whose registered office is in Klagenfurt.

It is represented by the CEO of Kärnten Werbung.

1. Objectives of the CFC

With the establishment of the CFC, the following objectives are being pursued:

- Strengthening the regional and national film industry as a contribution towards supporting the European film culture
- Creating a sustainable regional advantage for the economy and the film industry in Carinthia (stimulation and strengthening of the film location)
- Strengthening the tourism brand Carinthia 2020 through a positive image and advertising transfer, by presenting the Province of Carinthia in culturally sophisticated and high quality film and television productions
- Increasing the awareness of Carinthia as a destination; primarily in the target markets defined in the tourism brand Carinthia 2020
- Opening up innovative areas of business and new visitor target groups

2. Tasks of the CFC

2.1. Tasks as a service and advice centre

The tasks of the CFC as a service and advice centre for film professionals include:

- Help and support in the search for suitable filming locations in Carinthia on the basis of a location archive (picture database); (use of a location scout only possible in return for a fee)
- Provision of information about film professionals resident in Carinthia and of providers of services and goods on the basis of a sector database
- Supplying information on the procedure for obtaining permission for filming and the responsibilities (however this excludes actually obtaining permission for filming)
- Networking activities
- Advice on the film funding regulated in these Guidelines
- Acceptance of funding applications in accordance with these Guidelines

2.2. Tasks in respect of strengthening the tourism brand Carinthia 2020 as specified in the Tourism Strategy for Carinthia

The tasks of the CFC in respect of strengthening the tourism brand Carinthia 2020 in connection with film projects as specified in the Tourism Strategy for Carinthia include:

- Conveying the values of the Tourism Strategy for Carinthia and the tourism brand Carinthia 2020
- Integration of tourist flagship projects and landmarks of relevance to tourism in film

productions

- The staging of experience areas and experience offerings that are typical of Carinthia in the context of the Tourism Strategy for Carinthia and the tourism brand Carinthia 2020
- Provision of the logos in accordance with item C. 7.
- Coordination and implementation of PR and marketing measures in accordance with item C. 8. in consultation with or jointly with the recipients of funding

2.3. Tasks as the place of business of the CFC Advisory Board

The tasks of the CFC as the place of business of the CFC Advisory Board according to item B. 3 include:

- Preliminary examination and processing of funding applications and documents, and passing these on to the meetings of the CFC Advisory Board
- Administration of the CFC Advisory Board (in particular dealing with internal and external communication and organising meetings)

2.4. Evaluation tasks

The CFC must undertake continuous internal evaluation of all the measures in accordance with these Guidelines, and communicate the result of a comprehensive overall evaluation to the member of the Carinthian Provincial Government responsible for culture (see item C. 11.).

3. CFC Advisory Board

An optional (i.e. not prescribed by law) Advisory Board is being set up as an advisory body in respect of the film funding regulated in these Guidelines (hereinafter referred to as the “CFC Advisory Board”).

This consists of six expert members from the areas of:

- Culture (civil servant from the office of the Carinthian Provincial Government, selected from the department with responsibility for art and culture by the head of the culture department)
- Tourism (civil servant from the office of the Carinthian Provincial Government, selected from the department with responsibility for tourism by the head of the tourism department)
- Carinthian Cultural Council, expert advisory committee on electronic media, photography and film pursuant to Section 8 Para. 1 (h) K-KFördG (at the suggestion of the expert advisory committee)
- Austrian film industry (at the suggestion of the umbrella association for Austrian film professionals)
- Kärnten Werbung (at the suggestion of the CEO)
- Economic Chamber of Carinthia: Business and trade division, representative of the film and music industry

For every member, a substitute member has to be named who will represent the member in the event of their being prevented from attending or not being impartial in any particular case.

When the nominations are made, the aim is to obtain a balanced membership between

men and women.

At its meetings, the Advisory Board must select from the submitted projects those which from its professional perspective appear to be the most deserving of funding according to the stipulated criteria. The Advisory Board must formulate a non-binding funding proposal on this basis and according to the resources available.

All members and substitute members and the members of the CFC are bound by the duty of confidentiality in respect of all the facts of which they become aware solely in connection with their activity on the CFC Advisory Board.

The more detailed provisions on the organisation of the Advisory Board and the holding of meetings of the Advisory Board are regulated in internal rules of procedure.

C. GENERAL PROVISIONS ON FUNDING

The provisions below apply to all three areas of funding:

- Production
- Project development
- Distribution and promotion

In addition, for the individual areas of funding applicants must also bear in mind the separately regulated, special funding requirements and conditions, as well as the respective other specifications and obligations (for these see items D., E. and F. respectively).

1. Funding requirements and conditions

1.1. Legal basis

Pursuant to Section 1 Para. 1 K-KFördG, the Province of Carinthia must fund and support cultural activities in the interest of the province and its inhabitants. Funding in accordance with this law must be provided in particular when cultural activities are exercised in Carinthia or have a connection with Carinthia.

Pursuant to Section 1 Para. 2 K-KFördG, the cultural creativity takes place freely; measures by the province in accordance with this law represent a contribution towards safeguarding this freedom. Persons and groups of persons should be encouraged to provide cultural services in productive and reproductive forms.

1.2. Exclusion of legal entitlement

No legal entitlement to funding by the Province of Carinthia exists with regard to either the reason or the amount.

The awarding and the amount of funding for film projects in accordance with these Guidelines take place in accordance with the resources available to the Province of Carinthia.

1.3. Fundable film productions

Pursuant to Section 2 Para. 1 sub. i K-KFördG, projects from the areas of the electronic media, photography and film can be funded depending on their cultural significance and artistic quality.

As a matter of principle, funding in accordance with these Guidelines can be awarded for cinema and television film projects of all genres which exhibit cultural content and thus represent a cultural product. Exceptions to this are industrial, advertising or image films, reports and music broadcasts.

1.4. Subsidiarity

The project must be unimplementable without the funding from the Province of Carinthia that is being requested via the CFC, or only implementable to an insufficient extent.

1.5. Reasons for exclusion

The following are excluded from receiving funding in accordance with these Guidelines:

- Projects which violate the applicable law of the European Union, the applicable laws and ordinances of the Republic of Austria or of the Province of Carinthia
- Projects which are produced on behalf of a person other than the recipient of the funding
- Projects whose implementation is not in accordance with the collectively agreed regulations of the Austrian film industry, insofar as these are applicable.

The Province of Carinthia examines whether the application limits of Sec. 4 AGVO and the subsidy limits of Sec. 54 AGVO are observed, taking the total amount of state funding (accumulation provisions of Sec. 8 AGVO) for the funded project or company into account.

1.6. Cultural connection with Carinthia

In order to be strictly fundable in accordance with these Guidelines, the submitted project must contain a cultural connection with Carinthia (cf. Section 1 Para. 1 K-KFördG). Projects with no cultural connection to Carinthia are not fundable in accordance with these Guidelines.

The evaluation criteria for this are:

- Portrayal of Carinthian cultural history (e.g. society, language, religion, customs, art, science)
- Taking account of provincial and/or regional content
- Portrayal of Carinthian cultural assets
- Consideration of the specific regional way of life (e.g. traditions, dialect, culinary elements, crafts, leisure activities)
- Consideration of the varied Carinthian cultural landscape (e.g. valleys, mountains, lakes)
- Conveying contemporary positions on art in the Province of Carinthia (all forms of art will be considered)
- Contribution to strengthening a contemporary and internationally oriented Carinthian film culture
- Creation of new programme content that has Carinthia as its subject
- Focus on the theme of the special location in the Alps-Adriatic region in the field of tensions between three cultures
- Cross-border networking with other areas of Carinthian and international artistic and cultural activity
- The material submitted or the plot is based on the literary model of a Carinthian author
- The material submitted or the plot deals with Carinthian topics that are of current social, cultural and/or religious relevance
- Treatment of scientific themes with a provincial and/or regional connection
- Taking account of the linguistic and cultural variety of the province
- Connection to the cultural heritage of Carinthia, and especially its film culture heritage
- Consideration of the correct topographical names (the names of the Carinthian filming locations are shown or stated using their real names)
- Consideration of and portraying the specific European cultural variety

A project's suitability for funding will be measured by how many of these criteria are fulfilled and to what extent.

1.7. Further assessment criteria

In addition to the criteria mentioned in item C. 1.6., special consideration can be given to the following:

- Development and use of new technologies, formats, carrier media and forms of distribution

- Improvement of the opportunities for access to creative programme content from cultural and social aspects
- Strengthening of the audio-visual sector in Carinthia (employment of filmmakers in artistic, technical and organisational functions)
- Addressing cultural and tourist flagship projects and landmarks
- Taking account of experience areas and offerings that are typical of Carinthia (e.g. Dobratsch Nature Park and Lake Weissensee, Hohe Tauern National Park, etc.)

1.8. Calculation

The costs of the film project for which funding is being applied for must be calculated in the manner usual in the industry and according to the principle of cost-effective business management.

2. Funding procedure: funding application and decision

2.1. Eligibility to apply

Applications for funding in accordance with these Guidelines can be submitted by natural or legal persons that are sufficiently qualified from an artistic and film-making perspective.

Proof of the corresponding qualifications must be provided in the form of a filmography. Funding applicants must demonstrate that they have produced a comparable film within the three years prior to their application. If funding applicants do not fulfil these conditions, they are nonetheless eligible to apply in the event of a joint production with a producer who has fulfilled these requirements.

The following are not eligible to apply:

- Funding applicants who have not complied with a recovery order on the basis of an earlier EU Commission decision to establish the unlawfulness and irreconcilability of financial aid with the Common Market (Sec. 1 Para. 3 sub. a AGVO)
- Companies that are in difficulty (Sec. 1 Para. 3 sub. c AGVO)
- Funding applicants who are under the significant influence of a television production company. Significant influence exists if an individual television production company is involved in the company with a shareholding of more than 25%, or if two or more television production companies are involved with a shareholding of more than 50%.

In addition, the special provisions on the eligibility of application for the individual areas of funding must be taken into account (see items D., E. and F.).

2.2. Submitting your application

Applications can be submitted by the deadlines published by the CFC at www.filmcommission.at. The application form available there should be used. The CFC application form and all the information relating to the project should be submitted in 3 copies (see list of attachments) in paper form to

Carinthia Film Commission
 c/o Kärnten Werbung Marketing und Innovationsmanagement GmbH
 Völkermarkter Ring 21-23
 9020 Klagenfurt am Wörthersee
 and digitally to
office@filmcommission.at

Attention is drawn to the fact that an application can only be processed provided that all the necessary documents have been submitted.

If funding applications for the same project are submitted to other film funding establishments in Austria or abroad, the same project documents are to be presented to the Province of Carinthia as to the other establishments.

Unless otherwise agreed, the application documents shall pass into the ownership of the Province of Carinthia.

The funding applicant is responsible for the correctness and completeness of his/her information, including the cost calculation.

2.3. Advisory discussion

Applicants are recommended to have an advisory discussion with the CFC at an early stage of the project planning in order to evaluate the funding potential of the project.

2.4. Selection procedure and decision on funding

The decision on granting funding in accordance with these Guidelines will be made by the member of the Carinthian Provincial Government with responsibility for culture according to the financial resources available.

The decision will be made after taking note of the non-binding recommendation of the CFC Advisory Board (item B. 3.).

The decisions will be passed on to funding applicants as early as possible in written form. No reasons will be provided for refusing funding.

2.5. Funding agreement

The granting of funding by the Province of Carinthia, represented by the member of the Carinthian Provincial Government with responsibility for culture, must take place via the conclusion of a funding agreement between the latter and the funding recipient. Two copies of the funding agreement (quotation) signed by the member of the Carinthian Provincial Government with responsibility for culture are sent to the funding recipient. The agreement is deemed accepted when the recipient attaches its corporate signature and returns one signed copy to "Amt der Kärntner Landesregierung, Abteilung 6 — Bildung, Wissenschaft, Kultur und Sport, Unterabteilung Kunst und Kultur" (Office of the Carinthian Provincial Government, Department 6 – Education, Science, Culture and Sports, Office for Art and Culture) within six weeks (from the date the office of the Carinthian Provincial Government dispatches the copies of the agreement).

The conclusion of this agreement is, however, dependent on the proof of the total financing for the project being provided by the funding recipient.

If the funding recipient is a legal person, the Province of Carinthia has to ensure in the funding agreement that its management bodies are personally jointly liable for its proper execution.

By concluding the funding agreement, the funding applicant undertakes to execute the project in accordance with the project description according to the application documents. Major changes to the project require the consent of the Province of Carinthia.

These Guidelines are an integral element of any funding approval and agreement.

No legal entitlement exists to the allocation of the funding before the agreement is concluded. Payments are without exception not possible before the conclusion of the agreement.

Claims and duties arising from the funding agreement are only transferable with the advance written consent of the Province of Carinthia.

3. Inspections and audit

In the funding agreement, the funding recipient will be obliged to grant the management/control bodies of the Province of Carinthia insight into the stage of development of the project in every phase, as well as insight into all books and other documents, and to permit them to inspect the funded project. In the event of relevant changes in respect of the project for which the application has been submitted, the funding recipient must inform the Province of Carinthia of these immediately. All documents and evidence concerning the funding must be kept securely and in an organised manner for ten years after the end of the calendar year in which the final settlement or payment of the funding took place.

The auditing of the funding (inspection of individual receipts) will be undertaken by the respective management/control bodies of the Province of Carinthia with responsibility for this, and these must be granted unrestricted access to all the records and receipts forming the basis of this audit.

4. Cessation and repayment

The agreement on the granting of funding shall expire, and all funding contributions already received shall be immediately repayable and funding shall cease if

- a) no start has been made on the execution of the funded project twelve months after receipt of the notification of approval,
(In the case of production funding, this period relates to the start of filming work. In justified exceptional cases, the Province of Carinthia can extend this period.)
- b) the provisions of the Guidelines have not been complied with,
- c) an obligation specified in the funding agreement has not been complied with or not within good time (within 30 days of the written request),
- d) the funding has been fully or partially used contrary to the intended purpose,
- e) planned reports have not been provided or evidence has not been submitted or necessary information has not been issued,
- f) management bodies and agents of the funding provider have been incorrectly or incompletely informed about major circumstances,
- g) the care of a proper businessman has been grossly negligently or intentionally neglected,
- h) the project does not correspond to the funding objectives,
- i) the funding recipient refuses to provide information or obstructs or prevents inspection measures,
- j) (in the case of production funding): possible protection or embargo periods in accordance with item D 2.6. are infringed.
- k) insolvency proceedings are initiated with regard to the funding recipients' assets or the application for insolvency proceedings is rejected for lack of funds,
- l) the funding recipient (legal entity) discontinues its statutory activities during the term of the contract.

In the cases mentioned above, the amount to be repaid will be subject to interest from the day on which it was paid out at a rate of 6%.

5. Overpayment

In the event of significant over-financing (if after the completion of the project the actual total costs are more than 15% lower than the total costs approved in the funding agreement), the Province of Carinthia shall be informed of this immediately in writing. The overpaid funding is to be repaid immediately and without this being requested in proportion

to the share of the total financing.

6. Data protection and publication

In his/her funding application the funding applicant shall give the CFC his/her express consent pursuant to the Data Protection Act [*Datenschutzgesetz*] 2000 Federal Law Gazette No. 165/1999 as amended from time to time, that his/her personal details that are of relevance to the project and contained in the application and the documents attached to it (in particular the funding recipient's name and address, date of birth, and the name and type of project submitted) may be recorded by means of data processing and processed and passed on within the CFC, and may also be passed on to the provincial or national bodies and those of the European Union involved with the funding or with the control of aid.

In the event of funding being provided, the recipient of the funding shall expressly consent in the funding agreement to the details of relevance to the project (in particular the name of the funding recipient, the name and form of the project being funded, the amount and/or degree of the funding) being published by the CFC and the Province of Carinthia.

The funding applicant has the right to revoke his/her declaration of consent at any time in writing by means of a communication to the CFC or the office of the Carinthian Provincial Government, Department 6 – Education, Science, Culture and Sports, Office for Art and Culture. Such revocation shall retrospectively result in the expiry of the funding approval and any funding already granted shall be reclaimed.

7. Mentioning and placement of logos

After the funding agreement has been concluded, the funding recipient is generally obliged to make reference to the fact that the project has received financial support from the Province of Carinthia by displaying the logos "Land Kärnten Kultur" (and/or "Land Kärnten Kultur + Tourismus")¹ and "Carinthia Film Commission" in the opening or closing credits of the completed film, on any promotional media, in cross-promotions (posters, leaflets, programmes, film scripts, etc.) and on all film, video, DVD and other reproductions for playback; this applies *mutatis mutandis* for any other logos prescribed in the funding agreement with reference to the fact that the project has been funded by the Province of Carinthia.

CFC provides the logos to be used to the funding recipient.

8. Marketing and PR

The funding recipient is required to coordinate and implement major PR and marketing measures together with the CFC to the extent this is possible. Efforts should be made to achieve at least two events in this respect before or during the filming work, and at the time of the premiere or the start of broadcasting respectively. Major members of the crew, the actors in the main roles and the producer him/herself should be available for this insofar as this takes place in consultation with and with the agreement of those concerned.

PR measures of this kind can be press conferences, interviews, autograph sessions, testimonial promotions, appearances at festivals, prize ceremonies, etc.

In the case of production funding, the joint coordination and implementation of a minimum of two PR and marketing measures together with CFC are generally mandatory. The

¹ To the extent this combined logo has been approved and/or created by Dept. 1, sub-department Marketing and Media Service.

individual funding agreement may provide for exceptions and/or more detailed regulations in accordance with the circumstances of the individual cases.

9. Publication of the film trailer

If a trailer is produced for the funded film project, the funding recipient shall make the trailer available to CFC in a suitable format as soon as possible after it has been completed; for the purpose of advertising and grant CFC authorisation to use the trailer for advertising the funded film by making the film trailer available as a download at www.filmcommission.at.

10. Evidence of the use of the funding

The funding applicant must use the funding in accordance with its intended purpose. The evidence of the use of the funding must comprise:

- a) The statement of accounts must contain a cover sheet in the form of a list of the supporting documents provided stating the amounts, and totalling these. At the same time it must be stated whether the funding applicant is authorised to deduct input VAT or not.
- b) If the funding applicant is authorised to deduct input VAT, only the net amounts (excluding value added tax) will be recognised as evidence of the funding sum.
- c) If there is a large number of receipts, these must be organised in groups in accordance with the intended purpose of the expenditure (e.g. postage, fees, office supplies, etc.).
- d) Only original supporting documents clearly documenting the payment will be accepted, and these must include the date of supply, the purpose of the supply and confirmation that the supply was factually correct.
- e) In the case of payment by bank transfer, the proof of payment must take the form of the original payment form, or a confirmation by the bank (statement of electronic banking) that the transfer order was actually executed or the presentation of an original of the bank statement showing the recipient of the transfer, the customer and the amount. Failing this, the signature of the recipient with confirmation of the sum received is required.
- f) In the case of advertisements, a copy of the advertisement must be attached to the invoice.
- g) On till receipts and restaurant receipts, the object or consumption purchased must be clearly stated, including the purpose of the consumption and the name of the person entertained.
- h) Invoices for professional fees or proof of temporary work must contain the name and address of the recipient as well as the date and form of activity in legible writing.
- i) A report on the individual steps of the project progress shall also be submitted, covering the achievement of the project goals, and in particular also the demonstrable endeavours to find financing partners.
- j) After completion of the project, a final statement must be submitted with a detailed list of the total actual revenues and the actual expenditure, with the original supporting documents relating to these attached.
- k) The accounting dates set for the funding applicant must be strictly complied with, otherwise the funding subsidies granted must be repaid immediately.

11. Evaluation

An evaluation of all the measures in accordance with these Guidelines will be undertaken by the CFC on behalf of the member of the Carinthian Provincial Government with responsibility for culture. This will comprise ongoing internal evaluation as well as an overall evaluation carried out within the term of validity of these Guidelines. The overall evaluation must take place after the expiry of the last submission deadline and the decision

on the projects that have been submitted. The result of this has to be passed on to the member of the Carinthian Provincial Government with responsibility for culture in a timely manner, so that the decision on a continuation of the measures regulated in these Guidelines beyond 2018 can be taken in good time.

12. Linguistic equality

Where terms in these Guidelines are used solely in the feminine or masculine form, they refer to both genders.

13. Coming into force

These Guidelines come into force on 20 January 2017 and are valid until 31 December 2018.

D. PRODUCTION FUNDING

The provisions below apply in addition to the general conditions of funding as specified in item C.

1. Object of funding and fundable costs

Funding is provided for the production of cinema and television film works in accordance with item C. 1.3.

The total production costs are fundable, including the costs of additional support for people with hearing or visual impairment (subtitles, audio description, etc.).

In accordance with Sec. 54 no. 9 AGVO, funding shall not be granted for specific production activities or individual parts of the value generation chain of the production.

1.1. Television productions

A television production is only eligible for funding in accordance with these Guidelines if one or more television production companies are involved in the financing of the project with at least 30% of the total production costs.

1.2. Co-productions

A production counts as a co-production when it comprises financial, technical and artistic contributions from different producers. One of the production partners must be eligible to apply. The artistic and technical contribution of the production partners must correspond to his/her financial contribution.

In the case of co-productions, the granting of funding in accordance with these Guidelines may – insofar as this is necessary for the project in question due to the provisions of the other funding institutions – be associated with requirements in the funding agreement that

- the revenues from all forms of exploitation are divided between the production partners according to their financial involvement,
- in the event of exploitation regions and areas being delineated, the market size and market value of the film in question are taken into account,
- the production partners have amicably regulated the world distribution,
- the distribution agreements provide for the option of termination.

1.3. Service productions

(International) service productions are also eligible for funding if they meet the requirements of items C and D of these Guidelines.

2. Special conditions of funding for production

2.1. Intensity of funding

The proportion of funding that can be granted in accordance with these Guidelines is up to **a maximum of 20% of the total fundable production costs**. This means that at least 80% of the financing for the film project has to come from other sources of finance. The greatest possible proportion of this should already be demonstrated when submitting the

application (e.g. in the form of letters of confirmation). In the case of international joint productions, the Austrian share of the project costs is decisive.

2.2. Permissible intensity of total funding

This funding can be cumulative with funding from other (Austrian or foreign) funding bodies. It should be borne in mind that Sec. 54 no. 6 AGVO provides that the proportion of the fundable production costs that is funded from all public resources must not exceed 50 %.

For any cross-border productions financed by more than one member state and involving producers from more than one member state, the total proportion funded by public resources can amount to up to 60% of the fundable production budget (Sec. 54 no. 7 sub. B AGVO).

For difficult audio-visual productions works and co-productions, in which countries of the OECD Development Aid Committee (DAC) list are involved, the aid intensity can amount to up to 100% of the fundable production costs (Sec. 54 no. 7 sub. b AGVO).

According to the definition that is valid in Austria, a film is commercially difficult if it only permits a low market acceptance to be anticipated and its chances of economic exploitation must therefore be qualified as limited, on account of its experimental nature, because its content, the form in which it is made, its artistic and/or technical design or its cultural claims are associated with a high level of risk.

Resources that are granted directly from EU programmes such as CREATIVE EUROPE – MEDIA without the member states being involved in the decision on awarding the funding do not count as government funding, and therefore do not need to be taken into account when calculating the intensity of funding.

2.3. Applicant's own share

The funding applicant must bear their own appropriate share of the funding which is not financed by the Province of Carinthia, another film funding establishment or another legal person under public law.

The applicant's own share must be appropriate to the scope of the project and the funding applicant's own means. The applicant's own share can be provided in the form of capital resources, his/her own services that have been ascribed a value, and from guarantees of sales and hire, as well as from the proceeds of the sale of rights and ancillary rights (licences).

The capital resources element of the applicant's own share shall in general amount to 5% of the production costs.

Third party capital is equivalent to capital resources if this has been provided to the funding applicant in the form of a loan (e.g. bank loans or credit from a provider of goods), provided it does not involve public funding.

2.4. Carinthian film industry effect (territorial effect)

Notwithstanding the fact that the selection of the projects to be funded has to take place solely on the basis of cultural criteria (items C. 1.6. and C. 1.7.), when the projects are being executed, the greatest possible proportion of the funding sum must be spent in Carinthia in terms of their connection with Carinthia pursuant to Section 1 K-KFördG (value creation for the film industry).

This film industry effect derives from:

- general expenditure (accommodation, subsistence, hire fees, transport, etc.) in Carinthia,
- the regional use of existing facilities, and
- employment in the regional film industry in artistic, technical and organisational

functions.

Further information on the Carinthian film industry effect can be found in the Annex.

2.5. Proof of distribution

Projects for which production funding is sought cannot be funded without the presentation of proof of distribution.

The CFC will recognise among other documents any preliminary agreement or agreement with a television production company on the broadcasting of the film project at a transmission time that is appropriate for the target group, or a preliminary agreement or agreement with a national or international hire company or distributor.

2.6. Protective and embargo periods

The funding recipient can be obliged in the funding agreement to comply with protective and embargo periods insofar as these periods are valid for the project in question on the basis of the provisions of other funding institutions.

2.7. Guarantees and warranties

Within the funding agreement the project applicant must guarantee completion (guarantee of completion).

When the production costs exceed more than € 3 million, the compulsory conclusion of a completion bond can be prescribed, unless all the financing partners involved in the project agree on and demonstrate another form of collateralisation. The expenditure necessary for this will be recognised as production costs.

As a matter of principle, public distribution for the purpose of obtaining revenue must be guaranteed. Attention must be paid in particular to ensuring that no direct discrimination takes place against people with impaired hearing or eyesight.

In addition, the funding applicant can be obliged in the funding agreement to demonstrate his/her efforts to arrange a world premiere in Carinthia for the funded film project.

3. Application

Applications for production funding must be submitted before the start of the project (= the filming work).

The following documents must be attached to applications (see also application form/list of attachments):

- Application form
- Up-to-date extract from the register of companies (if a legal person)
- Trade license
- Up-to-date filmography and CV of the applicant
- Calculation of the production costs on the basis that is usual within the industry (for international co-productions, the Austrian element of the costs applies); the costs must be calculated on the basis of cost-efficient business management
- Completed **production funding** financing plan stating the other funding providers and the status of decisions
- Detailed calculation of the expenditure in Carinthia allowable for the Carinthian film industry effect
- Proof of the promised resources
- Distribution and marketing concept
- As appropriate cost estimates

- Proof of distribution (LOI, (preliminary) agreements, undertakings, etc.)
 - Option or agreement on filming rights
 - Screenplay/film concept
 - Synopsis (summary of content, max. 1 A4 page)
 - Statement by the director
 - List of the crew and cast
 - Up-to-date filmographies of the director and the author
 - Up-to-date filmographies of the artistic, technical and administrative crew
 - Declarations of availability by the cast and crew
 - Optional:
 - DVDs of previous films by the director
 - Detailed statement by the producer and further statements by the remainder of the crew
 - Trailer/teaser
 - In addition for co-productions:
 - Co-production agreements
 - Up-to-date filmographies of the co-production partners
 - Calculation of the total production costs on the basis that is customary in the industry
 - Current extract from the register of companies and trade license for the co-production partners
- In the case of resubmission: Details of the major changes

4. Payment in instalments and separate accounting

The funding sum can be paid in instalments. The provisions for this must be made in further detail in the funding agreement (number, scope and due date of instalments, etc.).

The funding applicant must in all events demonstrate the progress of the project before each (pro rata) funding amount is paid out.

The funding recipient can be obliged in the funding agreement to set up a dedicated bank account for the entire financial handling of the project.

5. Film copy for archiving purposes

For the purpose of preserving the European film culture heritage, after the presentation and evaluation the funding recipient will be asked to deposit a technically perfect copy of the funded film with Filmarchiv Austria free of charge in archivable format in the context of the regulations on legal storage.

6. Evidence of the use of the funding

The funding applicant must use the funding in accordance with its intended purpose.

In addition to the documents listed in item C. 10., this proof must comprise:

- a list of the eligible expenses incurred for the film industry effect as specified in item D 3.4
- two specimen copies (DVDs) of the funded film (1 for CFC and the Province of Carinthia each)
- two copies of project-related advertising materials (brochures, posters, programmes and similar), (1 for CFC and the Province of Carinthia each)
- proof of the logo placement

E. PROJECT DEVELOPMENT FUNDING

The provisions below apply in addition to the general conditions of funding as specified in item C.

1. Object of funding and fundable costs

Funding can be provided for the development of a film project in accordance with item C. 1.3.

This covers all the measures in advance of the actual production or filming, the production of the final version of the screenplay/film concept, the production concept, and also the development of the project-specific marketing concept and distribution plan.

The following are recognised as fundable costs:

- costs of developing the subject matter,
- concrete project-related costs of searches for locations, casting, screen tests, preliminary negotiations and contact talks, plus
- other project development costs.

2. Special conditions of funding for project development

2.1. Intensity of funding

The intensity of funding can amount to a maximum of 30% of the fundable total project development costs. This means that at least 70% of the financing for the film development project must come from other sources of finance. The greatest possible proportion of this should be demonstrated already when submitting the application (e.g. in the form of letters of confirmation).

2.2. Permissible total intensity of funding

This funding can be cumulative with funding from other (Austrian and foreign) funding bodies. It should be noted that according to Sec. 54 no. 8 AGVO the permissible funding intensity in total must not exceed 100% of the fundable costs.

In the event of the project being realised subsequently, the project development costs will be included in the overall budget and will be taken into account when calculating the funding intensity.

2.3. Applicant's own share

The funding applicant must bear their own appropriate share of the financing which is not financed by the Province of Carinthia, another film funding establishment or another legal person under public law.

The applicant's own share must be appropriate to the scope of the project and the funding applicant's own means. The applicant's own share can be provided in the form of capital resources, his/her own services that have been ascribed a value, and from guarantees of sales and hire, as well as from the proceeds of the sale of rights and ancillary rights (licences).

The capital resources element of the applicant's own share must amount to at least 5% of the total project development costs.

Third party capital is equivalent to capital resources if this has been provided to the funding applicant in the form of a loan (e.g. bank loans or credit from a provider of

goods), provided it does not involve public funding.

3. Application

Funding is only granted by application before the start of the project.

The following documents must be attached to applications (see also application form/list of attachments):

- Application form
- Up-to-date extract from the register of companies (if a legal person)
- Trade license
- Up-to-date filmography and CV of the applicant
- Calculation of the project development costs on the basis that is usual within the industry; the costs must be calculated on the principle of cost-efficient business management
- Completed **project development funding** financing plan stating the other funding providers and the status of decisions
- Proof of the promised resources
- Synopsis (summary of content, max. 1 A4 page)
- Up-to-date filmographies of the director, author, co-authors, dramatic advisor
- Optional:
 - Cost estimates
 - Option or agreement on rights of use
 - List of the crew and cast
 - Detailed statement by the producer
 - Treatment or screenplay concept
 - Further statements by the remainder of the film crew
 - Trailer/teaser
 - Declarations of availability by the cast and crew
 - Reference films by the director (DVD)
- In addition for co-productions:
 - Co-production agreements
 - Up-to-date filmographies of the production company
 - LOI for the agreement between the author and the producer
 - Current extract from the register of companies for the producer
 - Producer's trade license
- In the case of resubmission: Details of the major changes

The awarding of project development funding does not give rise to any legal entitlement to funding for a film project based on the result of the project development. However, in the event of subsequent funding for production, the funding awarded for the project development will be offset against this in full.

4. Payment in instalments

The funding sum can be paid in instalments. The provisions for this must be made in further detail in the funding agreement (number, scope and due date of instalments, etc.).

5. Evidence of the use of funding

The funding applicant must use the funding in accordance with its intended purpose.

In addition to the documents listed in item C. 10., the evidence of the use of the funding must comprise:

- Latest version of the screenplay/film concept

- Marketing concept including distribution concept, with an assessment of the prospects of artistic and economic success in the event of production or a detailed justification if the project is not intended to be put into production
- Proof of the logo placement

F. FUNDING FOR DISTRIBUTION AND PROMOTION

The provisions below apply in addition to the general conditions of funding as specified in item C.

1. Object of funding and fundable costs

The following can be funded in the context of funding for distribution and promotion:

- a) Duplication (including teasers/trailers, DVDs and digital distribution masters)
- b) Standard advertising materials (e.g. display photos, posters, website, etc.)
- c) Advertising measures that are aimed directly at cinema visitors and are suitable for increasing the public success of the film, as well as advertisements related to the film in print and other media
- d) Additional support for people with hearing impairment (subtitles) and for people with visual impairment (audio description, etc.)
- e) Measures to improve the distribution and exploitation of films in line with their market, at home and abroad, as well as dubbing into foreign languages or subtitling
- f) Cinema launch events
- g) Participation in international film festivals

If materials are already included in the statement of costs for production funding, this will be considered in the assessment of funding for distribution and promotion.

2. Special conditions of funding for distribution and promotion

2.1. Intensity of funding

The proportion of the funding from the Province of Carinthia can amount to a maximum of 20% of the total costs of distribution and promotion. This means that at least 80% of the financing for the project must come from other sources of finance. The greatest possible proportion of this should already be demonstrated when submitting an application (e.g. in the form of letters of confirmation). In the case of international joint productions, the Austrian share of the project costs is decisive.

2.2. Permissible total intensity of funding

This funding can be cumulative with funding from other (Austrian and foreign) funding bodies. It should be borne in mind that according to Sec. 54 no. 6 and 8 AGVO the proportion of the total fundable distribution costs that is funded from all public resources must not exceed 50%.

For cross-border productions financed by more than one member state and involving producers from more than one member state, the total proportion of the distribution costs funded by public resources can amount to up to 60% of the eligible costs (Sec. 54 no. 7 sub. a AGVO).

In the event of difficult audiovisual works and co-productions in which countries of the OECD Development Aid Committee (DAC) list are involved, the aid intensity can amount to up to 100% of the eligible costs (Sec. 54 no. 7 sub. b AGVO).

According to the definition that is valid in Austria, a film is commercially difficult if it only permits a low market acceptance to be anticipated and its chances of economic exploitation must therefore be qualified as limited, on account of its experimental nature, because its content, the form in which it is made, its artistic and/or technical design or its cultural claims are associated with a high level of risk.

Resources that are granted directly from EU programmes such as CREATIVE EUROPE

– MEDIA without the member states being involved in the decision on awarding the funding do not count as government funding, and therefore do not need to be taken into account when calculating the funding intensity.

2.3. Personal contribution

The funding applicant must bear their own appropriate share of the financing which is not financed by the Province of Carinthia, another film funding establishment or another legal person under public law.

The applicant's own share must be appropriate to the scope of the project and the funding applicant's own means. The applicant's own share can be provided in the form of capital resources, his/her own services that have been ascribed a value, and from guarantees of sales and hire, as well as from the proceeds of the sale of rights and ancillary rights (licences).

The capital resources element of the applicant's own share shall generally amount to at least 5% of the distribution and promotion costs.

Third party capital is equivalent to capital resources if this has been provided to the funding applicant in the form of a loan (e.g. bank loans or credit from a provider of goods), provided it does not involve public funding.

3. Application

Funding applications must be submitted before the start of the project.

The following documents must be attached to applications (see also application form/list of attachments):

- Application form
- Up-to-date extract from the register of companies (if a legal person)
- Trade license
- Up-to-date filmography and CV of the applicant
- Calculation of the planned exploitation measures on the basis that is usual within the industry; the costs must be calculated on the basis of cost-efficient business management
- Completed **distribution and promotion** financing plan stating the other funding providers and the status of decisions
- Proof of the promised resources
- Synopsis (summary of content, 1 DIN A 4 page maximum)
- List of the crew and cast
- Preview DVD
- If applicable (preliminary) distribution and promotion agreements
- Distribution and marketing concept
- Up-to-date filmographies of the director, author, co-authors, dramatic advisor
- Declarations of the availability of the cast and crew
- Optionally, reference films by the director (DVD)
- Attachments for participation in festivals:
 - In addition to the attachments listed for distribution and promotion: festival invitation/nomination
- Attachments for cinema launch:
 - In addition to the attachments listed for distribution and promotion: launch plan, use of copies, venues

4. Payment in instalments

The funding sum can be paid in instalments. The provisions for this must be made in further detail in the funding agreement (number, scope and due date of instalments, etc.).

5. Evidence of the use of funding

The funding applicant must use the funding in accordance with its intended purpose.

In addition to the documents listed in item C. 10., the evidence of the use of the funding must comprise:

- Project-related advertising material (brochures, posters, programme and similar) in 2 copies (1 for CFC and 1 for the Province of Carinthia)
- Proof of logo placement

ANNEX: ALLOWABLE COSTS FOR THE CARINTHIAN FILM INDUSTRY EFFECT

The Carinthian film industry effect means all the expenditure that is undertaken in Carinthia during the production of a film project and that is relevant for tax purposes in the region.

In terms of salary, fees and other personal expenditure, the place of residence principle (location of the centre of a person's life) is decisive when recognising the film industry effect. For all other expenditure, the company principle (place of invoicing) is decisive.

Expenditure and/or effects that can be assessed in monetary terms (e.g. advertising value calculated in the context of a third-party study) that do not lead to actual payment streams can also be included in addition to demonstrated expenses when calculating the film industry effect if this is of relevance for the execution of the project.

Allowable expenditure in Carinthia:

- Expenditure undertaken for the production of the film (e.g. permission to film, location costs, equipment, costumes, technology, accommodation, per diems, travel, transport, film and sound material, post-production, insurance and other general costs).
- Fees/wages and salaries of Carinthian film professionals (gross amounts) when there is proof that their main place of residence is in Carinthia (copy of extract from the register of inhabitants). Ancillary wage costs can only be taken into account if registration has taken place with the regional health insurance fund "Kärntner Gebietskrankenkasse" – this provision applies only to Carinthian film professionals with their main place of residence in Carinthia (copy of extract from the register of inhabitants).
- Invoices from film professionals, service providers and companies resident and assessed for taxation in Carinthia will be recognised at their net amounts.
- Mileage; only for film professionals who are assessed for taxation in Carinthia and use their own vehicle (copy of extract from the register of inhabitants and copy of authorisation).

Non-allowable costs:

- Invoices that are not made out to the funding recipient or the film project being supported, or payments that have not been made by the funding recipient.
- VAT.

The original invoice documents including the associated proofs of payment will be used to evaluate or recognise the allowable costs in Carinthia.