CALL FOR CINEMA AND AUDIO-VISUAL COPRODUCTIONS
Purpose
The action is intended to support the performance of Co-Productions, by this meaning:
a) Cinematographic Productions: those defined as such by the Ministero dei Beni e delle Attività Culturali e del Turismo [Ministry of Heritage, Cultural Activities and Tourism] ("MIBACT"), pursuant to Article 6 of Legislative Decree no. 28 of 22 January 2004, including therein those defined as such by the European Convention on Cinematographic Co-Production;
b) Co-Productions of Other Audiovisual Works: Other Audiovisual Works for which Italian nationality is recognised pursuant to Article 6 of the MIBACT Ministerial Decree of 5 February 2015, which provides for the participation of one or more "Foreign Producers" in order to cover production and - if applicable - distribution costs, with a share of the Industrial Cost not below 10% on the basis, at least, of the right to exploit the works in the respective country.

Beneficiaries
Beneficiaries are those companies which, already upon submission of the application, mainly operate in the sector of "Film, video and television programme production" (ATECO [Business Activity] Code 2007 59.11), comply with the size-related requirements for SMEs set forth in Attachment I to the GBER (EU General Block Exemption Regulation 651/2014), are already registered with the Companies House or an equivalent register in a Member State of the European Union and are Independent Producers. Said companies, at the latest upon the request for the first disbursement, must have residence in Italy for tax purposes and operational headquarters in Lazio, which must be retained for at least 3 years from said date.

Instrument
Grant for admissible expenses borne by the beneficiaries in order to perform a Co-Production.

Implementation
The action is put into effect through the publication of a specific Notice, with a first-in, first-financed procedure, managed by the Intermediary Body, Lazio Innova SpA.

Funds
The notice is endowed with € 10,000,000, with 50% for Cinematographic Co-Productions and 50% reserved for Co-Productions of Other Audiovisual Works. Once 6 months have lapsed from the application deadline, in the event that the amount that may be granted to applications submitted within said time limit does deplete one or both of said funds, the entire financial endowment shall be assigned to the admissible applications following their order of submission. 50% of the funds shall be reserved for Audiovisual Works considered to be of "Regional Interest" or of "Special Regional Interest".
Characteristics of Admissible Co-Productions

Co-Productions are admissible if:

a) they satisfy the cultural eligibility requirements according to the terms and procedures set forth in the Ministerial Decree of 7 May 2009 (Cinema Tax Credit) or in the Ministerial Decree of 5 February 2015 (Tax Credit for Other Audiovisual Works). Upon submission of the application, it is necessary to submit at least the request, also for the purpose of provisional recognition of Italian nationality, and if the beneficiary has not provided the results at the time of the evaluation, the application may be admitted with a reservation to decide within a maximum of 6 months;

b) upon submission of the application, they submit a letter of intent (so-called memo deal) signed by the Beneficiary and by at least one Foreign Producer assuring for the Co-Production, jointly, coverage of at least 40% of the so-called “below-the-line” Industrial Costs, with respective screenplay, provisional financial framework and budget for Industrial Costs in attachment;

c) they submit Admissible Expenses (relating to the Lazio territory) in an amount equal to at least 130% of the requested contribution;

d) and if:

• in the event of Cinematographic Co-Productions relating to Films, they entail an expected Industrial Cost equal to at least € 1,500,000, € 1,000,000 for first and second works and € 400 per minute for documentaries;

• in the event of Co-Productions of other Audiovisual Works for narrative or fiction purposes, they entail a duration equal to or greater than 90 minutes and an expected Industrial Cost equal to at least € 2,000 per minute;

• in the event of Co-Productions of Other Audiovisual Works other than those under the previous point, they entail a duration equal to or greater than 40 minutes and an Industrial Cost equal to at least € 400 per minute.

Audiovisual works shall be excluded if:

• of a pornographic nature, they extol the virtues of crimes or they incite violence or race hate;

• produced for advertising purposes or to promote a company, institution or their activities;

• for exclusively educational and instructional purposes.

Incentives

Incentives are equal to the value of the contribution granted.

In any case, the amount of the contribution may not exceed 35% of the Admissible Expenses, or 45%, in the case of Co-Productions financed by at least another EU Member State. The maximum amount that may be granted for each individual work is determined as follows:

1. an amount equal to 15% of Admissible Expenses, increased to 20% in the case of Co-Productions financed by at least another EU Member State, with an absolute limit in value of € 500,000;

2. a further amount equal to 10% of the Admissible Expenses, increased to 20% in the case of Co-Productions financed by at least another EU Member State, with an absolute limit in value of € 300,000;

3. a further amount equal to 5% of the Admissible Expenses, if the Co-Production is of regional interest, with an absolute limit in value of € 300,000;

4. a further amount equal to 5% of the Admissible Expenses, if the Co-Production entails, upon submission of the application, agreements for distribution in other States other than those of the Co-Producers, with a total population equal to at least 50 million, with an absolute limit in value of € 50,000.

“Regional Interest” shall be understood to mean works that enhance in an authentic manner the artistic, cultural, historical, environmental, scenic, wine and food and artisanal heritage of Lazio and, in any case, may enhance its tourist destinations. Projects must, in particular, feature significant cultural references to the Lazio Region and/or entail important scenes filmed at recognisable locations of the Lazio Region. Those enhancing said tourist destinations located outside of the City of Rome are of “Special Regional Interest”.
Admissible expenses
Potentially admissible Co-Production expenses are the Industrial Costs, comprised of costs relating to the release, promotion and distribution of the Audiovisual Work and of the Production Cost understood as the sum of the:
• so-called “above-the-line” costs: Subject and screenplay, Directing and Leading Actors;
• so-called “below-the-line” costs: Pre-organisation and/or Pre-production relating to the development of the Audiovisual Work, Production, Direction, Editing, Technical Staff, Employees, Artistic Staff, Costumes, Cinematography, Theatres and Constructions, Real-Life Interiors, Technical Resources, Exteriors, Accessibility, Transport, Film and processing, Release, Music, Insurance and guarantees, Indirect Costs including expenses to disclose reports.
Admissible expenses are the portion of Potentially Admissible Expenses borne by the Beneficiary within the scope of the Co-Production Agreement - including those reimbursed in a transparent manner by other co-producers or, in the case of outsourced productions, by the executive producer - “relating to the Lazio territory”, meaning as such:
• the expenses incurred, with respect to the “Theatres and Constructions”, “Technical Resources”, “Film and processing” and “Release” items, in relation to parties residing in Lazio for tax purposes;
• other expenditure items with respect to production costs, other than those under the preceding point, in proportion to the ratio between filming days spent in the Lazio Region and total filming days;
• expenses incurred by the beneficiary for promotion, release and distribution, regardless of the residence of the workers, suppliers or service providers.
The Admissible Expenses must be incurred after the submission of the application except for the “Subject and screenplay” and “pre-organisation and/or pre-production relating to the development” items, including the sub-items concerning pre-production as per the “Production”, “Directing” and “Technical Staff” items and other expenses strictly necessary for searching for partners, acquiring interest, executing letters of intent and Co-Production agreements (e.g. translations, legal costs, etc.) and preparing the documentation that the Public Notice requires to be submitted with the application.
The so-called “above-the-line” expenditure items and the cost of staff under the “Production” item may not each exceed 25% of the admissible production cost. The “Insurance and guarantees” and “Indirect Costs” expenditure items may not each exceed 7.5% of the admissible production cost. In addition, the “Indirect Costs” are admissible based on the ratio between the number of filming days of the work subject to contribution and the annual filming days attributable to the same Beneficiary.
The producer fee and, pursuant to the provisions of Article 69, paragraph 3, of (EU) Reg. 1303/2013, interest paid are not admissible.
Admissible staff costs include welfare and social security charges.
VAT is not an admissible cost except in cases when it is not recoverable in accordance with domestic legislation.

Contribution granting procedure
Contribution applications shall be submitted on-line, starting from 1 December 2015, according to the first-in, first-financed procedure providing for the evaluation and granting of contributions according to the order of arrival.
The following are considered admissible: applications satisfying the requirements set out herein and those which are mandatory by law (compliant DURC [consolidated contribution compliance document], anti-mafia, etc.) and also featuring a track record of the foreign Co-Producer(s) in line with the financial, technical and organisational contributions established in the Co-Production Agreements or in the Letters of Intent.
The evaluations shall fall under the responsibility of a specific technical evaluation committee appointed by the Management Authority of the ERDF ROP,
comprised of the pro-tempore Director of the Regional “Youth Culture and Policies” Directorate or his deputy presiding over it, by the Management Authority or its deputy, by the Operational Representative for Regional Management (RGA) or his deputy, by an expert designated by the Cinema Directorate of MIBACT, by an expert designated by the Roma Lazio Film Commission or by two experts designated by Lazio Innova.

Criteria for the preparation of the rankings
Applications achieving the minimum score set forth by the public notice based on the following evaluation criteria are considered admissible:
- technical quality and originality of the project;
- curricula or track records of the key figures (director, screenwriter, writers, producers and distributors);
- established international co-production contracts (letters of intent) and % of confirmed financing;
- expenditure in regional territory, with respect to the total expenditure of the production;
- economic repercussions on the direct/indirect production chain and on the Lazio system;
- capacity of the project to promote awareness of the region, history, culture and traditions of Lazio, outside of the metropolitan area of Rome, in order to support the competitiveness of locations that are less well-known and recognisable by the public at large (priority criterion).

Cinematographic Co-Productions may be admitted for a contribution with a reservation pending recognition by MIBACT pursuant to Article 6 of Legislative Decree no. 28 of 22 January 2004, if the main requirements have been met. This recognition requires the submission of a binding agreement between the parties. The Co-Productions of other audiovisual works are also admitted with a reservation if pending provisional recognition of Italian nationality by MIBACT, when the main requirements are met, or if any Agreements submitted with the application do not satisfy the definition or establish further conditions with respect to the granting of the requested contribution conditioning the effectiveness thereof. If said recognitions, binding and final Co-Production Agreements, and the copy of the Work Commencement Declaration are not submitted to Lazio Innova within 6 months from the granting with reservation of the contribution, the application shall be understood to have lapsed.

Disbursement
The beneficiaries may request an advance, guaranteed by a bank or insurance guarantee provided by parties regulated by the Banca d’Italia or by the corresponding Regulatory Bodies belonging to the Eurosystem, up to a maximum of 40% of the granted contribution.

The beneficiaries may request one or more disbursements on the basis of the state of progress of the work, both in financial terms and as a reduction in the amount of the guarantees provided in return for the received advance, following reporting on expenses incurred, provided that each one is to an extent not below 20% of the granted contribution.

In any case, the disbursement of the balance may not be less than 30% of the granted contribution with respect to the Admissible Expenses relating to the Production Costs. Any disbursement of the balance of the contribution on the basis of admissible expenses relating to promotion, release and distribution costs shall occur against an independent request and reporting.

When possible, the reporting procedures shall be in line with those set forth in the so-called “Tax Credit” legislation.

Co-Productions must file the sample copy with the MIBACT in order to obtain definitive recognition of Italian nationality, within 12 months from the date of final granting of the contribution; said deadline is extended, in the case of Audiovisual Works with a duration greater than 220 minutes, to 24 months.

The request to disburse the balance relating to Production Costs must be submitted within 3 months from said date of filing of the sample copy with
MIBACT, with that relating to the balance regarding the admissible expenses for promotion, release and distribution within the subsequent 9 months. Non-compliance with said deadlines shall result in the revocation of the contribution.

**Cumulation**
The contribution may be cumulated with any other State aid, even on a de minimis basis, granted to the beneficiary and applying to the same admissible expenses, on the condition that the extent of the aid does not exceed 50% or the highest amount of aid that can be established, in some cases of said cumulated aid, by the GBER or by a European Commission Decision. For the purpose of compliance with the cumulation limits, any financing managed in a centralised manner by the institutions, agencies, joint ventures or other bodies that are not directly or indirectly controlled by the Member States must not be calculated.

**Disclosure obligations**
Beneficiary parties take on the obligation that all forms of advertising and promoting works shall comply with the obligations on publicity and disclosure to the public pursuant to Article 115 (3) (E.U.) Reg. 1303/13, related attachment XII, the implementing acts adopted by the European Commission and the communication strategy adopted by the Management Authority of ERDF ROP Lazio 2014-2020. In particular, the logos established by the combined provisions above must appear in the opening credits with the same prominence given to other public and private entities that financially backed the production of the work or in relation to the financial support provided by each one. In addition, the beneficiaries are required to file, at the latest 6 months after the release at cinemas or broadcasting, a digital copy of the work in DVD format, in high definition, which shall be provided to the regional audiovisual library as per Article 3, paragraph 1, letter x) of Regional Law 2/2012, with a waiver for use for the purpose of promoting the Lazio Region and Lazio Film Commission, a minimum of 5 photos of scenes with captions, trailers and backstage clips.

When requested by the Foreign Producer, limitations may be agreed on the use of said material or different conditions regarding the importance of logos to appear in the opening credits, considering the relationship between the contribution and the Industrial Cost of Co-Production or the fact that said obligations may hinder the distribution of the Work in certain markets or through specific media forms. Beneficiaries are required to communicate, also for promotional purposes, to the Lazio Region:
- the start and end date for filming and/or production in the Region;
- information on participation in festivals and any awards;
- information regarding press conferences and presentation previews concerning Co-Productions, on the Italian or foreign market;
- information on distribution in Italy and foreign markets of the financed Co-Production and respective audience data.

The application of the disclosure and transparency obligations concerning beneficiaries and the amount of granted State aid set forth under Article 115 (1) and (2) of (E.U.) Reg. 1303/13, under attachment III of Reg. 651/14 and Articles 26 and 27 of Legislative Decree 33/2013 shall remain in effect.

**Definitions**

«**Co-Production Agreement**»: the binding agreement between various producers governing the contributions, also in kind, to cover the production and - if applicable - distribution costs, of a Co-Production, the expenditure obligations in the case of budget overruns, the ownership of the respective rights and the mechanisms for allocating the proceeds originating from commercial exploitation thereof, including any exclusive rights.

«**Other Audiovisual Work**» or «**Other Audiovisual**»: the recording of motion pictures, even if not accompanied by sound, produced on any media, with fiction, documentary or animation content, protected by the current legislation on copyrights, made public by the holder of the rights of use and other than Films.
For the purposes of this public notice, the following are not considered Other Audiovisual Works that may benefit from incentives:

- television advertising, commercials, telesales and telepromotions, as defined under Article 2, paragraph 1, letter ee), ff), ii) and mm) of Legislative Decree no. 177 of 31 July 2005, “Consolidated Act on Audiovisual and Radio Media Services” and subsequent amendments and modifications;
- information and current events programmes;
- games, variety show, quiz shows and talk shows;
- programmes on races and competitions or containing the results of races and competitions;
- broadcasting, even if live, of events, including theatrical, musical, artistic, cultural, sporting and commemorative events.

«Co-Productions»: for the purpose of this Notice, Cinematographic Co-Productions and Co-Productions of Other Audiovisual Works shall be indicated irrespectively of one another.

«Distributors of Other Audiovisual Works»: one or more of the following parties:

- «Television Broadcaster»: a supplier of linear audiovisual media services, on land-based frequencies or via satellite, even with restricted access, as defined by Legislative Decree no. 77 of 31 July 2005, “Consolidated Act on Audiovisual and Radio Media Services” and subsequent amendments and modifications and with a “nationwide scope” pursuant to Article 2, paragraph 1, letter u) of the same Legislative Decree no. 177 of 31 July 2005;
- «Supplier of audiovisual media services on other media»: shall be understood to be a supplier of linear or non-linear audiovisual media services, on electronic media other than those of Television Broadcasters, as defined by Legislative Decree no. 177 of 31 July 2005;
- «Suppliers of hosting services»: the providers of information society services consisting of the storage of information provided by a recipient of the service as defined in Article 16 of Legislative Decree no. 70 of 9 April 2003.

«Film»: the performance produced on media of any nature, including digital, with fiction or documentary content, as long as it is the original work pursuant to copyright provisions, made public by the holder of the copyrights through priority distribution at cinema theatres.

«Audiovisual Works»: Films and Other Audiovisual Works.

«Original Producer»: the entity that organised the production of the audiovisual work and executed and managed fundamental contracts for the fulfilment of the production process, including, among others, those regarding the acquisition, performance and interpretation of the subject, screenplay, directing or artistic direction, photographic direction, creation of the music, costumes and set designs and, of the sound and audiovisual recording, interpretation of the work and editing;

«Independent Producers»: the original audiovisual producers who engage in the activity of audiovisual production in an exclusive and predominant manner and who are not controlled by or linked to Audiovisual Distributors and who, for a period of three years, do not set aside at least ninety per cent of their production to only one of said subjects or more of said subjects with ties between them;

«Foreign Producer»: a company operating in the sector of “Cinematographic, video and television programme production activity” or in “Cinematographic, video and television programme distribution activity” (NACE codes J.59.11 and 13 or non-EU equivalents), in States other than Italy. Companies that - directly, as a group or through other companies of which they are Beneficial Owners or whose Beneficial Owners - have produced predominantly, over the last three years, cinematographic works of Italian nationality or audiovisual works that have been broadcasted for the first time on Italian television channels.
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