

Film Location Austria

Guidance Notes for Support Schemes issued by the Federal Minister of Economy, Family and Youth in agreement with the Federal Minister of Finance

pursuant to the order of the Federal Minister of Finance on general framework guidelines for awarding federal support (*Allgemeine Rahmenrichtlinien für die Gewährung von Förderungen aus Bundesmitteln, ARR*), Federal Law Gazette II no. 51/2004, last amended by the order promulgated in Federal Law Gazette II no. 317/2009.

In addition, these Guidance Notes for support schemes are based on the Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions on certain legal aspects relating to cinematographic and other audiovisual works, C 2002/43/04 of 16.2.2002.

Support is provided by the Federal Government, represented by the Federal Minister of Economy, Family and Youth, who uses the services of Austrian Business Agency - Österreichische Industrieansiedlungs- und WirtschaftswerbungsgmbH (hereinafter called "ABA") and Austria Wirtschaftsservice Gesellschaft m.b. H. (hereinafter called "aws") to handle such support schemes.

Implementation of the relevant support scheme must comply with the below Guidance Notes to be issued in agreement with the Federal Ministry of Finance, as well as with the ARR framework guidelines.

Wherever the present text uses terms only in their male form, they refer to both women and men.

Object and purpose of support

§ 1. (1) The object of such support, in relation to film as a cultural property, is to improve the framework for the film industry in Austria, to maintain and promote the international competitiveness of film businesses and to provide sustained impetus to Austria as a location for producing films.

(2) The object of such support, in relation to film as a cultural property, is to strengthen Austria as a location for producing films in the general economic interest of boosting the competitiveness of Austria's film industry.

(3) The purpose of support is to facilitate the funding of cinematographic films for filmmakers in Austria through awarding aid to finance the making of a film. This is intended to provide filmmakers with higher production budgets allowing them more artistic leeway as well as improving the quality, attractiveness and thus the dissemination of cinematographic films, while more money being spent in Austria on the making of cinematographic films will also improve the capacity utilisation of Austrian film technology businesses. Improving the funding of films for production companies and providing an appropriate technical infrastructure are preconditions for ensuring a creative and successful Austrian and European film culture in the long term.

Personal and material eligibility conditions

Funding applicant

§ 2. (1) The maker of a film is eligible for filing an application for support. The maker is the one who is responsible for making the film up to the creation of the answer print or – in the case of a co-production – the one who is co-responsible and actively involved in the making of the film.

(2) Eligible applicants are legal and natural persons with sufficient technical, i.e. artistic and film business, qualifications and experience having an operation or branch office in Austria, irrespective of the location of their principal business, provided it is located within the European Economic Area, or a company established for the sole purpose of making a film, and provided that applicants produce sustainable cultural properties of a specifically Austrian character. The technical preconditions to be met by the applicant shall be assessed with due regard to the scope and kind of project to be supported. Any company set up for the sole purpose of making a film must have been established by the time financial aid starts being paid.

(3) If the film is to be made by the Austrian subsidiary or branch office of a filmmaker headquartered in another member state of the European Economic Area, all eligibility criteria must be met by this Austrian subsidiary or branch office.

(4) The project to be supported must be an Austrian film pursuant to §3 (2) or an Austrian-foreign co-production pursuant to §3 (3) or an Austrian-foreign co-financing arrangement pursuant to §3 (4).

(5) In compliance with these Guidance Notes the project must be infeasible or insufficiently feasible without such aid.

(6) The following films are not eligible for support:

1. films made by commission,
2. films for which a television broadcaster or its subsidiary applies for financial aid under these Guidance Notes,
3. films which infringe the Austrian Constitution or Austrian law.
4. films which violate human dignity, offend religious or moral susceptibilities, or glorify violence.

(7) The funding applicant, or – in the case of a film made by a company established for the sole purpose of making the film underlying the funding application – a company associated with the applicant under company law, must have made, within the past five years preceding the application for funding, at least one full-length cinematographic film (reference film) in Austria or any other Member State of the European Union or any other country party to the Agreement on the European Economic Area. The reference film must have been commercially exploited through the release of at least 10 copies in Austria or any other Member State of the European Union or any other country party to the Agreement on the European Economic Area. If the reference film is the director's first work, theatrical release need not go beyond 5 copies. For documentaries 2 copies released will suffice.

(8) If in the case of a co-production several filmmakers meet the eligibility criteria, the application for funding may be filed by only one of them. The filmmakers involved in the co-production must agree on the applicant and submit an appropriate joint statement to "aws" with the application.

(9) In exceptionally justified cases the Advisory Board may recommend exemptions from the eligibility conditions of paragraph (7).

Definitions

§ 3. (1) Production costs eligible for support within the meaning of these Guidance Notes shall be all costs according to Annex 1.

(2) A film is deemed to be an Austrian film within the meaning of these Guidance Notes if

1. a funding applicant as mentioned in §2 (2) makes the film in his own name and for his own account and bears responsibility for implementing the film project,
2. the persons deciding about the artistic or organisational aspects during the making of the film are Austrian nationals or nationals from EEA countries and the remaining team is composed of primarily Austrian nationals or nationals from EEA countries.
3. a final version of the film is made in the German language, save passages of dialogue or singing where the use of a foreign language is required by the plot as set out in the film script, and
4. the film is shot in Austria, save location shooting abroad required by the subject of the film.

(3) A film is deemed to be an Austrian-foreign co-production if

1. one of the co-production partners meets the conditions of §2 (2) and the project meets the requirements of an intergovernmental agreement on film co-production. If no such agreement has been concluded, the project must have adequate Austrian involvement in terms of license, financial, artistic and technical arrangements. In justified cases the Advisory Board may recommend exemptions from the extent of Austrian involvement, if
2. the preconditions of paragraph (2) item 3 are met, and
3. concerning the conditions of paragraph (2) items 2 and 4 the intergovernmental film co-production agreements are complied with or, if no such agreement has been concluded, these conditions are met in the relationship between Austrian and foreign financial contribution rates.

(4) A production is deemed to be co-financed by Austrian and foreign partners if its total production costs have reached a magnitude which, based on the funding options of the Austrian applicant, would allow for a financial contribution of no more than 10%. Austrian-foreign co-financing arrangements will receive no financial support if the Austrian contribution is of only financial nature without the Austrian partner making any artistic and creative or technical contribution.

(5) Austrian production costs eligible for financial support within the meaning of these Guidance Notes are production costs attributable to film-related goods or services supplied by companies and/or their employees and independent contractors as well as by self-employed individuals in Austria in keeping with the following requirements.

1. Personal services

Wages, salaries, fees and honoraria are recognised as Austrian production costs if and when they are subject to unlimited or limited taxation in Austria. Persons employed in the production of this film are to be included in a cast and crew list common to this sector indicating the residence or place of business which is of relevance for tax purposes. Labour costs will only be recognised up to the amount which corresponds to the pay rate system of Austrian federal agencies for comparable federal employees.

2. Business services

Services rendered by businesses are recognised as production costs spent in Austria only if and when

- a) the business rendering the service has its place of business or branch office in Austria and a license to provide such services, and
- b) detailed accounting of the service is provided through the business or its branch office.

Film-related eligibility conditions

§ 4. (1) Financial support is awarded to full-length cinematographic films. A film is deemed to be full-length if it has a running time of at least 79 minutes, in the case of children's films of 59 minutes.

(2) The production costs of the film must be €1m or more for standard (feature) films and €200,000 or more for documentaries. The principles of economy in financial management as set out in Annex 1 to these Guidance Notes apply.

(3) Financial support is awarded only for films where at least one final version of the film is made in the German language, save passages of dialogue where the use of another language is required by the script. For this language version of the film it suffices to provide a version with German subtitles suited for screening the film in cinemas. This German-language version must be submitted to "aws" prior to payout of the last instalment of the approved funds and no later than six months after assembling the rough cut. Any extension of this time-limit must be substantiated in writing and approved by "aws".

(4) If the project to be supported is begun before the funding agreement is concluded, this is done at the sole risk of the applicant, and no obligation whatsoever arises for the federal agency from such a move.

Theatrical release

§ 5. (1) The maker of the supported film agrees to release the supported film for commercial distribution in cinemas, i.e. at least 15 copies of a standard (feature) film, at least 7 copies of a first film of the director, and at least 3 copies of a documentary, for distribution in Austrian cinemas. In the case of Austrian-foreign co-production and co-financing arrangements the maker of the supported film agrees to theatrical release of a nature comparable and appropriate to international distribution.

(2) Proof of cinematographic release must be provided within one year of completion of the film. In justified exceptional cases the Advisory Board may recommend to extend the time-limit.

(3) In exceptionally justified cases the Advisory Board may recommend exemptions from the requirements of paragraphs (1) and (2).

Waiting periods

§ 6. The generally accepted market conditions for waiting periods are to be applied. The Advisory Board may issue recommendations on reducing the waiting period. If several state aid institutions are involved in the funding, agreement shall be reached with all of them.

Own contribution

§ 7. (1) Financial support based on these Guidance Notes will be awarded only if the applicant also contributes to the film project's production costs as recognised by "aws", which contribution must not be funded under these Guidance Notes nor by support provided by an Austrian territorial authority or any other Austrian entity governed by public law. This own contribution must be adequate in relation to the scope of the project and the options available to the applicant. It can be made through the applicant's own funds, through funds lent to the applicant, as well as through any revenue derived from pre-sale contracts and rights guarantees and through license shares held by co-financing television broadcasters, provided

that the funds thus obtained are made available for implementing the project and assignment ensures adequate marketing.

(2) The applicant's own contribution to funding the production costs must cover own funds (cash and personal contribution of the applicant) totalling at least 5 per cent of the production costs. For an Austrian-foreign co-production this contribution must be calculated on the basis of the share in production costs to be financed by the Austrian filmmaker. For a production made pursuant to §3 (4) support may also be awarded to an applying producer who contributes less.

Austrian share

§ 8. (1) financial support will be awarded only if the Austrian share in total production costs meets the requirements of an intergovernmental agreement on film co-production in respect thereof. If no such agreement has been concluded, Austrian involvement in terms of financial, artistic and technical arrangements shall not be less than 20 per cent in each case. In justified individual cases the Advisory Board may recommend exemptions from this requirement at the applicant's request.

(2) 20 per cent or more of the total production costs may also be spent in other EU Member States.

Cultural Test

§ 9. (1) To ensure the cultural purpose of support, "ABA" will conduct a Cultural Test. Support will be awarded only if the film scores the relevant minimum number of points under the Cultural Test for standard (feature) and documentary films. The Cultural Test for standard films is set out in Annex 2. The Cultural Test for documentaries is set out in Annex 3.

(2) To ensure the cultural character, a standard film must meet at least four of the criteria listed in the Cultural Content category (Part A, item 1). Documentaries must meet at least two of the criteria listed in the Cultural Content category.

(3) To qualify for support, a standard film must score at least 59 points out of a possible 119 points in both categories and a documentary at least 32 points out of a possible 64 points in both categories.

Archiving

§ 10. (1) The recipient of support funding is obligated to make available to the federal agency free of charge a technically flawless copy of the film in an archivable format within twelve months of the first presentation to the general public in Austria or, if theatrical release in the commercial cinema takes longer than twelve months, after completion of theatrical release, unless this obligation has been met in another form.

(2) These copies are stored by Filmarchiv Austria for the purpose of preserving the country's cultural film heritage. Also after completion of the film the funding applicant shall give "aws" a free courtesy copy in DVD format or in a format produced by a comparable technical process.

Type of support

§ 11. Support is provided in the form of funding a certain percentage of costs through a non-repayable grant. This requires that the applying filmmaker needs funds of at least the level of such support.

Level of support; production costs eligible for support

§ 12. (1) Support amounts to no more than 25 per cent of eligible production costs and to no more than 15 per cent of the annual funds available. The Advisory Board may, at the beginning of a funding year, issue a recommendation applicable to this funding year.

(2) Up to one per cent of the annual budget may be used for information and public relations.

Submission of application

§ 13. (1) Applications for funding shall be submitted electronically to "aws". Film projects for which main shooting is begun before submission of an application will not be eligible for support.

(2) Pre-assessment in respect of eligibility for support (Cultural Test) may be performed at any time. However, an application may be made only if the applicant provides evidence that funding of the film project is ensured.

(3) In the application applicants must prove that their project meets the eligibility conditions. Unless it is possible to provide such evidence at the time of submitting the application, applicants will have to

satisfy the processing agency that they will meet these requirements. In such a case they will have to submit such evidence by the time of the first payout of support. If evidence requires the submission of an invoice, this invoice must be made out to the applicant's name. Unless documents are available in the original German version, "aws" may request the applicant to have the documents translated into German by a certified court translator or to submit a German summary of the details relevant for processing the application and to confirm that they are correct and complete.

(4) Applications will be processed from the day of operation of these Guidance Notes for Support Schemes in the order of receipt by "aws". Applications must be submitted by 31.12.2013 at the latest. Applications must be processed within no more than seven weeks of receipt of the application.

(5) If applications are incomplete, or if applications fail to provide satisfactory explanation or evidence of meeting eligibility conditions, or if other details or documents are missing, "aws" may set a time-limit for the applicant to complete the application. If the applicant fails to complete the application within the time-limit set, or if the applicant fails to submit the missing details or documents within the time-limit set, the application will be deemed as non-submitted and removed from the files. The application will be deemed as actually submitted as of the day on which the file is completed.

(6) Any documents submitted will pass into the ownership of the federal agency unless they are original documents.

(7) Funds provided under these Guidance Notes may be combined with financial support of other funding institutions or territorial authorities. This signifies that financial support under these Guidance Notes will also be possible if the project in question is already supported by other funding streams at federal or Laender level (multiple funding) unless such additional support is excluded by these other funding guidelines. However, maximum funding intensities as defined by EU law must be complied with. The cumulative funding intensity must not exceed 50 percent or, for difficult or cash-strapped productions, 80 per cent. A film is deemed to be produced under difficult or cash-strapped circumstances if it is expected to gain only little market acceptance and if therefore its chances of commercial release are to be qualified as limited owing to its experimental character, or owing to the fact that it entails major risks because of its contents, of the way in which it is made, of its artistic and/or technical aspects or cultural aspirations. With reference to repayment requirements under §16 (2) the applicant must be obligated to provide with his application information on any intended, currently processed or accepted applications with other legal entities concerning the same project (or parts thereof) and to inform of any later changes in respect thereof.

Decision on awarding support

§ 14. (1) Decisions on funding applications are taken by the Federal Minister of Economy, Family and Youth based on the results of the Cultural Test conducted by "ABA" and the review by "aws" of whether all eligibility criteria are met. The applicant must be informed in writing by "aws" of the decision on whether support is awarded. If support is awarded, "aws" must communicate a fixed-term funding offer to the applicant. If the applicant accepts the funding offer including any related terms and conditions within the fixed period of time, the funding agreement will come about. If the application is rejected, "aws" will inform the applicant in writing of the major reasons for such refusal.

(2) There is no legal entitlement to receive funding. Funding is awarded subject to the budget appropriations available.

(3) The order in which decisions on awarding support are taken will depend on the day on which the complete application including all the necessary documents is submitted. Several complete applications submitted on any single day will be processed as having been simultaneously received.

(4) The funding agreement will expire unless the applicant provides evidence of the project's total funding arrangement within three months of receipt of the funding offer. This time-limit may be extended once by one month.

(5) The funding agreement will also expire if it is foreseeable that shooting of the film will not start within four months of communication of the funding offer. "aws" may accept the funding recipient's justified request for postponement of the beginning of shooting the film or for extension of the project period.

(6) If budget appropriations no longer suffice to fulfil the funding requirements of an application which meets the eligibility criteria, a partial amount may be awarded. If budget appropriations no longer

suffice to fully fulfil the funding requirements of each of any simultaneously received applications meeting the eligibility criteria, a reduced percentage of funding of the eligible Austrian production costs may be promised to each of these applications; the percentage level will depend on the amount of available appropriations and the number of simultaneously accepted applications. In this case the available funds may be shared by the film projects to be supported at equal percentage rates. For this purpose assessment is based on the Austrian production costs eligible for support.

Payout

§ 15. (1) Funds will be transferred once the terms and conditions related to the funding agreement are met, and with due regard to the project's progress and funding requirements. As a rule, they are transferred in three parts: 40 per cent when shooting begins, 40 per cent when the rough cut is submitted and 20 per cent after review of the final cost situation. The funding recipient may also request a different percentage distribution of instalments based on the submission of a funding requirement schedule.

(2) Before the first payout of funds the following must be submitted:

1. the appropriately signed funding offer;
2. evidence of total funding and project costs prepared and signed by the funded company, as well as evidence that the terms and conditions related to the funding agreement are met;
3. suitable evidence of the beginning of film shooting.

If projects are supported exclusively under these Guidance Notes, the applicant will be personally liable.

(3) Before the second payout of funds the following must be submitted:

1. confirmation of partial completion of the project by providing evidence of project spending prepared and signed by the funded company (an overview of accounts supported by original invoices). Such evidence of project costs may only include the net amounts paid (i.e. minus purchase tax, any discounts, rebates, amounts credited, etc.);
2. suitable evidence of the rough cut.

(4) Before the third payout of funds the following must be submitted:

- evidence of final cost situation prepared and signed by the funded company (an overview of accounts supported by original invoices).

(5) The funding recipient informs "aws" on the date when the relevant instalments are due that he meets the requirements for payout and supports this claim by attaching the appropriate evidence.

(6) Payout will be refused,

1. if appropriate funding of the film project is not ensured;
2. if the funding recipient infringes the principles of economy in financial management when financing or making a film supported under these Guidance Notes.

(7) Review of the use of funds and of the final cost situation is performed by "aws".

Funding revoked or repaid

§ 16. (1) Funding already awarded will not be paid out if

1. appropriate funding of the project is not ensured;
2. the terms and conditions included in the funding promise and/or funding agreement are not met;
3. the principles of economy in financial management have been infringed when financing or making the project;
4. the assets of the funding recipient are subject to bankruptcy or composition proceedings;
5. the company is sold and the funding recipient fails to submit in due time, prior to such sale, all documents that would confirm that the project is continued;
6. the company is transferred by gift or inheritance and the preconditions for continuing the projects are no longer met.

(2) The funding recipient must be obligated to repay in full or in part the paid-out funds within 14 days of a written request by "aws", and steps must be taken to cease entitlements to funds that have been promised by agreement but have not been paid out as yet, if

1. federal bodies or agents have been incorrectly or incompletely informed of essential facts;

2. the amount of funding exceeds the level of production costs (minus own contribution) of the supported project;
3. the project has not been carried out completely or in due time unless an extension of the project's running time has been approved by "aws".
4. the awarded funds have been used by the recipient in full or in part for other purposes;
5. the funding recipient fails to make the requisite reports, fails to submit evidence, prevents review of evidence or fails to meet conditions, provided that in such cases a written reminder with appropriate deadline and express mention of the legal consequence of non-compliance has been unsuccessful, and the funding recipient fails to submit other information set out in these Guidance Notes.
6. any one of the requirements included in these Guidance Notes has not been met;
7. the applicant fails to report, on his own initiative and without delay and in any case before any review is performed or announced, events which delay or frustrate the implementation of the supported project, or which would require changes to the application or the agreed terms or conditions;
8. the funding recipient obstructs or prevents the submission of requisite information and its review, or it is no longer possible to review entitlement to funding within the period required for record keeping;
9. the funding recipient has not complied with the provisions of the Equal Treatment Act (GIBG) or the Federal Disability Employment Act (BeinstG);
10. bodies of the European Union request, through the Federal Ministry of Economy, Family and Youth (BMWFJ), that the money be claimed back and/or payout be suspended;
11. the funding recipient fails to comply with the prohibition of assigning, transferring, pledging and otherwise disposing of the funds;
12. the funding recipient fails to comply with other funding conditions, in particular those designed to ensure achievement of the purpose of funding;
13. if the funding recipient, without cause and through his own fault, fails to release the film to theatres pursuant to §5 of the Guidance Notes.

(3) The decision on discontinuing the payout of funds and requesting the repayment of funds already paid out is taken by the competent federal agency on a case-by-case basis.

(4) Grants to be repaid on the grounds mentioned in paragraph (2), items 1-13, shall carry an interest, from the day of payout to the recipient, of 3 per cent above the applicable main refinancing rate of the euro area.

(5) Only in the case of Austrian-foreign co-productions and co-financing arrangements supported in Austria solely under these Guidance Notes will the co-producers be jointly and severally liable for repayment of state funds. The co-production and/or co-financing agreement must include appropriate provisions to this end.

Information requirements

§ 17. (1) The Federal Ministry of Economy, Family and Youth (BMWFJ), the Federal Ministry of Finance (BMF), the Court of Audit and "aws", as well as the bodies of the European Union, are entitled to review the supported project or have it reviewed by their bodies or agents.

(2) The funding applicant must be obligated to submit upon request the annual accounts and provide all information related to the project, to permit inspection of books and vouchers as well as any other records required for reviewing the project (to be) supported, and to grant access for on-site inspections. Moreover, the funding recipient must be obligated to keep all records on the supported project in safe custody and in an orderly manner for ten years following the end of the calendar year to which they relate.

(3) The funding applicant must be obligated to report to "aws", on his own initiative and without delay, any events which delay or frustrate the implementation of the project, or which would require changes to the application for funding or the agreed terms and conditions, and to comply with these reporting requirements without undue delay.

(4) The funding agreement includes the express rule that "aws" is entitled to disclose audience numbers and box-office results of the supported film. Where necessary for fulfilling this obligation, this rule shall be included in all distribution agreements for the supported film's release.

(5) Moreover, the funding recipient is obligated to provide to "aws" any information necessary for assessing achievement of the funding objective as defined in these Guidance Notes and to submit records, in particular on audience numbers, expenses and revenue of the supported film. "aws" may declare the submission of such information to be the precondition for conducting reviews in respect of funding decisions or payout of funds.

Advisory Board

§ 18. (1) The Federal Ministry of Economy, Family and Youth establishes an Advisory Board which advises federal agencies and makes recommendations.

(2) The Advisory Board is composed of:

1. one representative of the Federal Minister of Economy, Family and Youth;
2. one representative of the Federal Minister of Finance;
3. one representative of the Austrian Film Institute;
4. one representative of the Austrian Tourist Office (*Österreich Werbung*);
5. one representative of the Austrian Economic Chamber (WKO);
6. up to five film-industry experts to be appointed by the Federal Minister of Economy, Family and Youth and the Federal Minister of Finance.

(3) A substitute is appointed for each member to represent this member if he is prevented from attending to his duties.

(4) The Advisory Board shall adopt its own rules of procedure to be approved by the Federal Minister of Economy, Family and Youth. The Board is chaired by the representative of the Federal Ministry of Economy, Family and Youth.

(5) A member of the Advisory Board shall not be involved in debates and decisions on any item of the agenda related to the funding of a project where the member himself, or a legal entity of which this member is an officer or employee, is the applicant for such funding, or where the economic interests of this member are affected.

(6) The Advisory Board meets every six months or at the request of "ABA"/"aws" or a member of the Board. The Chairperson convokes meetings of the Advisory Board with a period of notice of no less than two weeks.

(7) Decisions in the Advisory Board are taken by a majority of votes. In the case of a tie, the Chairman has the casting vote. The Advisory Board has a quorum when at least half of the members are present. In exceptional cases decisions may be taken by circulation (written consent).

(8) Members and substitute members work pro bono.

Evaluation of funding measures

§ 19. (1) Funding measures under these Guidance Notes will be evaluated by 30.06.2012 at the latest by federal agencies in association with "ABA" and "aws". Evaluation must focus on whether the object of these Guidance Notes has been achieved with such funding.

(2) For monitoring purposes, the funding recipient is obligated to give information in order to provide a sufficiently large set of information and data for evaluation.

(3) "aws" is obligated to collect the data necessary for monitoring and evaluating measures under these Guidance Notes with the help of performance indicators (output indicators).

(4) "aws" is obligated to collect outcome/impact indicators for evaluation purposes.

Final provisions

§ 20. (1) These Guidance Notes enter into force on 01.07.2010 and remain in force until 31.12.2013.

(2) Nationals of countries which are party to the Agreement on the European Economic Area are deemed to be equivalent to Austrian nationals.

(3) Where these Guidance Notes refer to provisions of federal law, these provisions shall be applied as currently amended.

Economy in Financial Management - Principles

Funding applications shall meet the principles of economy in financial management in keeping with the following rules.

Calculation of expected total production costs

Production costs include the expenditure listed in the below overview. Calculation shall be based on the scheme commonly used in Austria for film support purposes. Calculation of production costs shall not include purchase tax (deductible input VAT).

Overview of expenditure on filmmaking activities

1. Pre-production costs
2. Rights of use
3. Fees, wages, honoraria
4. Audio and visual recording
5. Studio, lighting, exterior location shooting
6. Costume and set design
7. Cutting, dubbing, mixing
8. Image, sound, editing
9. Insurance policies
10. Travel, haulage and transport costs
11. Production costs
12. Production overheads
13. Completion bond

Pre-production costs

Pre-production costs include expenses related to the project and incurred around the time of submitting the application, such as money spent on location search, casting, screen tests, preliminary negotiations, initial meetings, etc.

Fees and wages

Labour costs will only be recognised up to the amount which corresponds to the pay rate system of Austrian federal agencies for comparable federal employees. Scriptwriter's and director's fees shall be reviewed under the aspects of economic efficiency, appropriateness and cost effectiveness and recognised on a case-by-case basis with these principles in mind. Where fees are much higher, the Advisory Board may make recommendations on a case-by-case basis on whether to recognise them. The director's fee includes all the work done by the film's director ranging from pre-production to post-production activities, promotional measures and completion of the film; calculation includes costs for natural or legal persons who/which are identical, or affiliated through economic interests, with the funding applicant, with a co-producer, a shareholder or managing director of a production company acting as a legal person; these cost items of internal cost allocation shall

be specially highlighted (see also “filmmaker’s own services and multiple activities”).

Travel costs

will be recognised only if they comply with the rules set out in collective agreements or tax law.

Production costs

Production costs which are composed of cost groups 1-10 shall be reduced by any revenue achieved in the production phase (such as revenue from selling costumes, etc.).

Production overheads

Under the principles of economy in financial management, 7.5 per cent of the filmmaker’s production overheads are recognised for full-length cinematographic films.

This relates in particular to the following costs, which are deemed to be production overheads and may therefore not be quoted as direct production costs.

- Expenses on establishing and maintaining permanent office space and on buying general office supplies,
- General postal and telephone expenses,
- General staff costs (administration)
- General insurance policies,
- Expenses on financial audits,
- Interest and bank charges for general loans,
- General entertainment expenses,
- Travel expenses and costs which are not verifiably used for the relevant project directly, such as those incurred in the context of meetings, negotiations and location visits, etc.

Expenses on a **completion bond** customary in this sector are recognised as project costs.

Rebates, discounts, bonuses, sale of material

Any rebates and discounts shall be deducted from the relevant cost items of the final account. Any discounts achieved by the filmmaker’s additional own services outside the film project need not be deducted from the related cost items.

Any discounts or rebates on the costs of copies of supported films shall be deducted, while any discounts and sales-related bonuses achieved by additional own services unrelated to the acquisition of such copies need not be deducted.

Revenue from the sale of movable property (physical property and rights) included in the production costs, will **reduce costs**.

Producer's fee, filmmaker's own services and multiple activities

The producer's fee amounts to 2.5 per cent of the Austrian production costs, see §3 (5). The recipient of this fee is the natural person who is in charge of the creative aspects of making the film.

If this filmmaker provides own material services, these services will be calculated at current market prices. If this filmmaker provides other personal services, these services will be calculated at current market prices.

If the filmmaker or co-producer and the owner, sole or majority shareholder of the production company (sole proprietorship, commercial partnership or joint-stock company) and the director are identical, the fee for directing and producing the film may amount to no more than 4 per cent of the Austrian production costs, as defined in §3 (5), provided that such multiple activities are economically and artistically justifiable.

If the filmmaker or co-producer and the owner, sole or majority shareholder of the production company (sole proprietorship, commercial partnership or joint-stock company) and the line producer are identical, the fee for managing the production and for producing the film may amount to no more than 3 per cent of the Austrian production costs, as defined in §3 (5), provided that such multiple activities are economically and artistically justifiable.

If the filmmaker engages in any other multiple activities within the production process of a film, the fee rates shall be reduced by 20 per cent.

The above paragraphs will not apply whenever such own services as defined in §7 (2) of the Guidance Notes have been listed in the application among the applicant's own contribution to funding.

Annex 2 to Guidance Notes
Film Location Austria

Cultural Test for Standard Films

The reference “from Austria or the EEA” refers to the nationality of the natural person or his place of residence¹ and centre of vital interest being in Austria or any other country party to the Agreement on the European Economic Area. **A standard (feature) film needs to meet at least four of the criteria listed in the Cultural Content category.** Only full points are awarded. Points within brackets indicate the maximum number of points which can be scored by the funding applicant.

Part A: Cultural Content and Film Practitioners	Points
1. Cultural Content	
1. Film is set (fictional content/subject matter) primarily ² in Austria	2
2. Film uses Austrian motifs ³ (i.e. motifs which can be associated with Austria, such as Austrian architecture or landscapes)	3
3. Film uses Austrian locations ⁴ for shooting	3
4. One main character of the plot/underlying material is/was Austrian ⁵	2
5. Plot/underlying material is Austrian ⁶	3
6. Plot/underlying material is based on literary material	2
7. Plot/underlying material depicts artist or artistic genre (e.g. composition, dance, performance, painting, architecture, pop art, comics)	2
8. A contemporary artist from a genre other than cinematography is greatly involved in the film	2
9. Plot/underlying material is about a character of the present or the past or of world history or a fictional character of cultural history or literature	2
10. Plot/underlying material is about a non-fictional event of world history or a comparable fictional event	2
11. Plot /underlying material is about questions of religious or philosophical belief or issues of current social or cultural relevance	2

¹ A person’s place of residence is where at least part of this person’s regular habitual mode of life is centred.

² Primarily means that more than half of the film's story takes place in Austria (according to the script), irrespective of where the film is shot and of where the shooting costs are spent.

³ Austrian motifs are places of instantly recognisable Austrian identity, irrespective of where filming takes place (Vienna's Heldenplatz, Innsbruck's Golden Roof, Kreuzenstein Castle in Lower Austria). They are identified places in a film’s story used to evoke certain associations.

⁴ Austrian film locations mean that filming (both exterior and interior location shooting) actually takes place in Austria.

⁵ The main character is Austrian within the meaning of this Cultural Test if, according to the plot, this character reflects the Austrian identity.

⁶ The plot/underlying material is Austrian if it has been written by an Austrian writer or by a writer permanently living in Austria, or if it addresses special, identity-forming issues which are of relevance to Austria.

	Points
12. One final version of the film in the German language	4
13. Film is set primarily in another EEA country	(1)
14. Film uses other (where no Austrian motifs or locations are used) or additional (where also Austrian motifs or locations are used) European motifs ⁷	1
15. Main character of underlying material is from another/ additional EEA country	(1)
Total for Part A 1-15	30

2. Film Practitioners

1. Film artist in major position and of international renown is from Austria - "Austrian star" (refers to below practitioners who have participated in a film, have been invited to an international festival or have won a prize)	4
2. Film artist in major position and of international renown is from another/additional EEA country - "European star" (refers to below practitioners who have participated in a film, have been invited to an international festival or have won a prize)	2
3. Actors from Austria or EEA (unless already listed in "stars" category) (4 points max.)	(4)
a) Lead actor 2 points	
b) or second lead actor 1 point	
c) or two supporting actors 1 point	
4. Creative film practitioners from Austria or EEA countries in responsible position:	
- Director	4
- Scriptwriter	3
- Producer / lead producer up to 3 points max.	2 (3)
- Film manager	2
- Assistant director	2
- Production manager	2
- Line producer	2
- Composer	2
- Musicians / performers	2
- Cameraman	2

- Lead cutter	2
- Costume designer	2
- Production designer	2
- VFX supervisor	1
- Post-production supervisor	1
- Unpaid trainees (2 point for four, 1 point for two)	1(2)
- Film practitioners* (10 persons for each department 5 points, 15 points max.)	(15)

*Technical crews, e.g. lighting, stagehands or dressers, hair and makeup, props, stunts, SFX special effects, set decoration, location department

Total for Part A 1-4 **59**

Part B: Making the film

1. Expenditure on filming in Austria at least 25% of total expenditure on shooting the film: 3 points;
at least 50%: 6 points; from 70%: 12 points

For productions as defined in §3 (4): for each day of shooting in Austria (7 days minimum) 1 point, up to 12 points max. (12 max.)
2. for every 25% of digital effects (VFX) expenditure spent in Austria in relation to total expenditure on digital effects (VFX): 1 point (4 max.)
3. for every 25% of special effects (SFX) expenditure spent in Austria in relation to total expenditure on special effects (SFX): 1 point (4 max.)
4. 100% of music recorded in Austria (50% min.: 1 point) (3)
0%-49%: 0 points
50%-74 %: 1 point
75%-99% : 2 points
100%: 3 points
5. 100% of sound design & mixing in Austria (50% min.: 1 point) (3)
0%-49%: 0 points
50% - 74%: 1 point
75% - 99% : 2 points
100%: 3 points
6. 100% of picture editing in Austria (4)
0%-99%: 0 points: continue with questions 6a and 6b.
100%: 4 points: ignore questions 6a and 6b.

Unless 100% of this activity is carried out in Austria, the following points may be scored:

6a. 100% of rushes print (negative processing and scanning) in Austria (50% min.: 1 point) (2)

0%-49%: 0 points

50% - 99%: 1 point

100%: 2 points

6b. 100% of all other post-production activities (negative cutting, scanning, grading, assembling, processing, answer print, check print, 1 series print, intermediate, first digital intermediate) in Austria (50% min.: 1 point) (2)

0%-49%: 0 points

50% - 99%: 1 point

100%: 2 points

Total for Part B 1-6

30

<p>To qualify for support, a standard film must score at least 59 points out of a possible 119 points in Parts A and B.</p>
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Annex 3 to Guidance Notes
Film Location Austria

Cultural Test for Documentaries

The reference “from Austria or the EEA” refers to the nationality of the natural person or his place of residence¹ and centre of vital interest being in Austria or any other country party to the Agreement on the European Economic Area. **A documentary needs to meet at least two of the criteria listed in the Cultural Content category.** Only full points are awarded. Points within brackets indicate the maximum number of points which can be scored by the funding applicant.

Part A: Cultural Content and Film Practitioners	Points
1. Cultural Content	
1. Film is (set) primarily ² about (in) Austria and addresses issues of relevance in or to Austria	4
2. One main character is/was Austrian ³	4
3. Original soundtrack recorded in German or one final version is in German language	2
4. Film relates to important historical or contemporary character	1
5. Film depicts artist or artistic genre (e.g. composition, dance, performance, painting, architecture, pop art, comics)	1
6. Film is about a non-fictional event of world history	1
7. Film depicts the lifestyles of people/minorities (e.g. Carinthian Slovenes)	2
8. Story/underlying material is about questions of religious or philosophical belief or issues of current social or cultural relevance (e.g. discrimination, situation of refugees, substance abuse, etc.)	2
9. Film is about scientific topics or natural phenomena	2
Total for Part A 1-9	19

¹A person’s place of residence is where at least part of this person’s regular habitual mode of life is centred.

²Primarily means that more than half of the film’s story takes place in Austria (according to the script), irrespective of where the film is shot and of where the shooting costs are spent.

³The main character is Austrian within the meaning of this Cultural Test if, according to the plot, this character reflects the Austrian identity.

2. Film Practitioners	Points
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Creative film practitioners from Austria or EEA countries in responsible position:

- | | |
|---|------|
| 1. Director | 5 |
| 2. Producer / lead producer up to 4 points max. | 3(4) |
| 3. Scriptwriter | 3 |
| 4. Cameraman | 3 |
| 5. Lead cutter | 3 |
| 6. Composer | 3 |
| 7. Musicians / performers | 2 |
| 8. Sound/music design | 1 |

Total for Part A 1-8	24
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Part B: Making the film

- | | |
|--|-----------|
| 1. Expenditure on filming in Austria at least 50% of total expenditure on shooting the film: 5 points;
otherwise 1 additional point for each additional 10% | (10 max.) |
| 2. 100% of digital effects produced in Austria | 1 |
| 3. 100% of music recorded in Austria (for 50% 1 point) | (2) |
| 0%-49%: 0 points | |
| 50%-99%: 1 point | |
| 100% : 2 points | |
| 4. 100% of audio post-production and mixing in Austria (for 50% 1 point) | (2) |
| 0%-49%: 0 points | |
| 50% - 99%: 1 point | |
| 100%: 2 points | |
| 5. 100% of picture post-production in Austria (for 50% 1 point) | (2) |
| 0%-49%: 0 points | |
| 50% - 99%: 1 point | |
| 100%: 2 points | |
| 6. 100% of picture editing in Austria | (4) |
| 0%-99%: 0 points | |
| 100%: 4 points | |

Unless 100% of this activity is carried out in Austria, the following points may be scored:

6a. 100% of rushes print (negative processing and scanning) in Austria (for 50% min.: 1 point) (2)

0%-49%: 0 points

50% - 99%: 1 point

For 100%: 2 points

6b. 100% of all other post-production activities (negative cutting, scanning, grading, assembling, processing, answer print, check print, 1 series print, intermediate, first digital intermediate) in Austria (50% min.: 1 point) (2)

0%-49%: 0 points

50% - 99%: 1 point

100%: 2 points

Total for Part B 1-6 21

To qualify for support, a documentary must score at least 32 points out of a possible 64 points in Parts A and B