FUNDING GUIDELINES OF CINESTYRIA Filmcommission and Fonds (March 2020)

1. INTRODUCTION

The main objective of CINESTYRIA Filmcommission and Fonds (hereinafter "CINESTYRIA") is to support the production of television and cinema films set in Styria and film festivals held in Styria.

Funding is intended to contribute towards increasing the quality of television and film productions and the performance of the Styrian film industry. In addition, funding is granted to help strengthen the audiovisual sector within Europe.

With a special focus on the involvement of Styrian filmmakers in front of and behind the camera, funding is aimed at productions that ensure a positive image transfer of Styria.

CINESTYRIA also sets independent impulses, operates as a film commission and acts as an interface and key point for film matters of the province of Styria in a proactive and synergetic way.

The objectives of CINESTYRIA are:

- To present Styria in high-quality film and TV productions with national and international exploitation for the purpose of a positive image transfer
- To strengthen and present Styria as a film location for regional, national and international film and TV productions (Styria is the central destination)
- To promote and strengthen Austrian filmmaking as a contribution to the promotion of European film culture
- To strengthen the film industry with the aim of founding industry-specific businesses

CINESTYRIA's main areas of responsibility are:

- Film funding
- Film commissioning: service and support, promotion, networking

2. GENERAL TERMS

The following requirements must be met for funding.

2.1.1. REGIONAL REFERENCE

The submitted project must display content and production-related characteristics that are relevant to or suitable for Styria and will achieve economic effects here. This should primarily be due to the fact that the project is (identifiably) set at least in part in Styria and also filmed here. In addition, the project must be of equal interest outside of the province in form and content. A positive image transfer must also be guaranteed. These aspects determine the value of the project.

Projects with a higher regional focus are ranked ahead of those with a lower one in terms of their eligibility for funding and the amount of funding they receive. Regional reference is the primary funding criterion. Projects without regional reference are not eligible for funding.

2.1.2. INTERNATIONAL USABILITY

Another major criterion for CINESTYRIA funding is the usability of the audiovisual project. National and international exploitation (primarily for the German-speaking market) must be proven and is essential for funding. This can be demonstrated by the following factors:

- Preliminary agreement or contract with a television company to broadcast the project at prime time or at a target group-oriented, attractive transmission time (e.g. prime time for adult programmes, afternoon or early evening for children's films)
- Preliminary agreement or contract with a national or international distributor

Projects that cannot provide proof of utilisation are not eligible for funding

2.1.3. REGIONAL EFFECT

The greatest possible proportion, but at least one and a half times the amount of funding awarded, is to be spent in Styria.

Projects with a higher regional focus are ranked ahead of those with a lower one in terms of their eligibility for funding and the amount of funding they receive.

Projects without regional reference are not eligible for funding.*

2.2. TYPE AND EXTENT OF FUNDING

Funding is granted by the Provincial Government of Styria as non-repayable grants upon the recommendation of the CINESTYRIA advisory board.

Grants are understood as part financing of up to a maximum of 20% of the total project costs. The Austrian share of the project costs is decisive for international co-productions.

^{*}Does not apply to other funding areas.

Subsidies can be cumulated with other government funds as long as the total amount does not exceed 50% of the production budget. Resources awarded directly from EU programmes such as MEDIA Plus are not national funds and therefore do not have to be taken into account when calculating the maximum amount of aid (50%). In justified exceptional cases, this upper limit does not apply.

Further funding from the tourism department of the Provincial Government of Styria for the same project is not possible.

2.3. APPLICATION

Funding is granted exclusively on the basis of a written application to CINESTYRIA. Applications must be submitted in writing <u>in a single paper copy and electronically</u> at https://einreichen.cinestyria.com/. The application can only be processed if the submitted documents are complete.

2.4. FUNDING AWARDING AND PROCECURE

- 2.4.1. After a detailed review of all application documents by the CINESTYRIA advisory board, a recommendation is made to the Provincial Government of Styria.
- 2.4.2. The advisory boards meet if necessary. Relevant submission deadlines are published.
- 2.4.3. Funding is awarded by the Provincial Government of Styria, taking the advisory board opinion into account.
- 2.4.4. The funding recipient is obliged to set up a separate account for the entire financial management of the project.
- 2.4.5. Subsidies are granted as part financing on the basis of a funding agreement. The CINESTYRIA guidelines are an integral part of every agreement, funding approval or contract.
- 2.4.6. The agreement with the grant applicant is drawn up jointly by Department 12 Department of Tourism of the Provincial Government of Styria and CINESTYRIA after the overall financing of the project has been verified.
- 2.4.7. The grant is paid in installments after finalising the agreement and in line with the payment plan laid out in the funding agreement or an equivalent financing requirement plan by Department 12 Department of Tourism of the Provincial Government of Styria.
- 2.4.8. The funding audit (individual document check) is carried out in advance by a CINESTYRIA auditor. A final inspection is also carried out by Department 12 Department of Tourism of the Provincial Government of Styria.

2.5. MARKETING AND PR

The applicant or funding recipient is required to coordinate and carry out essential PR and marketing measures together with CINESTYRIA. We aim for at least two events in line with this, either before or during filming and at the premiere or when the production first airs. Key members of staff, cast and the producer should be available for this. These PR measures can be press conferences, interviews, autograph sessions, testimonial campaigns, appearances at festivals, award ceremonies etc.

2.6. CINESTYRIA CREDITS AND LOGO

The applicant or funding recipient guarantees that CINESTYRIA and the Provincial Government of Styria will be mentioned accordingly and that their logos will be visible on any medium of the promotion, cross-promotion (posters, brochures, programmes, books etc.) and all film, video, DVD and other reproduction copies.

2.7. MANDATORY COPY FOR ARCHIVING PURPOSES

In order to preserve European film heritage, the applicant or funding recipient undertakes to deposit an archive copy of the funded film (after presentation or exploitation) within the framework of the depot-legal regulations of Filmarchiv Austria. The applicant or funding recipient will not incur any additional costs as a result of this. Filmarchiv Austria provides the infrastructure for long-term archiving free of charge.

In addition, CINESTYRIA must be provided with specimen copies of the funded film in DVD form as well as the corresponding advertising material (brochures, posters, programmes).

2.8. LEGAL RIGHT

There is expressly <u>no</u> legal entitlement to the granting of funding.

2.9. INFORMATION OBLIGATION

The applicant or funding recipient undertakes to inform CINESTYRIA and Department 12 – Department of Tourism of the Provincial Government of Styria about all further financing or funding measures. CINESTYRIA must also be informed immediately if key parameters of the project in terms of content, technical production, organisation, financing or any other relevance should change.

3. FUNDING AREAS

The CINESTYRIA guidelines apply to the following funding areas:

- 3.1. Production of film and TV projects (production grants)
- 3.2. Funding of festivals and filming days
- 3.3. Other areas of funding

3.1. PRODUCTION GRANTS

3.1.1. FUNDING CATEGORIES

Cinema and TV films, feature films, documentaries, series, full-length and short films that are to be made accessible to a larger public audience through appropriate media (TV, cinema, DVD, internet or other new media) are eligible for funding.

3.1.2. APPLICATION ELIGIBILITY

Only film producers with sufficient professional and artistic filmmaking qualifications and experience (demonstrated by filmography etc.) who are carrying out a film or TV production or project that complies with the guidelines are eligible to apply in a permitted legal form. Place of residence or company location are not decisive. Public service broadcasters and private broadcasters are not eligible to apply under these guidelines.

3.1.3. PERSONAL CONTRIBUTION

It is a funding requirement that the recipient makes a contribution towards the production costs recognised by CINESTYRIA which may not be financed by funding from CINESTYRIA or any other Austrian public corporation under public law. This personal contribution must befit the scope of the project and the funding recipient's possibilities.

The demonstrable personal contribution can be made in the form of own funds, rental and distribution guarantees as well as television and video licenses. Own funds also include third-party funds that are loaned to the producer such as bank loans. Own funds should amount to at least 5% of the net production costs (measured by the Austrian share of financing for international co-productions). Personal contributions by the funding recipient can be used at the standard market fee minus a 20% deduction, insofar as these are directly linked to the creation of the film to be sponsored.

3.1.4. APPLICATION DOCUMENTS

The following documents must be enclosed with the written application for funding:

- Complete screenplay, treatment or concept (for documentaries)
- Detailed outline of the project including a description of the measures to fulfill the regional effect (list of locations, staff, cast etc.)
- Detailed calculation
- Financing plan
- Exploitation and marketing concept
- The required (preliminary) agreements (see 2.1.2. International Usability)

A detailed list of attachments for the application form in question is decisive here.

3.1.5. COMPLETION BOND

A completion bond is mandatory for projects with total production costs of more than €3 million. This can only be replaced by another type of insurance if verified and agreed on by all financing partners involved in the project. The required expenses are recognised as production costs.

3.1.6. MONITORING

The funding recipient undertakes to give CINESTYRIA insight into the development status of the production and to inform CINESTYRIA immediately of any relevant changes in relation to the project throughout every phase. Furthermore, the funding recipient undertakes to permit the provincial representatives and audit office to inspect the books and other documents and to allow the funded project to be audited. All documents and receipts relating to the funding must be kept in a safe and orderly manner for 7 years (13 years in the case of EU co-financing) after the end of the calendar year in which the final statement was issued or the final funding payment was made.

3.1.7. BLOCKING PERIODS

The funding recipient must make a binding declaration and guarantee that the following blocking periods are observed between the first commercial public screening and any further exploitation to protect the individual exploitation stages:

- a) For image carrier exploitation: 6 months after national cinema exploitation begins (premiere)
- b) For individual access and on-demand services exploitation: 6 months
- c) For pay-TV exploitation: 12 months after the premiere

d) For public-access television exploitation: 18 months after the premiere

In addition, the current relevant provisions of the Film Funding Act and the more detailed provisions of the Austrian Film Institute guidelines apply.

3.1.8. REVERSION OF RIGHTS

A television broadcaster involved in the financing of the project may only be granted rights to a certain extent. The relevant statutory provisions under Austrian law or the corresponding provisions of the guidelines of the relevant federal funding agency apply.

3.2. FUNDING OF FESTIVALS AND FILMING DAYS

Film festivals and filming days are eligible for funding provided that the event corresponds with the CINESTYRIA funding objectives and guidelines. The prerequisite is a significant relevance for Styria in accordance with the present guidelines (see point 1., 2.1.1. and 2.1.3. ff. in particular). Only organisers of audiovisual festivals and filming days with sufficient professional and artistic filmmaking qualifications and experience are entitled to apply. Festivals and filming days that take place outside of Styria are not eligible for funding.

3.3. OTHER AREAS OF FUNDING

In individual cases, other projects with direct or indirect reference to audiovisual works can be funded, provided they correspond with the CINESTYRIA funding objectives and guidelines. The prerequisite is a significant relevance for Styria in accordance with the present guidelines (see point 1., 2.1.1. and 2.1.3. ff. in particular).

Funding modalities are to be clarified on a case-by-case basis and defined in a funding agreement, unless they are specified in the guidelines.

4. REPAYMENT CONDITIONS

4.1. OVERPAYMEMT

In the case of overfunding, i.e. the actual costs after completion of the project are lower than the total costs cited in the funding agreement, CINESTYRIA and Department 12 - Department of Tourism of the Provincial Government of Styria must be informed immediately in writing. The overpaid funds are to be repaid unsolicited and immediately in proportion to the share of the total financing.

4.2. DISCONTINUANCE, REPAYMENT

The recipient is obliged to immediately repay any funds already received upon request by CINESTYRIA or Department 12 - Department of Tourism of the Provincial Government of Styria or funding is to be discontinued if

- one of the obligations specified in the funding agreement was not met or was not met in a timely manner (within 30 days of written request),
- funds were used in whole or in part for purposes other than intended,
- one or more provisions of these guidelines were not complied with without a special regulation having been made,
- the funding recipient did not submit the required reports or supporting documents or provide the necessary information,

- bodies and representatives of the funding provider were informed incorrectly or only partially about key circumstances
- the diligence of an ordinary businessman was neglected intentionally or through gross negligence,
- the project does not meet the funding objectives,
- the funding recipient refuses to provide information or hinders or prevents control measures.

In the above mentioned cases, interest accumulates on the amount to be repaid from the day of payment at a rate of 3% above the applicable interest rate. In the event that one of the circumstances mentioned above occurs before funding is paid out in full, the recipient loses entitlement to any amounts not yet paid and the funding is discontinued.

5. GROUNDS FOR EXCLUSION

Industrial, image and advertising films and audiovisual projects that violate Austrian or EU law in form and/or content are not eligible for funding.

6. DATA PROTECTION

General Information

- about your rights to access, rectify, delete, restrict processing, withdraw, object, and transport data.
- about your right to lodge a complaint with the Austrian Data Protection Authority, and
- about the responsible authority of processing and the data protection officer can be found on the data protection information page of the Styrian Provincial Administration (https://datenschutz.stmk.gv.at).

7. PLACE OF JURISDICTION

The place of jurisdiction for all legal disputes arising from the granting of funding is the responsible court in Graz. The Provincial Government of Styria and CINESTYRIA reserve the right to prosecute a funding recipient at their general place of jurisdiction.