

Producing in Germany

A guide to German film,
television and interactive digital
media incentive programs

Foreword

During these unprecedented times caused by COVID-19 pandemic, the landscape of television and film production in Germany and the rest of the world is changing as the industry tries to adapt to the new dynamic. In this framework, both the government and private sector players in Germany (i.e. associations, digital platforms, unions etc.) are making an effort to support the continuation of production with adequate health and safety measures.

Production considerations in the age of COVID-19

Since the situation is changing and evolving on an almost daily basis, we recommend reviewing the rules applicable to the jurisdiction you will be producing in. In particular, for Germany we recommend checking out the **German Producer Alliance (Produzentenallianz) website** for COVID-19 related updates related to the audiovisual industry (in the German language).

Also, please visit **Dentons' COVID-19 (Coronavirus) hub** for more information and legal resources relating to COVID-19.

This publication has been prepared to provide a general overview of some of the incentives available for and other considerations related to, audio-visual production in Germany. The material is not meant to be an exhaustive analysis of the law and should not be relied on with respect to any particular transaction or other proceeding. We highly recommend that all persons seek professional legal advice before undertaking a transaction.

Contents

| | |
|---------------|---|
| 4 ... | Introduction |
| 16 ... | German film support schemes |
| 30 ... | State film incentives |
| 44 ... | Tax-related issues |
| 46 ... | About us |
| 48 ... | Our media and film industry experience |

Introduction

Germany as a film location can score points with its diverse film destination, financially strong television stations, its distinctive festival landscape and its predominantly good general and digital infrastructure. It is the largest European media market¹.

The three leading producing countries in Europe (the United Kingdom, Germany and France) accounted for 54% of the total number of European high-end series seasons produced annually between 2015 and 2018. Historically, film production industry was heavily reliant on box office collections. Gross box office revenues in Germany in 2018 were over \$899 million. Obviously, due to the COVID-19 pandemic restrictions, there has been a significant change in the film industry's production model: more producers are now looking for video-on-demand (VOD) platforms as their distribution partners. The United Kingdom, Germany, France, Italy and Spain are the top five exporting countries for film titles on transactional video on demand (TVOD) and subscription video on demand (SVOD).

Funding opportunities play a big part in decisions over where to make cinema and TV productions and Germany is in growing competition with foreign film locations. Film funding in Germany is diverse but it is not always easy for outsiders to understand because of Germany's federal system and the coexistence of federal and state funding.

At Dentons, we know the advantages associated with producing in Germany, such as the various tax incentives provided at the federal, state and local levels. Producing in Germany — our comprehensive guide to German film, television and interactive digital media incentive programs — provides an overview of some of the available incentives and the criteria that must be satisfied to qualify for them. Although each financing program is described separately for ease of reference, any given production may qualify for two or more programs.

To find out more about German film, television and interactive digital media incentive programs, or structuring productions, please contact one of the lawyers listed at the end of this document.

¹ According to Year Book – Key Trends 2019-2020.

| Country | Name of scheme | Type | Value | Additional value | Cap per project | Annual budget | Limits, restrictions, considerations |
|---------|---|-------|---|------------------|--|----------------|---|
| Germany | <p>German Motion Picture Fund (GMPF)</p> <p>www.ffa.de/german-motionpicture-fund-1.html</p> | Grant | <p>Film: up to 20% of German production costs</p> <p>Series: up to 20% of German production costs</p> | - | <p>Film: \$2.7m (€2.5m) per film</p> <p>Series: \$2.7m (€2.5m) per season; \$4.3m (€4m) for series with German spend of more than \$21.7m (€20m)</p> | \$16.3m (€15m) | <p>Film: minimum total production costs €25m, 40% minimum German share of total production costs.</p> <p>Feature-length film: 20% minimum German share of total production costs, €7m German share sufficient if production costs exceed €35m.</p> <p>Series: minimum total production costs of \$1.3m (€1.2m) per episode.</p> <p>At least one final version must be produced in the German language (subtitles are sufficient).</p> |
| Germany | <p>German Federal Film Fund (DFFF)</p> <p>DFFF I (funding for producers)</p> <p>www.dfff-ffa.de/en.html</p> | Grant | 20% of German production costs of up to €8m; 25% of German production costs above €8m. | - | €4m per film. | n/a | <p>25% minimum German share of total production costs. 20% minimum German share of total production costs exceeding €20 million.</p> <p>5% own contribution of applicant to total production costs.</p> <p>Proof of 75% project financing from other sources.</p> <p>At least one final version must be produced in the German language (subtitles are sufficient).</p> |
| Germany | <p>German Federal Film Fund (DFFF)</p> <p>DFFF 2</p> <p>(funding for production service providers)</p> <p>www.dfff-ffa.de/en.html</p> | Grant | 25% on German production costs for works assigned to applicant. | - | €25m per film. | \$16.3m (€15m) | <p>€8m minimum German share of total production costs of at least €20m.</p> <p>Proof of 75% project financing from other sources.</p> <p>At least one final version must be produced in the German language (subtitles are sufficient).</p> |
| Germany | <p>Federal Government Commissioner for Culture and the Media (BKM)</p> <p>https://www.bundesregierung.de/breg-de/bundesregierung/staatsministerin-fuer-kultur-und-medien/medien/filmfoerderung</p> | Grant | <p>Feature-length films, documentaries and children's films: up to €0.5m (exceptionally up to €1m);</p> <p>children's short films: up to €15,000.</p> | - | Not to exceed 80% of all recognized production costs. | | <p>Production costs not to exceed €5m.</p> <p>At least one final version must be produced in the German language (subtitles can be sufficient).</p> |

| Country | Name of scheme | Type | Value | Additional value | Cap per project | Annual budget | Limits, restrictions, considerations |
|---|---|--|---|------------------|---|----------------|--|
| Germany | Filmförderungsanstalt (German Federal Film Board, FFA) Reference film funding https://www.ffa.de/ffa-overview-1.html | Grant, based on box-office, film prize and festival successes of previous production | Up to 50% of German production costs, or up to 60% of German share of production costs in case of joint productions; exceptionally up to 80% of production costs. | - | - | - | - |
| Germany | Filmförderungsanstalt (German Federal Film Board, FFA) Project film funding https://www.ffa.de/ffa-overview-1.html | Interest-free loan | At least €200,000; €100,000 for documentary films. | - | Not to exceed 50% of total production costs. | | Script to be submitted along with application must be in German. |
| Germany | Kuratorium Junger Deutscher Film Talent film funding, i.e. first and second feature films of up-and-coming directors or authors after training. http://www.kuratorium-junger-film.de/ | Grant or loan | Grant of up to €15,000 for screenplay; interest-free loan of up to €50,000 for project development; promotional loan of up to €50,000 for feature-length films and documentaries; interest-free loan of up to €15,000 for short films. | - | Interest-free loan for project development may not exceed 80% of project development costs. | | Project development: production costs not to exceed €1.5m; applicant producer's own share minimum 20% of recognized production costs. Feature-length film production: production costs not to exceed €1.5m; applicant producer's own share minimum 5% of recognized production costs. |
| Germany | Kuratorium Junger Deutscher Film Children's film funding http://www.kuratorium-junger-film.de/ | Grant or loan | Grant of up to €8,000 for treatment; grant of up to €30,000 for screenplay; interest-free loan of up to €50,000 for project development. | - | Interest-free loan for project development may not exceed 80% of project development costs. | | Project development: applicant producer's own share minimum 20% of costs. |
| Germany; Federal States Berlin and Brandenburg | Medienboard Berlin-Brandenburg https://www.medienboard.de/ | Interest-free loan | Film: up to 50% of development costs for script and production development. | - | Film: \$2.7m (€2.5m) per film; Series: \$2.7m (€2.5m) per season; \$4.3m (€4m) for series with German spend of more than \$21.7m (€20m) | \$16.3m (€15m) | Funds must be expended in Berlin or Brandenburg. Applicant producer's own share minimum 20% of costs (script development funding). Applicant producer's own share minimum 50% of costs (project development funding). TV production must strengthen the position of the production location Berlin-Brandenburg. |

| Country | Name of scheme | Type | Value | Additional value | Cap per project | Annual budget | Limits, restrictions, considerations |
|---|--|--------------------------|--|---|---|---------------|--|
| Germany; Federal State Bavaria | FilmFernsehFonds Bayern (FFF Bayern) Story and project development funding https://www.fff-bayern.de/ | Interest-free loan | Story development: €30,000 for feature films, €20,000 for documentaries. Project development: up to 70% of project development costs. | - | Project development: up to maximum of €100,000 for films and up to €150,000 for series. | n/a | Funds must be expended as far as possible in Bavaria. |
| Germany; Federal State Bavaria | FilmFernsehFonds Bayern (FFF Bayern) Production funding https://www.fff-bayern.de/ | Interest-free loan | Up to 30% of production costs. | Additional funding from Bavarian Banking Fund when exploitation promises to be particularly successful. | €2m for feature films, €0.6m for TV films, €1m for series. | n/a | Funds must be expended as far as possible in Bavaria. Minimum production costs of €5m for feature films, €1.2m per TV episode (at 60 minutes length) or €20,000/minute for other lengths per episode. |
| Germany; Federal State Baden-Württemberg | Medien- und Filmgesellschaft Baden-Württemberg (MFG) Production funding https://www.mfg.de/ | Loan (standard) or grant | Film: up to 50% of total production costs, or up to 70% if total production costs do not exceed €0.5m. Series: up to 30% of total production costs. | In exceptional and justified cases funding can be awarded as a grant. Film: up to 30% of total production costs (max. €600,000), if exceeding €0.5m, otherwise up to 50% (max. €250,000) Series: up to 20% of total production costs (max. €150,000). | Film: €1m or 50% of total production costs, if exceeding €0.5m; otherwise up to 70%. | n/a | Applicant producer's own share minimum 5% of total production costs. Feature-length film: 20% minimum German share of total production costs, €7m German share sufficient if production costs exceed €35m. Series: minimum total production costs of \$1.3m (€1.2m) per episode. At least one final version must be produced in the German language (subtitles are sufficient). |
| Germany; Federal State Baden-Württemberg | Medien- und Filmgesellschaft Baden-Württemberg (MFG) Screenplay funding https://www.mfg.de/ | Loan | Between €45,000 and €60,000. | In exceptional and justified cases funding can be awarded as a grant. Film: up to 30% of total production costs (max. €600,000), if exceeding €0.5m, otherwise up to 50% (max. €250,000) Series: up to 20% of total production costs (max. €150,000). | Film: €1m or 50% of total production costs, if exceeding €0.5m; otherwise up to 70%. | n/a | Loan amount to be used for costs incurred in Baden-Württemberg. |

| Country | Name of scheme | Type | Value | Additional value | Cap per project | Annual budget | Limits, restrictions, considerations |
|---|--|--------------------|---|---|---|--------------------|--|
| Germany; Federal States Bremen and Lower Saxony | Nordmedia Project development and production funding https://www.nordmedia.de/ | Loan | Up to 80% of project development and production costs. | - | Project development: up to maximum of €100,000. | €89,264 (2019) | Applicant producer's own share minimum 5% of total production costs. At least 1.5 times the amount of the subsidy shall be spent in the region. Project to be completed 24 months after payment of final funding instalment. |
| Germany; Federal States Bremen and Lower Saxony | Nordmedia Screenplay funding https://www.nordmedia.de/ | Loan | Up to 100% (if applied for by author) or 90% (if applied for by producer). | - | Up to maximum of €25,000. | €372,380 (2019) | Applicant producer's own share minimum 5% of total production costs. At least 1.5 the amount of the subsidy shall be spent in the region. Project to be completed 24 months after payment of final funding instalment. |
| Germany; Federal States Hamburg and Schleswig-Holstein | Filmförderung Hamburg Schleswig-Holstein Production funding https://www.ffhsh.de/de/ | Loan | Cinematographic works: up to 50% of the calculated production costs. Television: up to 30% of the calculated production costs. | Repayment obligation subject to success of project. | - | €10,973,000 (2018) | Applicant producer's own share minimum 5% of total production costs. Loan commitment to expire if funding concept is not evidenced within 12 months of loan approval. Movie to premier in Hamburg or Schleswig-Holstein. At least 1.5 times the amount of the subsidy shall be spent in the region. |
| Germany; Federal States Hamburg and Schleswig-Holstein | Filmförderung Hamburg Schleswig-Holstein Project development funding https://www.ffhsh.de/de/ | Loan | Up to 80% of calculated project development costs. | Repayment obligation subject to success of project. | Up to maximum of €110,000. | €310,000 (2018) | Applicant producer's own share minimum 5% of total production costs. At least 1.5 times the amount of the subsidy shall be spent in the region. |
| Germany; Federal States Hamburg and Schleswig-Holstein | Filmförderung Hamburg Schleswig-Holstein Screenplay funding https://www.ffhsh.de/de/ | Interest-free loan | Up to €50,000. | Repayment obligation subject to success of project. | Up to maximum of €50,000. | €338,000 (2018) | Applicant producer's own share minimum 5% of total production costs. At least 1.5 times the amount of the subsidy shall be spent in the region. |

| Country | Name of scheme | Type | Value | Additional value | Cap per project | Annual budget | Limits, restrictions, considerations |
|--|--|--------------------|---|--|---|--------------------------------------|--|
| Germany; Federal State Hesse | HessenFilm und Medien Production (total production costs over €1.5 m) https://www.hessenfilm.de/ | Loan | Up to 50% of total production costs. | Repayment obligation subject to revenue with first 10 years. | €1 m for feature films; €500,000 for television and other audiovisual projects. | €5,755,000 (2018) | Movie to premier in Hesse if largest share of funds provided by HessenFilm. Applicant producer's own share minimum 5% of total production costs. At least 1.5 times the amount of the subsidy shall be spent in the region. |
| Germany; Federal State Hesse | HessenFilm und Medien Production (total production costs under €1.5 m) https://www.hessenfilm.de/ | Loan | Up to 50% of total production costs. | Repayment obligation subject to revenue within first 10 years. | €500,000 for feature films; €250,000 for television and other audiovisual projects. | €2,124,715 (2018) | Applicant producer's own share minimum 5% of total production costs. At least 1 times the amount of the subsidy shall be spent in the region. |
| Germany Federal State North Rhine- Westphalia | Film und Medien Stiftung NRW Production funding https://www.filmstiftung.de/ | Interest-free loan | Feature films: up to 50% (70% in exceptional cases) of total production costs. TV: up to 30% (50% in exceptional cases) of total production costs. | In exceptional cases, repayment obligations can differ. | - | €40,000,000 (total for all fundings) | Movie to premier in North Rhine-Westphalia. Applicant producer's own share minimum 5% of total production costs. Only applicants from the region or Germany can apply. In order to strengthen the audiovisual media industry in North Rhine-Westphalia, at least 1.5 times (1 times if costs do not exceed €750,000) of the funding amount shall be spent in the region. Funding shall be completed spent in the region (to the extent possible). However, up to 20% of all costs may be spent in other countries of the EU. |
| Germany | Film und Medien Stiftung NRW Project Development Funding https://www.filmstiftung.de/ | Interest-free loan | Up to 80% of total project development costs. | In exceptional cases, repayment obligations can differ. | Funding for a single project may not exceed €75,000. Bundled funding may not exceed €150,000. | | |
| Federal State North Rhine- Westphalia | Film und Medien Stiftung NRW Screenplay Funding https://www.filmstiftung.de/ | Interest-free loan | Up to €20,000. | In exceptional cases, repayment obligations can differ. | Up to €20,000. | | |

German film support schemes

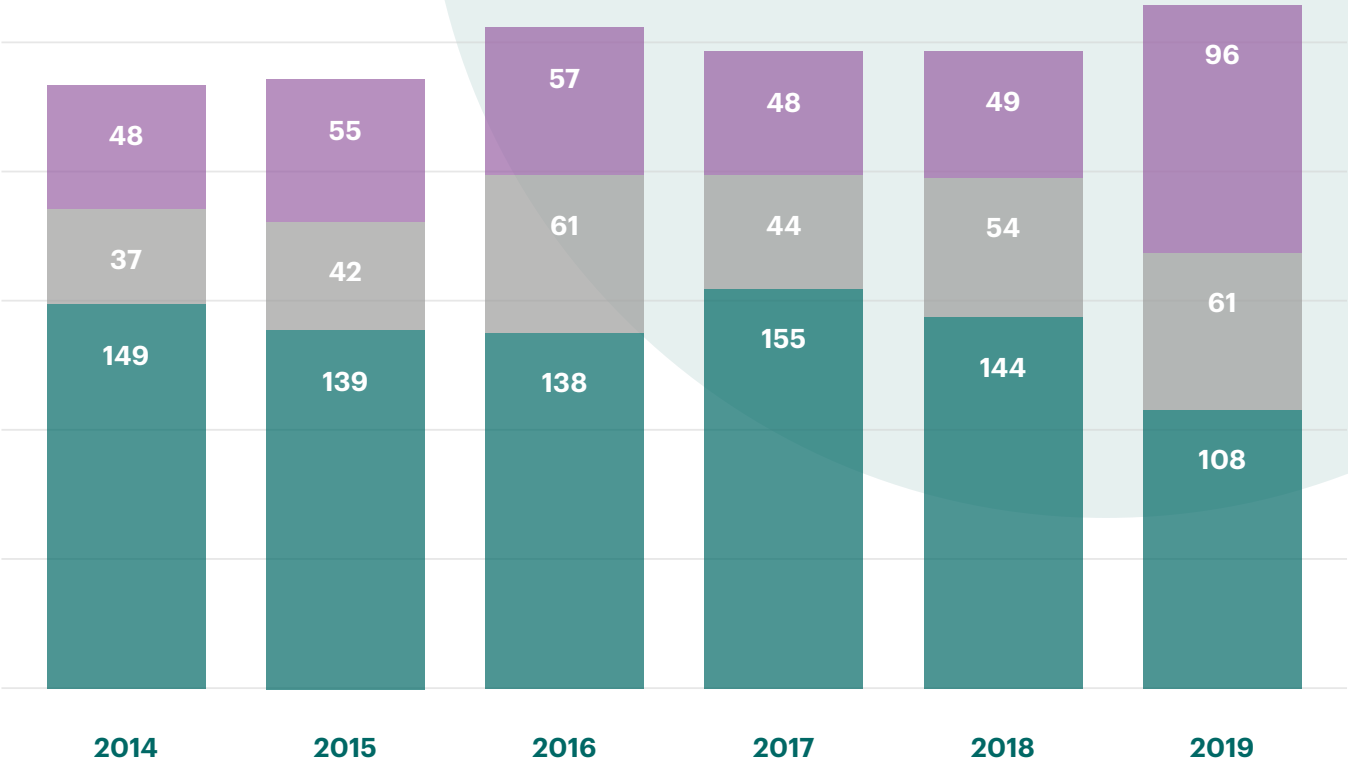
Federal film funds

The federal film funds aim to strengthen the quality and diversity of filmmaking in Germany. The Federal Government Commissioner for Culture and the Media is involved with various funding instruments that focus on German films of artistic value.

These include, amongst others, the following initiatives:

- German Motion Picture Fund (GMPF)
- Deutscher Filmförderungsfonds (DFFF)
- Cultural Film Funding by BKM (Kulturelle Filmförderung der BKM)
- Funding by the Filmförderungsanstalt (German Federal Film Board (FFA))
- Kuratorium junger deutscher Film

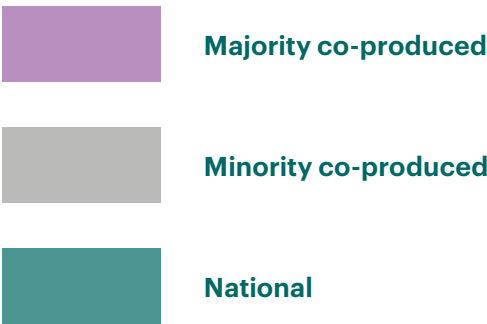
German feature films premiered from 2014 to 2019



Source: World Film Market Trends - European Audiovisual Observatory.

German Motion Picture Fund (GMPF)

The aim of the GMPF is to strengthen the competitiveness and innovative strength of Germany as a film location and to promote the production of films and series as economic and cultural assets. Funding is available for the production of internationally co-produced films and series with a high production budget and high expenditure in Germany. The program provides a special incentive to implement digital filmmaking in Germany. The German Federal Film Board (Filmfoerderungsanstalt (FFA)) is responsible for the implementation and administration of the funding measure.



In detail:

1. Value of incentives; repayment

- Funding will be awarded as partial funding in the form of a non-repayable grant.
- The amount of the funding is calculated according to the eligible German production costs, and cannot exceed 80% of the total production costs. "Production costs" include, amongst others, wages, salaries and other remuneration that is subject to taxation in Germany. "German production costs" are production costs for film-related goods and services provided by companies or their staff as well as by freelancers and self-employed persons in Germany.
- Scope and amount of funding:
 - Films:

Funding may be provided for up to 20% of the eligible German production costs, up to a maximum of €2.5 million per film.
 - Series:

Generally, funding is available for up to 20% of the eligible German production costs, not to exceed €2.5 million per season, irrespective of whether individual episodes of a season are funded or the entire season is funded.

2. Eligibility of recipient

Total production costs; German share

- Films:

The total production costs must be at least €25 million. Generally, the German production costs must comprise at least 40% of the total production costs.

- Feature-length films:

The German share of financing must be at least 20%. In the case of production costs exceeding €35 million, a German financial contribution of at least €7 million is sufficient.
- Series:

The total production costs must be at least €1.2 million per episode. Generally, the German production costs must comprise at least 40% of total production costs.

Release

- Funding is granted for the production of films that are not intended or suitable for initial release in cinemas, and for the production of series.
- Feature-length series are eligible, irrespective of whether they are intended for linear or non-linear reception. "Series" in this meaning includes a continuing, fictional plot that is played out in a predetermined number of at least six consecutive episodes (season). Whole seasons or individual episodes of a season may be funded. Each episode must run for at least 40 minutes.
- Funded films and series must be released on German television or on video-on-demand platforms accessible in Germany. Evidence of the intended release must be provided to the FFA at the time the application is submitted. Proof of the actual release in Germany must be furnished within one year after completion.

Language

Funding will only be awarded for films and series of which at least one final version is produced in the German language, except for dialogue scenes where the script provides for a different language. A version with German subtitles suffices.

Applicants

Applicants may be (co-)producers of films or series, i.e. persons responsible for the production of the project up to delivery of the answer print (a purely financial involvement is not sufficient), who

- have their domiciles or registered offices in Germany, another EU member state, another EEA contracting state or Switzerland. If the applicant does not have their domicile or registered office in Germany, they must have a business establishment within Germany at the time of disbursement of the funding, either by themselves or by an affiliated company;
- have produced at least one full program feature film (reference film) in Germany or in another member state of the European Union or in another state that is party to the Agreement on the EEA during the five years prior to the application for funding, that was released in German cinemas, and
- have, either by themselves or by a company affiliated with them in accordance with Section 15 of the German Stock Corporation Act (AktG), produced at least one full-length feature film (reference film) in Germany or in another member state of the European Union or in another state that is party to the Agreement on the EEA in the five years prior to making the application. The reference film must have been released in German cinemas. If the film is an international co-production involving a producer from a non-European company, the applicant must have produced the reference film alone or as a co-

"Major European media markets:
Germany: €23 billion
United Kingdom: €22 billion
France: €16 billion
European Union: €114 billion"

—Year Book - Key Trends
2019-2020

producer with majority participation. The FFA managing board may, in exceptional cases, waive the requirement for majority participation if the technical qualification of the applicant is not in doubt. In the case of an application for funding for a series (season or episode), the applicant must have produced a reference film or a feature-length series that has been accepted by a broadcaster or a video-on-demand platform.

Points

To receive funding, the project must score at least 40 points in a test of certain characteristics, which includes the categories "Creative Content", "Creative Talents from Germany, the EU, the EEA or Switzerland" and "Production".

Procedure

- A written application has to be submitted at least six weeks before start of shooting or animation work for the project; shooting or animation work may only commence after a funding notification has been issued.
- The funding can only be approved if at least 75% of the production costs of the project have already been financed without the funding applied for from the GMPF.
- Application documents must be in German.
- Work on filming or animation must begin within four months of receipt of the funding notification.



“Average feature film production budget in Germany in 2018 was €3 million.”

Deutscher Filmförderungsfonds (DFFF)

DFFF is an initiative of the Federal Government Commissioner for Culture and the Media to strengthen the film industry in Germany. The Commissioner has tasked the FFA with implementing the measure. It is intended to improve the economic framework conditions for the film industry in Germany, to preserve and promote the international competitiveness of enterprises in the film industry with the objective of achieving long-term effects for Germany as a production location in conjunction with further effects on the macro-economy. In this context, the competitiveness of companies in the production industry and the competitiveness of companies providing production services, including those with a high level of digital added value, are especially important. DFFF is intended to facilitate the financing of German and international feature films in Germany as a cultural good. The measure is aimed at enabling higher production budgets in order to further the artistic scope, the quality, attractiveness and hence the dissemination of films.

Funding requirements for producers (DFFF I):

1. Value of incentives; repayment

For projects with German production costs (i.e. production costs incurred by companies or their employees as well as by freelancers and self-employed persons for film-related goods and services provided in Germany) of up to €8 million, funding may amount to 20%, and for projects with German production costs of more than €8 million, funding may amount to 25% of the German production costs, but should not exceed €4 million per film.

2. Eligibility of recipient

Total production costs; German share; share by recipient

- The total production costs of the film excluding material or services provided for free or at a reduced charge, deferred fees for services rendered by those involved in the production of the film and deferred overhead costs, must amount to at least €1 million for feature films, to at least €200,000 for documentary films and to at least €2 million for animated films and films with virtually animated components.
- Funding shall be awarded only if the German production costs amount to at least 25% of the total production costs. If the total production costs exceed €20 million, the German production costs must, in derogation of the first sentence, amount to at least 20% of the total production costs.
- A funding shall be awarded only if the recipient makes an own financial contribution to the total production costs indicated in the cost budget, which must amount to at least 5% of the total production costs approved by the FFA.

Release

The film must be commercially released in Germany. To that end, the film must be screened in a cinema in Germany that regularly screens films, on at least seven consecutive days in a technical format suitable for cinemas and against payment of the market rate. The intention to theatrically release the film shall be demonstrated by presenting a legally binding and unconditional distribution agreement at the time of disbursement at the latest. The distribution agreement must provide for the release in cinemas of at least 45 prints of the film, or of at least 20 prints in case of a funding of less than €320,000; or for at least eight prints of a film in the case of a documentary film. Proof of theatrical release in

Germany must be provided within one year of completion of the answer print.

Language

A funding shall only be awarded for films of which at least one final version is produced in the German language, except for dialogue scenes where the script provides for a different language. As regards the language version of the film, a version with German subtitles suitable for cinema showing shall suffice. The German-language version must be submitted to the FFA prior to disbursement of the final instalment of the approved funding and at the latest after completion of the answer print and before the start of its theatrical release. At least one final version of the film must be produced with German subtitles for the hearing impaired and with a German audio description for the visually impaired of a quality that meets market requirements and is suitable for screening in a cinema.

Applicants

- Entitled to apply is the producer.
- The applicant must have his domicile or registered office in Germany, another EU member state or another EEA contracting state or Switzerland. Otherwise, he must have a business establishment within Germany at the time of disbursement of the funding. If the application is filed by the German subsidiary or establishment of an applicant with his registered office outside the European Union or the EEA or Switzerland, then all funding requirements must be met by the applicant's German subsidiary or establishment.
- The applicant or – if the film underlying the application is produced by a single-purpose company founded solely for that purpose – a company affiliated with the applicant must have produced, as an enterprise or a person responsible for a production, at least one feature-length film



In 2019, a total of 189 films from 31 countries were premiered in Germany.

during the last five years (reference film) before filing the application, in Germany or another EU member state or EEA contracting state or Switzerland. The reference film must have been commercially released in cinemas in Germany with at least 45 prints, with at least 20 prints where the total production costs of the reference film did not exceed €2 million and with at least eight prints in the case of documentary films.

Content

No funding shall be granted if the film features anti-constitutional or unlawful content. The same shall apply to films which, taking into account the dramaturgical structure, script, design, the actors' performance, animation, camera work or editing, are overall of poor quality. Nor shall films which are focused on pornography or the glorification of violence or which openly violate religious feelings in an inappropriate way be eligible for funding.

Points

To receive funding, the project must score at least 40 points in a test of characteristics that includes the categories "Creative Content", "Creative Talents from Germany, the EU, the EEA or Switzerland" and "Production".

3. Procedure

- A written application has to be submitted at least six weeks prior to the beginning of the shooting.
- The applicant must prove that 75% of the total production costs of the project are financed from another source.
- All submitted documents must be in German.
- Generally, the shooting or animation work may not commence until after a notification of funding has been issued.

Funding requirements for production service providers (DFFF II):

1. Value of incentives; repayment

For production service providers the funding can amount to 25% of the German production costs of the film or partial work of a film assigned to the production service provider, but may not exceed €25 million per film. Several expenditures are not eligible for funding, e.g. license costs for the use of existing works, legal fees, insurance costs, financing costs or travel costs.

2. Eligibility of recipient

Total production costs; German share

- The total production costs of the full-length feature or animated film need to amount to at least €20 million.
- The German production costs need to amount to at least €8 million. In the case of animated films, the German production costs may only amount to €2 million in certain cases.

Release

- The film must be commercially released in cinemas in Germany. For this purpose, the film must be screened for at least seven consecutive days in a technical format suitable for cinema use in a film theatre with regular operation in Germany for a fee customary in the market. The intended cinema exploitation is confirmed by a declaration of the manufacturer to the applicant. The submission of such declaration must be made at the latest at the time of payment.
- Generally, the cinema exploitation in Germany must be proven within one year after completion.



Language

At least one final version of the film has to be in German. Furthermore, at least one final version of the film has to be available in a version with German subtitles for people with hearing impairments and with German audio description for people with visual impairments.

Applicants

- Eligible for application are production service providers, which are specialized and sufficiently experienced with audiovisual services. This requirement is deemed fulfilled if the applicant, as a natural or legal person or a company affiliated with it under company law, has provided services as a production service provider for at least two full-length feature film productions with a total production cost of at least €10 million net each within the last five years prior to submission of the application, with a contract value of at least €1 million net each, or has produced such a feature film as a producer, and at the time of submission of the application has sufficiently specialized staff.
- The applicant must have his residence or registered office in Germany or another country in the European Union or the European Economic Area or Switzerland. If the applicant does not have his residence or registered office in Germany, he must have a branch in Germany.

Content

No funding is granted for movies that contain anti-constitutional or illegal contents, have a mainly pornographic or violent nature, substantially hurt religious feelings or are of low quality.

Points

- To receive funding, a feature film must score at least 48 points and an animated film must score at least 42 points in a test of characteristics that includes the categories "Cultural Content", "Creative Talents from Germany, the EU, the EEA or Switzerland" and "Production".
- The applicant shall take environmental concerns into account in the production of the film. For this purpose, the applicant may submit a self-commitment to the environmentally friendly, resource-conserving production of the film. If there is no such declaration of commitment, in the case of feature films or animated films, 10 points from the score for the category "Production" will be deducted.

3. Procedure

- A written application has to be submitted at least six weeks before the start of the work to be performed.
- The applicant must submit at least one provisional contract for work or service with the application.
- It needs to be demonstrated that 75% of the production costs have already been financed without the funding by the German Motion Picture Fund.
- All documents that are submitted have to be in German.
- The application is inadmissible if other funding from the federal budget is taken.
- Filming must not begin before receipt of the funding notification, but must begin within four months after receipt of such funding notification.



Cultural Film Funding by BKM (Kulturelle Filmförderung der BKM)

Cultural film funding is a measure taken by the Federal Government Commissioner for Culture and the Media (BKM) to strengthen film culture in Germany. The measure serves the purpose to increase the artistic quality of German film, to contribute to the distribution of German films of artistic quality, and to promote the development of cinema as a cultural center.

The BKM provides, amongst others, screenplay funding for program-filling feature films, funding for the development of feature-length documentaries, production support, promotion of lending and support for other projects. It also provides funding through the German Film Award, German Screenplay Award, German Short Film Award, rental price and Cinema program prize. The German Federal Film Board (Filmfoerderungsanstalt (FFA)) handles the funded film projects for the BKM.

The following applies to **production funding** by the BKM:

1. Value of incentives; repayment

- Funding is generally granted as non-repayable funding.
- For the production of feature-length feature films, documentaries and children's films, non-repayable funding in the amount of up to €500,000 and in exceptional cases up to €1,000,000 may be provided.
- For children's short films up to €15,000 can be granted. In exceptional cases higher funding is possible.
- The funding shall not exceed 80% of all recognized production costs.

The United Kingdom,
Germany, France, Italy
and Spain are the top five
exporting countries for film
titles on TVOD and SVOD:

TVOD - 79% of total exports

SVOD - 76%

TV titles on SVOD - 87%

Source: Year Book - Key Trends 2019-2020

- Funding of up to €15,000 can be awarded for outstanding short film projects.

2. Eligibility of recipient

Total production costs

Generally, film projects with production costs of up to €5 million are eligible for funding. In exceptional cases, films with higher production costs may also be considered. This does not apply to the funding of outstanding short film projects.

Release

- Shooting or animation work may generally only begin after the funding has been awarded.
- For funded film projects, regular initial exploitation in the cinema must be ensured.

Language

- In principle, the funding is only granted for films in which at least one final version of the film is produced in German, with the exception of dialogue passages for which the script provides for a different language. In the case of documentaries and short films, a German subtitled version suitable for cinema screening is sufficient.

- By the time the regular first cinema showings begin, at least one final version of the film must be produced in a version with German subtitles for people with hearing impairments and with German audio description for people with visual impairments in a quality that is in line with the market and suitable for cinema.

Applicants

- Eligible to apply is the producer.
- The applicant must have his residence or registered office in Germany. If he has his residence or registered office in another member state of the European Union or the European Economic Area or Switzerland, he must have a branch in Germany.

Content and other requirements

- No funding is granted for movies that contain anti-constitutional or illegal contents, have a mainly pornographic or violent nature or substantially hurt religious feelings.
- The film to be funded must have a substantial German cultural character (e.g. German language etc.).
- Apart from the main criterion of artistic quality, the feasibility within a reasonable time period and the expected distribution of the film, in particular for cinema exploitation, are considered in the funding decision. A project that was denied funding before may generally only be reconsidered if substantial changes were made. Those changes have to be explained in detail in the application

Procedure

- The funding will be paid in instalments according to the progress of the production of the film.



Funding by the Filmförderungsanstalt (German Federal Film Board (FFA))

The FFA provides funding for the production of cinema films of all genres and offers project film funding and reference film funding.

Reference film funding (“Referenzfilmförderung”)

Reference film funding is subsequent funding for visitor, film prize and festival successes. This funding is non-refundable, but must be used for the production or release of new productions.

1. Value of incentives

The funding granted by public funding agencies and state funding agencies may not exceed a total of 50% of the production costs of the film. In the case of joint productions, they may not exceed 60% of the financing share of the German producer. At the request of the producer, the Executive Board of the FFA may – in compliance with European Union regulations – deviate from this by granting funding of up to 80%. Difficult films are e.g. short films, first and

second films by directors, documentaries, etc. and works with low production costs.

2. Eligibility

Release and language

Prior to payment of the final instalment, the producer must provide evidence of the production of a DCDM (Digital Cinema Distribution Master) for digital cinema exploitation, the production of a subtitled version for people with hearing impairments and an audio description for people with visual impairments in German.

Applicants

The producer is eligible to apply.

Project film funding (“Projektfilmförderung”)

1. Value of incentives

- The FFA grants the producer an interest-free, conditionally repayable loan to finance the production costs of a feature-length film.

- Minimum funding quotas under the German Film Promotion Act (FFG) apply. The funding must in any case amount to at least €200,000 and for documentary films €100,000. If the applicant applies for a lower funding amount, loans of a lower amount can also be granted. In the case of international co-productions, the German share of financing is decisive.
- The funding granted by public funding agencies and state funding agencies may not exceed a total of 50% of the production costs of the film.

2. Eligibility of recipient

Release

Before the final instalment is paid, the producer must generally provide proof that a DCDM (Digital Cinema Distribution Master) has been produced for digital cinema exploitation and that a barrier-free version has been produced in German.

Language

The script of the film to be submitted with the application must be in German.

Applicants

Producers are eligible to apply.

Content and other requirements

On the basis of the script and the staff and cast list, the film project must be expected to produce a film that seems particularly suitable for improving the quality and profitability of German film.

3. Procedure

- Funding is normally paid out in the following quotas: (i) up to 75% at the start of shooting, (ii) up to 15% upon completion of the rough cut, (iii) 10% after examination of the final cost status.





Kuratorium junger deutscher Film

The funding of the “Kuratorium Junger Deutscher Film” is intended to contribute to the diversity of film culture and to increase the efficiency of the German film industry. On the one hand, it shall give young authors and directors the opportunity to realize their first cinema film projects. On the other hand, it shall strengthen children’s cinema film and contribute to improving the structures of its production and distribution. In addition, the support shall contribute to strengthening European cinema.

Funding is granted for talent films, i.e. the first and second feature films of the respective up-and-coming director or author after his or her training, and children’s films. Children’s films include feature films, documentaries and animated films that are aimed at children up to the age of 12 and are suitable for them, in particular because of their themes, their attitude and their design.

Talent films

1. Value of incentives; repayment

- Screenplay funding

Screenplay funding is available up to an amount of €15,000 (non-repayable funding).

- Project development funding

Project development funding (i.e. funding of the development of a project and the closure of its financing on the basis of an existing screenplay) can be up to an amount of €50,000 (conditionally repayable interest-free loan to be repaid in full at the start of shooting). The amount of the loan may correspond with up to 80% of the development costs.

- Funding of the production of feature-length films

The production of feature-length films (i.e. feature films that are screened for at least 79 minutes or documentaries and cinematographic works that are screened for at least 59 minutes) can be supported with a promotional loan of a maximum of €50,000 (conditionally repayable loan).

- Funding of the production of short films

The production of short films (i.e. films not longer than 30 minutes) can be funded with a maximum of €15,000 (conditionally repayable, interest-free loan). Repayment needs to be made after the contractually agreed own share of the recipient has been covered from the domestic and foreign exploitation proceeds of the film.

2. Eligibility of recipient

Total production costs; share by recipient

- Project development funding

The production costs may not exceed €1.5 million. The applicant producer must contribute an appropriate share of at least 20% of the recognized production costs.

- Funding of the production of feature-length films

The production costs may not exceed €1.5 million. The applicant producer must contribute an appropriate share of at least 5% of the recognized production costs.

- Release

The project must not have started at the time of application.

- Language or other

Projects should have a considerable German cultural character.

- Applicants

The producer may apply for funding.

- Content and other requirements

Projects that violate the constitution or applicable laws, which offend moral or religious feelings or which depict sexual processes or violence in an intrusive, speculative or coarsening form will not be funded.

3. Procedure

The funded projects are accompanied, examined and supported by a project consultant.

Children’s films

1. Value of incentives; repayment

- Treatment funding

Funding will be granted as a non-repayable funding. It amounts to a maximum of €8,000.

- Screenplay funding

Funding will be granted as a non-repayable funding. The maximum amount of the funding is €30,000.

- Project development funding

The funding can amount to up to €50,000 and cover up to 80% of the development costs (as a conditionally repayable, interest-free loan, which must be repaid in full at the start of shooting).

2. Eligibility of recipient

- Treatment funding

The author is entitled to apply. He must be able to present at least one filmed script for a feature-length film (feature film or documentary), no matter what genre, which he has written himself or with (maximum two) others.

- Screenplay funding

The prerequisite is that the project can be expected to produce a children’s cinema film. The author is entitled to apply.

- Project development funding

Funding is provided for the development of a project and the closure of its financing on the basis of an existing script. The producer is entitled to apply and must provide an appropriate contribution of at least 20%.

State film incentives

Medienboard Berlin-Brandenburg

Medienboard Berlin-Brandenburg provides funding for, amongst others, script and project development, for the production of high-quality feature-length films and for high-quality and cost-intensive TV productions from independent producers.

Script development funding and project development funding

1. Value of incentives; repayment

Funding is provided in the form of a conditionally repayable, interest-free loan and shall not exceed 50% of the development costs. In exceptional cases it may be up to 80% of the development costs.

2. Eligibility requirements

- Eligible for funding are the costs for the development of filmable scripts for cinema and television films.
- The producer may apply for funding and shall provide an appropriate share of the financing himself (at least 20%).
- (At least) the funds granted by the Medienboard must be used in Berlin-Brandenburg.
- Loans need to be paid back in full upon realization, at the latest by the start of the production or any other exploitation of rights (e.g. sale) from the project. The repayment obligation usually ends five years after completion of the project.

Project development funding

1. Value of incentives; repayment

Funding takes the form of a conditionally repayable, interest-free loan. As a rule, the repayment obligation ends five years after the theatrical release.

2. Eligibility requirements

- Medienboard promotes the production of feature-length films (i.e. films that are at least 79 minutes long; 59 minutes for children's films).
- The producer may apply for funding; he shall provide an appropriate share of the financing, which usually amounts to 50%.
- (At least) the funds granted by the Medienboard must be used in Berlin-Brandenburg.

3. Procedure

If funding is repaid, it can usually be used by the repaying production companies within three years as successful loans to finance a new project.

Funding of TV productions

1. Value of incentives; repayment

Funding takes the form of a conditionally repayable, interest-free loan.

2. Eligibility of recipient

- Medienboard promotes the production of television films if the costs and quality of the film are above average (e.g. "TV events"), ones that, in the long term, will strengthen the position of the production location Berlin-Brandenburg or are in the interest of the Berlin-Brandenburg production site. This includes, in particular, the position of independent producers and the infrastructure in the region, as well as the promotion of a diverse and creative television culture in Berlin-Brandenburg.
- As a rule, co-productions between independent producers and TV channels are supported. Fully financed commissioned productions cannot be funded.
- At the time the application is submitted, the main shooting must not have begun.
- (At least) the funds granted by the Medienboard must be spent in Berlin-Brandenburg.
- In principle, independent producers are entitled to apply if they have a registered office or a branch in Germany. The producer shall provide an appropriate share of the financing.

3. Procedure

The repayment obligation generally ends 10 years after the subsidized work has been made accessible for the first time. If subsidies are repaid, they can be refunded by the repaying production companies within three years as a success loan to the financing of a new project.

FilmFernsehFonds Bayern

FilmFernsehFonds Bayern (FFF Bayern) is a funding partner for the film and games industry in Bavaria. FFF Bayern provides funding for story and project development, the production of feature and television films, international co-productions for feature films or high-end series, (web)-serial and virtual reality formats, distribution and sales, cinemas, film festivals as well as games.

This includes, amongst others, the following:

Story and project development funding

1. Value of incentives; repayment

Story development

- The standard subsidy rate for fictional theatrical films and series is €30,000. For the development of filmable script for elaborate documentary films, including research, the standard subsidy rate is €20,000.
- Funding is provided as a conditionally repayable, interest-free loan.

Project development

- Project development may be funded for both theatrical and television films and series. The funding is awarded as a conditionally repayable, interest-free loan. It can amount to up to 70% of the calculated project development costs.
- The maximum rate for theatrical and television films is €100,000. The maximum rate for a series is €150,000. If production funding is granted for the project, the loan is credited against this amount.

2. Eligibility requirements

Story development

- Content requirements

For feature-length films and internationally marketable series, FFF Bayern supports the development of the screenplay or, in the case of a series, the screenplay for the first episode as well as the outlines for further episodes.

- Applicants

Writers and producers based in Bavaria are eligible to apply if they are dealing with material developed by the applicant himself or for which the applicant himself has acquired the filming rights.

Project development

- Regional spending/effect

The amount of the funding should be used as far as possible in Bavaria. The Bavaria effect specified by the producer in the application must at least be achieved and, in the case of a funding recommendation, will become part of the loan agreement.

- Applicants

Producers with a registered office, branch office or place of business in Germany are eligible to apply.

3. Procedure

Story development

The application for fictional theatrical films must be accompanied by a treatment with the entire plot as well as an elaborated cinematic dialogue scene. The application for series must be accompanied by a series concept, a detailed treatment and a cinematic dialogue scene for the first episode as well as ideas for the further episodes, a meaningful exposé and a concept for the cinematic

implementation. If the scriptwriter is the applicant, the application must also be accompanied by a declaration of intent from a producer based in Bavaria confirming his intention to realize the film project.

Project development

The application for theatrical and television films must be accompanied by a screenplay or a filmable script. The application for series must be accompanied by a series concept, a script for the first episode and outlines for further episodes. All applications must also be accompanied by a calculation, a financing plan, proof of acquisition of the filming rights and a realization concept.

Production funding for (national or international) theatrical feature films and television films and series

1. Value of incentives; repayment

- The production can be supported by up to 30% of the eligible production costs. The maximum amount is: €2 million for theatrical feature films, €600,000 for television films and €1 million for series. Funding is provided as conditionally repayable, interest-bearing loans.

2. Eligibility requirements

Total production costs

Theatrical feature films must have a total production cost of at least €5 million. For series, the production costs per episode should be at least €1.2 million (respective to 60 minutes length) or €20,000 per minute for other lengths per episode.

Release

Applications must be submitted before the start of the project. Shooting must begin at the latest 12 months after the loan approving decision has been granted.

Regional spending/effect

At least 150% of the requested subsidy is to be spent in Bavaria. The Bavaria effect and the shooting days specified by the producer in the application must at least be achieved and become part of the loan agreement in the case of a funding recommendation.

Applicants

Producers with a registered office, branch office or place of business in Germany are eligible to apply. International co-productions require a German producer in order to apply for funding.

3. Procedure

- The application must be accompanied by a valid contract with a German distributor or a deal memo. In addition, the script, a calculation, a financing plan, proof of acquisition of the film rights as well as a crew and cast list must be enclosed.
- Following a recommendation by the FFF Bayern, films whose exploitation can be expected to be particularly successful can be co-financed with funds from the Bavarian Banking Fund ("Bayerischer BankenFonds")
- If approved, the loan is paid in installments.

Medien- und Filmgesellschaft Baden-Württemberg (MFG)

Through its Film Funding division, MFG supports the development, production, and distribution of film and television productions that have circulation or broadcasting potential in film theatres, on television, for sales distribution, and at festivals, or other events. In cooperation with its Media Development division, it also supports new media applications. The primary funding objective is to develop, foster, and promote film culture. This necessarily also involves developing and strengthening the film industry in Baden-Württemberg, as well as showcasing Baden-Württemberg both nationally and internationally as a cultural and film industry location and acquiring international co-productions of high cultural value. The funding should also help promote the audio-visual sector in Europe. The following projects shall have funding priority: films in diverse genres that make an important contribution to film culture, film productions that make an important contribution to advancing the film industry in Baden-Württemberg, and high-quality television productions.

1. Value of incentives; repayment

Production support

- As a rule, funding is provided as a share of the financing in the form of a conditionally repayable loan towards the total production costs. In the case of international co-productions this will be based on the German share of the total production budget instead of the total production costs.
- In case of feature films with total production costs over €500,000, support should not exceed 50% of the total production costs nor be higher than €1 million. In exceptional and justified cases, support may be awarded as a subsidy that should

- not generally exceed 30% of the total production costs. Generally, the subsidy is limited to a maximum of €600,000 in individual cases.
- In case of feature films with total production costs up to €500,000, support should not exceed 70% of the total production costs. In exceptional and justified cases, support may be awarded as a subsidy which, as a rule, should not exceed 50% of the total production costs. Generally, the subsidy is limited to a maximum of €250,000 in individual cases.
- In case of television productions, support should not exceed 30% of the total production costs. In exceptional and justified cases, support may be awarded as a subsidy that, as a rule, should not exceed 20% of the total production costs. Generally, the subsidy is limited to a maximum of €150,000 in individual cases.
- As a rule, the recipient is obliged to repay the amount awarded with 50% of his receipts from the supported film. If other German funding institutions are involved in the financing of the film, proportional repayment can be agreed to accordingly. This obligation first comes into effect after the financing components, as recognized by MFG and given recoupment priority in the funding agreement, are covered. Further details are regulated by the respective funding agreements. It ends with the full repayment of the amount awarded. The obligation to repay based on the producer's share of receipts expires, at the latest, eight years following the film's theatrical release and/or start of utilization in Germany.

Screenplay funding

- Script development is eligible for a loan that is repayable, contingent on success. The loan shall not exceed between €60,000 and €45,000, depending on the level of experience of the applicant.

2. Eligibility requirements

Production support

- Applicants

Producers are eligible to apply. The applicant is expected to contribute a commensurate amount of his own investment, which, as a rule, may not be less than 5% of the total production costs, even if the project in question is small. In this case, his own investment is to be at least 2% of the total production costs. Exceptions to these requirements concerning the producer's own share or investment can be made, particularly in the case of newcomer projects.

- Content and other requirements

A feature film will only be considered for support if it is an ambitious project that will contribute to successful, quality programming, both in film theaters as well as on television.

Screenplay funding

- Authors are eligible to apply, as well as producers in the category "Producers with scriptwriters".
- As a rule, the loan awarded is to be used for costs incurred in Baden-Württemberg.

In any case: regional spending/effect

Conditions of support are:

- the cultural quality of the project and a cultural or other connection to Baden-Württemberg or
- the cultural quality of the project and its economic interest to Baden-Württemberg.

An economic interest exists if an amount equivalent to at least 120% of the financial support awarded is spent in Baden-Württemberg. This Baden-Württemberg effect is to be achieved by the project costs that are to be primarily spent in areas relevant for the film industry. A cultural or other connection to Baden-Württemberg exists if: (i) the content of the project is closely tied to Baden-Württemberg, (ii) the producer/applicant is a resident of Baden-Württemberg, or (iii) the project has already received support from another German film fund and, in addition, SWR or ZDF and/or ARTE hold the television rights.

Nordmedia (Bremen and Lower Saxony)

Nordmedia is the central media promotion organisation in the states of Lower Saxony and Bremen. Its aim is to strengthen and further develop the multimedia cultural scene in Lower Saxony and Bremen in both quantitative and qualitative terms, and to help creative scriptwriters and producers in the film and television sector to successfully realize their projects. Nordmedia organises the support scheme in collaboration with company associates and partners: Financial contributions are not only provided by the states of Lower Saxony and the Hanseatic City of Bremen, but also by the broadcasters NDR, Radio Bremen and the ZDF.

1. Value of incentives; repayment

Project development funding

- Funding can amount to up to 80% of the eligible costs, up to a maximum of €100,000.
- As a rule, the funding amount must be repaid at the start of shooting or any other exploitation of rights to the funded project.

Screenplay funding

- In case of applications by authors, funding may be granted to the amount of up to 100% of the eligible costs, or of up to 90% in case of applications by producers, but in any case, funding may not exceed €25,000.
- 50% of the revenues, up to the amount of the funding granted, must be repaid at the start of shooting or any other exploitation of rights. If the recipient films the screenplay itself, 100% of the screenplay funding must be repaid at the start of shooting. The repayment obligation ends five years after payment of the last loan instalment.

2. Eligibility requirements

Total production costs

- Production funding

The applicant must provide an appropriate share in financing his project. The own funds contained therein should amount to at least 5% of the production costs and should be provided in cash (bank deposits to be verified by bank confirmation). Alternatively, the applicant may contribute funds as own funds, which are granted in the form of loans with an unconditional repayment obligation or as participatory loans.

Release

The recipient is obliged to complete the funded project at the latest 24 months after payment of the final funding instalment.

Regional spending/effect

Projects may be supported if they have a cultural economic effect in Lower Saxony and/or Bremen. When implementing a subsidized measure, the aim must be to ensure that at least 1.5 times the amount of subsidies are spent in Lower Saxony and/or Bremen.

Applicants

- Production funding
Eligible to apply is the producer who guarantees competent execution of the production.
- Project development funding
Producers and developers who guarantee competent implementation of the project are eligible to apply.

- Screenplay funding

Authors and producers who are collaborating with the author of the project at the time of application are eligible to apply for funding.

Content and other requirements

- Production funding

Funding may be granted for the production of cinematographic, television and other audiovisual projects, including those involving interactive digital content. The project must be characterized by a special artistic and creative and/or program quality in terms of content and must have an exploitation concept aimed at reaching a broad public. In particular, a production that appears suitable for exploitation on the international market or is to be co-produced with European partners is eligible for funding.

3. Procedure

- Applications must be submitted before the shooting starts, online and in writing, and in German language.

Production funding

- A breakdown shall be given of the proportion of production costs spent in Lower Saxony and/or Bremen.
- The applicant shall demonstrate to what extent he supports the media professional education and training of persons in the production of audiovisual production, e.g. through internships, who have their main residence in Lower Saxony or Bremen.

Filmförderung Hamburg Schleswig-Holstein

Filmförderung Hamburg Schleswig-Holstein supports cinema films and exceptional TV productions of all genres. It provides financial support for all phases of film projects, from the first script drafts through production to sales, distribution and festival presentations. The aim of the funding is to develop, maintain and strengthen film culture and the film industry in Hamburg and Schleswig-Holstein. In particular, support is to be provided for economically promising film productions, films of various genres that make an important contribution to film culture, television plays and series of high quality standard, which, according to their content, form and staffing, are geared to international exploitation, and culturally significant television and video productions.

1. Value of incentives; repayment

In general, the loan must be repaid at the start of shooting or when exploitation rights are sold.

Production funding

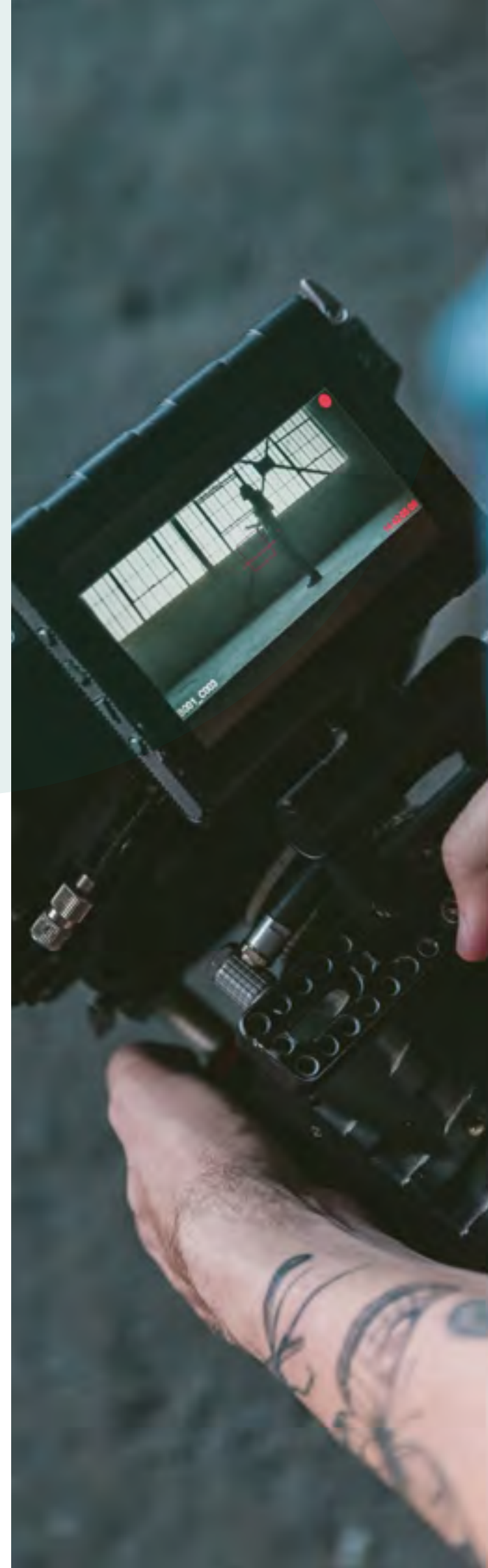
- Funding is provided in the form of a success-based repayable loan. The disbursement of approved funding presupposes that the overall financing of the project has been proven. As a rule, the funding commitment expires if the complete financing is not proven within 12 months after the date of approval.
- In case of cinematographic works, the loan may not exceed 50% of the total calculated production costs.
- In case of television productions, the loan may not exceed 30% of the total calculated production costs.

Project development funding

The development of a cinematographic or television film may be supported by the provision of a loan repayable on the basis of success. The loan may amount to up to 80% of the calculated project development costs, but may not exceed €110,000.

Screenplay funding

- The production of a screenplay for a full program or, in exceptional cases, the development of a script for the elaboration of a project-specific description for full program documentaries can be supported by funding in the form of an interest-free loan repayable on a success-related basis up to a maximum of €50,000.
- If the funded film project is not realized within 36 months of payment of the last instalment, the rights acquired with the funding fall to the funding body. In return for repayment of the funding amount, the recipient of the funding may, in cooperation with the author, demand that the rights to the screenplay be reassigned.



2. Eligibility requirements

Total production costs; share by recipient

- Production funding
The applicant must use his own funds to an appropriate extent to finance the film project, which, as a rule, must not be less than 5% of production costs, even for smaller projects.

Release

- The recipient undertakes that the supported project is to be submitted at the latest within 24 months after payment of the last instalment for production funding to Filmförderung Hamburg Schleswig-Holstein GmbH.
- The German premiere of subsidized feature films is to take place in Hamburg or Schleswig-Holstein.

Applicants

- Production funding
Producers are eligible for funding.
- Project development funding
Producers are eligible for funding.
- Screenplay funding
Authors are eligible for funding, as well as producers who, at the time of application, have already worked together with authors.

Regional spending/effect

In order to strengthen the audiovisual media in Hamburg and Schleswig-Holstein, it is desirable that 1.5 times the total funding amount for the current year is spent in Hamburg and Schleswig-Holstein. Notwithstanding this, recipients may spend at least 20% of the total production costs in another country of the European Economic Area.

3. Procedure

- Applications must be submitted before shooting (in writing).

Funding by HessenFilm und Medien GmbH (“Hessen Film”)

The funding by Hessen Film is intended to increase the artistic and cultural quality of the film, television, media and cinema culture and ensure a diverse cultural landscape. At the same time, the funding is intended to strengthen the German Federal State Hessen as a film and media location and, in particular, to improve the location conditions of the film industry, with its high dynamic growth and innovation potential. Furthermore, added value is to be achieved for the entire service sector, including other branches of industry. Funding is in particular provided in the following areas: cinema films and television productions, youth and talent (graduation film; debut and/or second film; talent package promotion), media (development of innovative digital, audiovisual content and projects) and playback (festivals, events and series, other playback measures, cinema investment).

Cinema films, television productions and other audiovisual projects with total production costs over €1.5 million

1. Value of incentives; repayment

For cinema films, television productions and other audiovisual projects with total production costs over €1.5 million, a conditionally repayable interest-bearing loan is available. The maximum funding amounts to up to 50% of the eligible production costs and is capped at €1 million for feature-length cinema films and at €500,000 for television productions and other audiovisual projects.

2. Eligibility requirements

Total production costs; German share

- Projects with total production costs over €1.5 million.

- The production costs are decisive for the calculation of maximum funding limits. In the case of international co-productions, the German share of financing or – if this is higher – the German share of the costs must be taken as a basis.

Release

- Generally, the project must not have started yet at the time of application.
- Before the expiry of the blocking periods laid down in the applicable German Film Funding Act, a subsidized cinema film may generally not be exploited by image carriers in Germany or in the German language abroad, on television or in any other way.
- The premiere of projects in which HessenFilm’s funding share is higher than that of another funding institution shall take place in Hessen. Performances at festivals are excluded. Further details will also be specified in the funding agreements.

Applicants

Eligible for applications are primarily small and medium-sized enterprises within the meaning of the EU definition and members of the liberal professions.

Public broadcasters and private broadcasters as well as their subsidiaries in which they hold a share of more than 25% are not eligible to apply.

Content and other requirements

- Support for productions is only available if (a) the project is ambitious and contributes to successful, high-quality programming and (b) the project can be expected to be economically successful. In principle, there must be a return flow possibility.
- Funding is not available for industrial, advertising or image films. Projects that are significantly supported by an idea-giving and one-sided third party are also excluded.

Regional spending/effect

The project must have a cultural or other connection to the Federal State of Hessen or there must be an economic interest of the Federal State of Hessen in the project.

3. Procedure

- Applications must be submitted to HessenFilm on time, in full and in German.
- The application must be accompanied by a script, a staff and cast list, a calculation and a financing plan. In addition, a detailed evaluation concept and a comprehensible presentation of the return flows must be included.
- HessenFilm will decide on the applications after consulting a jury, unless otherwise stipulated in the guidelines.
- The funding will be paid out in instalments in accordance with the proven project progress. Further details are regulated in the funding agreement.
- The term of the conditionally repayable interest-bearing loan is generally seven years.

Cinema films, television productions, short films and experimental films with total production costs up to €1.5 million

1. Value of incentives; repayment

For the production of cinema films, television productions, short films and experimental films with production costs up to €1.5 million, generally support can be granted in the form of a conditionally repayable interest-free loan with a maximum funding up to 50% of the total production costs, but not more than €500,000 for cinema films and short or experimental films or €250,000 for television production and other audiovisual projects.

2. Eligibility requirements

Total production costs; German share

- The costs of the project for which funding is applied for are to be calculated in line with industry practice and the principle of economic management.
- The production costs are decisive for the calculation of maximum funding limits. In the case of international co-productions, the German share of financing or – if this is higher – the German share of the costs must be taken as a basis.

Release

- Before the expiry of the blocking periods laid down in the applicable German Film Funding Act, a subsidized cinema film may generally not be exploited by image carriers in Germany or in the German language abroad, on television or in any other way.
- The premiere of projects in which HessenFilm’s funding share is higher than that of another funding institution, shall take place in Hessen. Performances at festivals are excluded. Further details will also be specified in the funding agreements.

Applicants

- Eligible for application are primarily small and medium-sized enterprises within the meaning of the EU definition and members of the liberal professions.
- Public broadcasters and private broadcasters as well as their subsidiaries in which they hold a share of more than 25% are not eligible to apply.

Content and other requirements

- Funding is not available for industrial, advertising or image films. Projects that are significantly supported by an idea-giving and one-sided third party are also excluded.

Regional spending/effect

- The project must have a cultural or other connection to the Federal State of Hessen or there must be an economic interest of the Federal State of Hessen in the project. The Hessen Effect may be waived if the region has a special interest in the project.

3. Procedure

- Applications must be submitted to HessenFilm on time, in full and in German.
- The application must be accompanied by a script, a staff and cast list, a calculation and a financing plan. In addition, a detailed evaluation concept and a comprehensible presentation of the return flows must be included.
- The funding will be paid out in instalments in accordance with the proven project progress. Further details are regulated in the funding agreement.
- The term of the conditionally repayable interest-bearing loan is generally seven years.

Funding by Film und Medien Stiftung NRW

Film und Medien Stiftung NRW supports cinema films and exceptional TV productions of all genres. It provides financial support for all phases of film projects, from the first script drafts through production to sales, distribution and festival presentations. The aim of the funding is to develop, maintain and strengthen film culture and the film industry in North Rhine-Westphalia. In particular, support is provided for economically promising film productions, films of various genres that make an important contribution to film culture, television plays and series of a high quality, which, according to their content, form and staffing, are geared to international (especially European) exploitation, and culturally significant television and video productions.

Cinema films, television productions and others

1. Value of incentives; repayment

Production funding

- Funding is provided as a conditionally repayable, interest-free loan.
- In case of cinematographic works, funding may not exceed 50% (70% in exceptional cases) of the calculated production costs.

- In case of television productions, the loan may not exceed 30% (50% in exceptional cases) of the calculated production costs.

Project development funding

- Funding is provided as a conditionally repayable, interest-free loan.
- Funding may not exceed 80% of the calculated project development costs. Funding may be provided in the form of bundled funding for three to five movies.
- Funding for a single project may not exceed €75,000. Bundled funding may not exceed €150,000.

Screenplay funding

- Funding is provided as a conditionally repayable, interest-free loan.
- The production of a screenplay for a full program may be supported by up to €20,000.

2. Eligibility requirements

To be eligible for funding, all applications have to be of particular quality in content and production format. In addition, the project has to be of particular value for the region's culture and economy.

Total production costs; share by recipient

- Production funding
 - Producer's own investment may not be less than 5% of the total production costs.

Release

- The recipient undertakes that the supported project is submitted to *Film und Medien Stiftung NRW* at the latest 36 months after payment of the last instalment for production funding.
- The German premiere of subsidized feature films shall take place in North Rhine-Westphalia.

Applicants

- Production funding
 - Only producers from the region or Germany can apply.
 - A German co-producer is required, ideally from North Rhine-Westphalia.
- Project development funding
 - Only producers from the region or Germany can apply.
- Screenplay funding
 - Producers and scriptwriters can apply from the region or Germany.

Regional spending/effect

- In order to strengthen the audiovisual media industry in North Rhine-Westphalia, at least 1.5 times the funding amount shall be spent in the region.
- At least 1 times the funding amount must be spent in the region if the total budget of the production does not exceed €750,000.
- Funding shall be completed spent in the region (to the extent possible). However, up to 20% of all costs may be spent in other countries of the EU.

3. Procedure

- Applications must be submitted before starting the project.
- Support is based on a jury decision.
- Submission deadlines for projects are five times a year.
- Consultation prior to submission is recommended.
- Entry forms, guidelines and deadlines are available under www.filmstiftung.de/en

Tax-related issues

Income taxes

Monetary film incentives are generally subject to corporate income tax and trade tax. In accounting terms, it is generally possible to choose whether the tax is levied directly upon receipt or whether the acquisition or production costs are first reduced, which later leads to a higher income.

Value added tax

Monetary film incentives are in principle genuine subsidies within the meaning of the German VAT Application Decree (UStAE) and are therefore not subject to value added tax (Section 10.2. UStAE on Section 10 of the German VAT Act (UStG)).



About us

We understand the dynamics of the ever-changing media industry and closely monitor developments in the sector.

Our multi-faceted team is based in our German office locations situated in **Berlin, Düsseldorf, Frankfurt** and **Munich**, advising on matters regarding information technology, e-commerce (ITE) and digital entertainment, as well as on media and telecommunications law.

We are one of the very few law firms that can **service clients worldwide** and in particular across Europe, in all areas of law relevant to this industry, with M&A, regulatory, data protection, and intellectual property law being at the core of our offering.

We advise clients from the telecommunications and media sectors, including fixed and mobile telecom operators, satellite operators, service providers, broadcasters and digital media providers, as well as users of telecom and media products, services and related technologies, with a broad range of focused transactional and regulatory advice. Furthermore, we assist technology clients in R&D processes, licensing, SLAs, and provide them with advice on public procurement.

Our practice is ranked in important legal directories (*JUVE Handbook, The Legal 500*) and has been acknowledged as “Top Law Firm 2020” for copyright law by *WirtschaftsWoche*, while Constantin Rehaag received the award “Top Lawyer” in this field.

Our team

Dr Stefan Dittmer and his team advise clients in the press, sports and entertainment industry on all aspects of industrial property protection and copyright law, and expression and license agreement law. Stefan represents clients in disputes relating to unfair competition, copyright, trademarks, patents and designs, and commercial disputes in general before courts of law and arbitral tribunals.

Dr Constantin Rehaag, MA has comprehensive experience in IP litigation, including trademark, patent and copyright litigation, in anti-piracy work and the related criminal law. In the field of entertainment, he advises broadcasting companies and providers of encryption technology as well as the gaming sector on intellectual property issues, in particular on the protection, marketing and licensing of copyrights.

Dr Jana Semrau-Brandt advises and represents companies from the publishing and media industries in all matters of intellectual property and technology law, including data, license and trade secret protection and competition law. Thanks to her previous work for ProSiebenSat.1 Media SE, Jana has extensive experience in press law and IP aspects of technology-driven transactions and business models.



Dr Stefan Dittmer

Partner, Co-Head IP&T in Germany
D +49 30 2 64 73 390
stefan.dittmer@dentons.com



Dr Constantin Rehaag, M.A.

Partner, Co-Head IP&T in Germany
D +49 69 45 00 12 241
constantin.rehaag@dentons.com



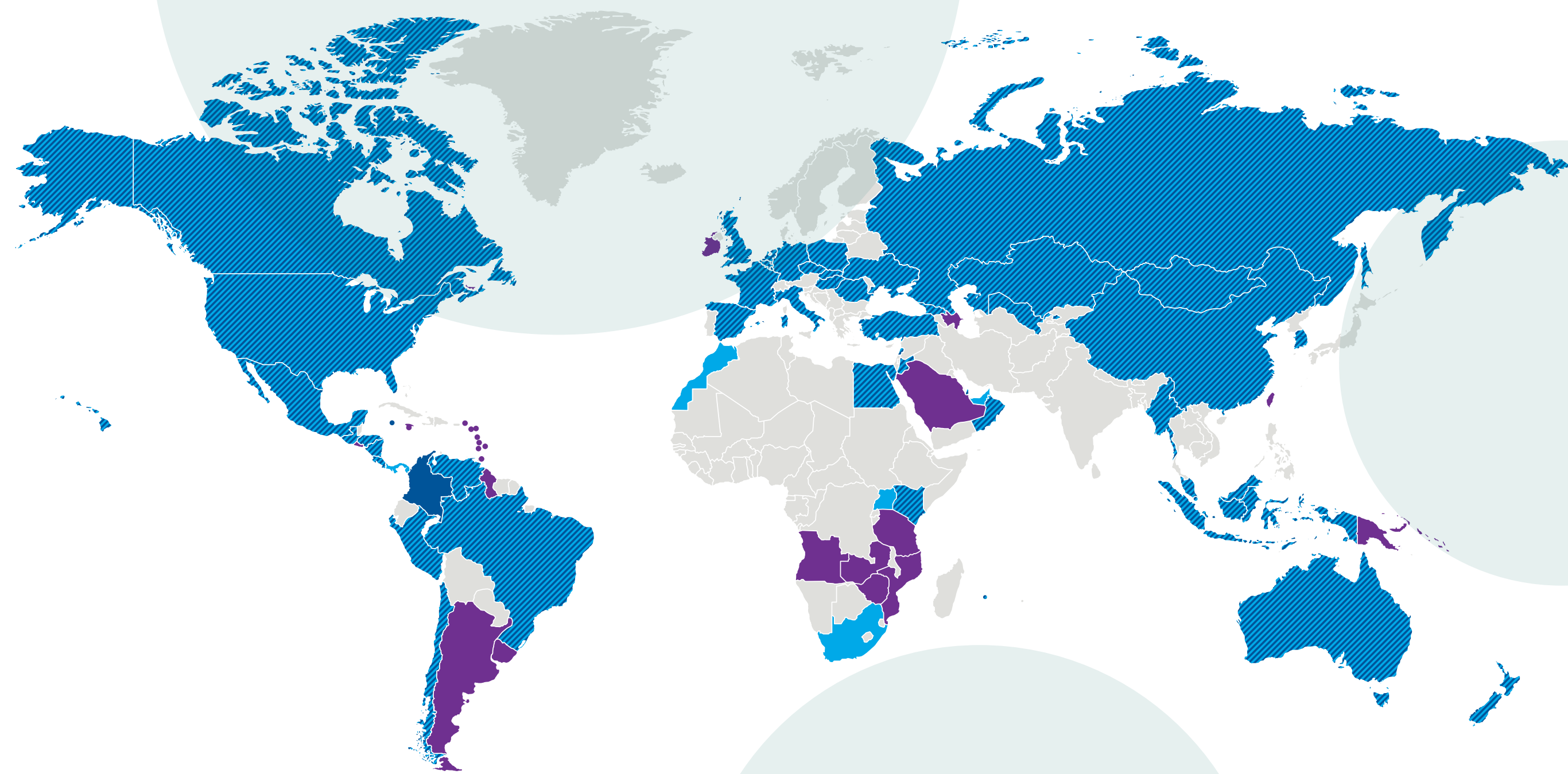
Dr Jana Semrau-Brandt

Senior Associate, Intellectual Property and Technology
D +49 30 26473 398
jana.semrau-brandt@dentons.com

Selected experience

- **AFP - Agence France-Presse:** Advising AFP, AFP GmbH and its subsidiaries on all legal matters arising from their activities as news agencies, including photographic and other visual media services.
- **FUNKE MEDIENGRUPPE:** Advising with regard to cooperation between the Berlin daily newspapers Tagesspiegel and Berliner Morgenpost. Under the terms of the agreement, the two daily newspapers will work closely together in advertising, marketing and distribution in the future.
- **Pay TV channel:** Representing this client in criminal (by way of accessory prosecution) and in civil proceedings against members of a globally operating criminal network illegally broadcasting protected content.
- Representing **clients from various industries** in matters where formerly employed models and actresses claimed additional compensation.
- **Intermedia:** Advising Intermedia Vermögensverwaltungs GmbH, a subsidiary of Medien Union, which is one of Germany's leading media groups, on the acquisition of air passenger rights portal Flightright, which is based in Potsdam, Germany. Advising on IP aspects of the transaction, in particular related to core software licenses.

Our media and film industry experience



- Other Dentons Offices
- Film industry experience only
- Media industry experience only
- Both Media and Film industry experience

ABOUT DENTONS

Dentons is the world's largest law firm, connecting talent to the world's challenges and opportunities in more than 75 countries. Dentons' legal and business solutions benefit from deep roots in our communities and award-winning advancements in client service, including Nextlaw, Dentons' innovation and strategic advisory services. Dentons' polycentric and purpose-driven approach, commitment to inclusion and diversity, and world-class talent challenge the status quo to advance client and community interests in the New Dynamic.

dentons.com

© 2020 Dentons. Dentons is a global legal practice providing client services worldwide through its member firms and affiliates. This publication is not designed to provide legal or other advice and you should not take, or refrain from taking, action based on its content. Please see [dentons.com](https://www.dentons.com) for Legal Notices.