

Eurimages

Support for co-production

Feature-length fiction, animation and documentary films

Support for co-production

For information about EURIMAGES, please consult our website:
www.coe.int/Eurimages

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Summary

Support for the co-production of feature-length fiction, animation and documentary films

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Introduction

Active since 1989, Eurimages was established as a cultural support fund of the Council of Europe.

Objective

Eurimages promotes independent filmmaking by providing financial support to feature-length fiction, animation and documentary films. In doing so, it encourages co-operation between professionals established in different countries.

Budget

Eurimages has a total annual budget of €26 million. This financial envelope derives essentially from the contributions of the member states as well as returns on the loans it grants.

Board of Management

The Board of Management, under the authority of its President, defines the policy of the Fund and takes decisions on support. It meets four times a year and is composed of representatives of its member states.

Secretariat

The Secretariat of Eurimages is responsible for implementing the decisions taken by the Board of Management. It maintains contacts with cinema professionals and has the task of assessing applications for funding as well as ensuring the follow-up of support agreements. The Secretariat is based in Strasbourg under the authority of its Executive Director.

Support schemes

Eurimages has four support schemes: feature film co-production, the promotion of co-production, theatrical distribution (suspended in its current form as from the 2020 cycle) and exhibition. Eurimages promotes independent filmmaking through a number of collaboration agreements with various festivals and film markets and has also adopted a strategy to promote gender equality in the film industry. The regulations in this brochure refer to the co-production support scheme. For the other support schemes, please refer to the relevant regulations.

Decision-making process

There are four calls for projects per year. The Secretariat applies the eligibility criteria contained in Article 2 of these regulations and reports to the Board of Management. Projects declared eligible by the Secretariat are then evaluated by the Board of Management, which avails itself of the artistic expertise of independent professional script readers. In taking its decisions on the support it grants, the Board of Management applies the selection criteria contained in Article 3 of these regulations.

Funding

Eurimages support takes the form of soft loans (co-production support) or subsidies (promotion of co-production, theatrical distribution and exhibition). Soft loans are repaid on the basis of revenues generated by the projects supported.

Information

Deadlines for the calls for projects, application forms and contact details can be found on: www.coe.int/eurimages.

Regulations

concerning co-production support for feature-length fiction, animation and documentary films

1 Call for projects

1.1. Applications

1.1.1. Applications for financial support shall be submitted to the Executive Director of Eurimages by one of the co-producers, with the consent of all the co-producers.

1.1.2. Applications shall be submitted online in English or French in accordance with the instructions set out on the online application platform, together with all of the items detailed both on the online platform and in the checklist published on the Eurimages website (www.coe.int/Eurimages), and must include relevant evidence of financing. Incomplete applications and projects submitted by producers fulfilling one or several of the exclusion criteria listed under Article 1.5.1. shall be excluded. Projects which do not conform to the eligibility criteria at the time when they are submitted for funding shall be declared ineligible by the Secretariat.

1.1.3. Co-producers must contact their National Representatives on the Board of Management of Eurimages at the earliest opportunity. If one of the National Representatives concerned has not been contacted prior to the meeting of the Board of Management, the project shall be withdrawn from the agenda.

1.1.4. The Executive Director may carry out any verification he or she considers appropriate as to the compliance of the project with Eurimages Regulations.

1.2. Deadlines

1.2.1. Application deadlines, fixed annually by the Board of Management, will be published on the Eurimages website: www.coe.int/Eurimages.

1.2.2. Applications must be submitted via the on-line application platform by 6 p.m. (French local time) without exception, on the day of the application deadline.

1.3. Currency and applicable exchange rates

1.3.1. The accounts of Eurimages are kept in euros, and the amount of financial support is expressed in euros.

1.3.2. In determining the equivalent in euros of the total production costs, of the contribution of each co-production partner and of the amount of financial support applied for, the only applicable exchange rate for foreign currencies into euros is that regularly set by the Finance Division of the Council of Europe and published on the Eurimages website: www.coe.int/Eurimages.

1.4. Re-submissions

1.4.1. A project can only be withdrawn once from the agenda of the Board of Management and be re-submitted once.

1.4.2. A project previously rejected by the Board of Management cannot be re-submitted.

1.4.3. It should be noted that a project withdrawn from the agenda will not automatically be placed on the agenda of the next Board of Management meeting. Any request for re-submission must be made via the online application platform by the delegate producer within the application deadlines mentioned under para. 1.2..

1.4.4. A project can be withdrawn from the agenda at the request of the delegate producer no later than 31 days before the meeting of the Board. A project is considered as rejected, and thus cannot be placed on a subsequent agenda of the Board of Management, if its producers decide to withdraw it after the declaration of eligibility made by the Secretariat.

1.5. Exclusion from co-production support

1.5.1. Producers shall be excluded from applying for co-production support if they, or, where applicable, their owners or persons having powers of representation or decision making:

1.5.1.1. have been convicted by final judgment for any of the following offences: participation in a criminal organisation, corruption, fraud, money laundering;

1.5.1.2. are in a situation of bankruptcy, liquidation, termination of activity, insolvency or arrangement with creditors or any like situation arising from a procedure of the same kind, or subject to a procedure of the same kind;

1.5.1.3. have been convicted by final judgment for serious professional misconduct or any other offence relating to professional integrity;

1.5.1.4. do not comply with their obligations relating to the payment of social security contributions, taxes and duties under the legislation of their country of incorporation;

1.5.1.5. are in a situation of a conflict of interests or a potential conflict of interests in relation to the co-production support programme or any of the producers' contractors to be used for the realisation of the project;

1.5.1.6. have engaged in misconduct in connection with an earlier application for support that led Eurimages to justifiably terminate the support agreement or to exclude the company from the support agreement.

1.5.2. When submitting their request for support, all producers involved in the application for support shall deliver a declaration on their honour and on behalf of their owners and persons having powers of representation or decision-making, stating that they are not in any of the situations listed under Article 1.5.1.

1.5.3. Eurimages reserves the right to ask successful applicants to supply the following supporting documents:

- a. For the items in Articles 1.5.1.1., 1.5.1.2. and 1.5.1.3., an extract from the record of convictions or failing that an equivalent document issued by the competent judicial or administrative authority of the country of incorporation, indicating that these requirements are met;
- b. for the items in 1.5.1.4., a certificate issued by the competent authority of the country of incorporation.

1.5.4. Each producer involved in the application shall inform Eurimages without delay of any change in their circumstances with regard to the exclusion criteria under 1.5.1.

2 Eligibility criteria

2.1. General provisions

2.1.1. The Executive Director will decide on the eligibility of projects based on the eligibility criteria listed hereafter.

2.1.2. Projects for feature-length fiction, animation and documentary films of a minimum length of 70 minutes, intended for cinema release, are eligible.

2.1.3. Projects submitted must be co-productions between at least two independent producers, established in different member states of the Fund, of which at least one is a member state of the Council of Europe.

2.1.4. Projects submitted must comply with the legislation of the countries concerned and the bilateral or multilateral treaties in force between the co-producing countries. For the purposes of these regulations, the awarding of national public support will be considered, where appropriate, equivalent to national accreditation (co-production status certificate) issued by the competent national authorities.

2.1.5. Projects submitted must conform to the cultural objectives of the Fund.

2.1.6. Projects must include a digital master copy for cinema release and compatible with norms generally applied in the member states.

2.2. Eligible producers

2.2.1. Financial support may only be awarded to producers. Producers are natural or legal persons governed by the legislation of one of the Fund's member states, whose principal activity consists in producing cinematographic works, and whose origins are independent of public or private broadcasting organisations or telecom companies.

2.2.2. A company is considered eligible if it is majority owned and continues to be majority owned, either directly or indirectly, by nationals of the member states. Legal entities which are not able to show the composition of their shareholding are not eligible.

2.2.3. A production company is considered independent when less than 25% of its share capital is held by a single broadcaster or less than 50% where several broadcasters are involved.

2.2.4. Producers who have previously received support from Eurimages must have met all their contractual obligations to the Fund, in particular the submission of revenue statements for any project(s) previously supported by Eurimages and the payment of any outstanding amounts due.

2.3. Co-production structure

2.3.1. In the case of a multilateral co-production, the participation of the majority co-producer must not exceed 70% of the total co-production budget and the participation of each minority co-producer must not be lower than 10%. In the case of a bilateral co-production, the participation of the majority co-producer must not exceed 80% of the total coproduction budget and the participation of the minority co-producer must not be lower than 20%. For a bilateral co-production not falling under the revised Convention, a majority co-production participation of up to 90% of the total co-production budget is eligible provided that:

- the co-production budget is superior to €5 million;
- the co-production structure is in conformity with a bilateral treaty.

2.3.2. In the case of projects falling under the Council of Europe Convention on Cinematographic Co-production (revised), the co-production contributions set out in that Convention shall be applied.

2.3.3. The structure of the co-production shall be attested by a duly signed co-production agreement. For the purposes of the project selection procedure, a deal memo may exceptionally be accepted provided it contains detailed provisions on the following essential aspects of the co-production:

- clear indication of the participation of each co-producer in the financing of the project;
- joint ownership of all the rights;
- sharing of the revenues between the co-producers (exclusive and/or shared territories);
- definition of the total budget, spending requirements and the event of overbudget;
- reference to the applicable treaties.

2.4. Participation of producers and financiers established in non-member states of the Fund

2.4.1. Co-producers from non-member states of the Fund may participate in the project provided that their combined co-production percentage does not exceed 30% of the total co-production budget.

2.4.2. The Executive Director may carry out any verification he or she considers appropriate in order to ensure that control of the project remains in the hands of the co-producers from the member states of the Eurimages Fund.

2.5. Technical and artistic co-operation and financial co-productions

2.5.1. Projects must display artistic and/or technical co-operation between at least two co-producers established in different member states of the Fund, of which at least one is a member state of the Council of Europe. This co-operation will be assessed on the basis of the nationality and/or residence of the heads of departments (director, scriptwriter, composer, director of photography, sound engineer, editor, art director, costumes) and of the main roles (first, second and third roles), as well as on the studio or shooting location, and the location of the post-production and laboratory facilities and service providers.

2.5.2. However, a co-production with an exclusively financial contribution from one or more co-producers is also eligible on condition that it has access to national accreditation in the co-producing countries.

2.6. Qualifying project

2.6.1 The points described in the below provisions shall be awarded in accordance with the elements originating in member states of the Council of Europe or member states of the Fund.

2.6.2. Fiction projects must achieve at least 15 out of 19 points, according to the points system set out below:

Director	3
Scriptwriter	3
Composer	1
First role	3
Second role	2
Third role	1
Camera operator	1
Sound recordist and mixer	1
Editor	1
Art director and costumes	1
Studio or shooting location	1
Post-production location	1
TOTAL	19

First, second and third roles are determined by the number of days worked.

2.6.3. Animation projects must achieve at least 14 out of 21 points, according to the points system set out below:

Conception	1
Script	2
Character design	2
Music composition	1
Directing	2
Storyboard	2
Chief Decorator	1
Computer backgrounds	1
Layout	2
50% of the expenses for animation	2
50% of the colouring	2
Compositing	1
Editing	1
Sound	1
TOTAL	21

2.6.4. Documentary projects must achieve at least 50% of the total points, according to the points system set out below:

Director	3
Scriptwriter	2
Camera operator	2
Editor	2
Shooting location	2
Post-production location	2
Researcher	1
Composer	1
Sound engineer	1

2.6.5. A project that does not achieve the minimum points described in the provisions above may still be considered eligible on condition that it has access to national accreditation in accordance with the legislation in force in the co-producing countries concerned. Compliance with this requirement shall be attested by written confirmation of provisional accreditation (provisional co-production status certificate) granted by the competent national authorities.

2.7. Start of principal photography

2.7.1. Applications are eligible only if no more than 50% of the total shooting/animation has taken place before the first day of the Board of Management meeting at which the application is examined.

2.7.2. In the case of documentaries, applications are eligible only if no more than 80% of the total shooting has taken place by that date.

2.8. Copyright regulations and joint ownership of the negative

2.8.1. Projects submitted must comply with the copyright regulations in force in the co-producing countries, *inter alia* with regard to decisions concerning the final cut.

2.8.2 The negative must be jointly owned by all co-producers.

2.9. Financial requirements

2.9.1. Projects should have the benefit, in each of the co-producing countries, of either public support, or a television pre-sale, or a minimum guarantee or any other financing arrangement verifiable by and acceptable to the Executive Director (except for equity investments, deferrals, in-kind contributions and pro rata shares of minimum guarantees for Rest-of-the-World rights).

Public support for development and post-production are also acceptable if the support is intended to cover costs specifically foreseen in the production budget.

2.9.2. At least 50% of the financing in each of the co-producing countries must be confirmed by formal undertakings or agreements in principle such as contracts, deal memos, letters of intent with amounts, confirmations of public support and bank statements. However, a bank statement cannot be the sole confirmation that the financing threshold has been met. Deferrals (including producers' fee and overheads) and in-kind contributions shall be accepted as confirmed sources of financing only up to a maximum of 15% of the total co-production budget.

2.9.3 The Executive Director may request any further evidence he or she may consider necessary in order to assess the financial capacity of the co-producers or financiers.

2.9.4. The production budget shall clearly include the costs necessary for the completion of a digital master copy for cinema release and compatible with norms generally applied in the member states.

3 Selection of projects

3.1. Analysis by the Secretariat

The Executive Director will provide the Board of Management with a systematic and detailed analysis of each project.

3.2. Selection criteria

3.2.1. The Board of Management will select projects keeping in mind the objectives of the Fund.

3.2.2. In doing so, it will carry out a comparative analysis of the applications submitted, upon the basis of the following selection criteria:

- quality and originality of the script;
- vision and style of the director;
- contribution of the team involved and level of artistic and technical co-operation;
- consistency and level of confirmed financing;
- circulation potential (festivals, distribution, audience);
- adherence to the values and aims of the Council of Europe.

4 Nature of financial support and amounts

4.1. Production support

Financial support is provided in the form of a conditionally repayable interest-free loan (advance on receipts).

4.2. Amount of financial support

4.2.1. Financial support shall not exceed 17% of the total production cost of the film and shall in no event be superior to €500 000. In the case of documentaries, the financial support shall not exceed 25% of the total production cost of the film. The financial support shall in no event exceed €500 000.

4.2.2. The budget, the financing plan and the amount of support requested from Eurimages will be assessed and verified by the Executive Director.

4.3. Allocation of financial support

4.3.1. The financial support shall be allocated to each co-producer according to the proportion of his or her financial participation in the co-production.

4.3.2. Eurimages financial support may be allocated disproportionately, except in the case of financial co-productions. Such disproportionate allocation to one of the co-producers shall not be lower than 10% nor exceed 50% of the total amount allocated by Eurimages to the co-production concerned. In such cases, the Eurimages contribution shall not exceed 50% of the total financing of any of the co-producers. Nevertheless, the repayment of the amount awarded will be in proportion to each producer's percentage in the co-production.

4.4. Validity of the support decision

The validity of any decision to support the co-production of a cinematographic work will expire if no agreement between Eurimages and the co-producers has been entered into within a period of twelve months from the date of the Board of Management meeting at which the decision was taken and if principal photography has not commenced within the same period. For duly justified reasons, the Executive Director may extend such a period by a maximum of six months.

5 Support agreement and payments

5.1. Conclusion of the support agreement

5.1.1. An agreement between the co-producers involved and the Executive Director, acting on behalf of Eurimages, shall stipulate the terms on which the support is awarded.

5.1.2. The support agreement shall be drawn up on receipt of the following documents:

- definitive co-production contract(s) plus any addenda thereto;
- revised financing plan including the actual amount of the support allocated by the Board of Management;
- confirmation of artistic and/or technical co-operation;
- confirmation of the attribution of provisional national accreditation;
- contracts or firm undertakings confirming the financing of the project;
- chain of title documents;
- any other document proving that the conditions precedent set by the Board of Management have been met.

5.1.3. The Executive Director may, at his or her own discretion, terminate the support agreement 10 years after the first commercial exploitation of the film.

5.2. Payment of financial support

Unless otherwise agreed by the Executive Director of Eurimages, payment will be made in three instalments:

5.2.1. The first instalment of 60% of the total amount awarded is payable following:

- the signature of the support agreement as defined in Article 5.1 above;
- the first day of principal photography;
- if appropriate, after signature of the collection account management agreement.

5.2.2. The second instalment of 20% of the total amount awarded is payable:

- after confirmation by the laboratory of completion of the digital master copy intended for cinema release and compatible with norms generally applied in the member states;
- after receipt of distribution guarantees and/or pre-sales upon which binding agreements have been concluded before completion of the digital master copy of the film and necessary to finance the project, as well as receipt of and approval by Eurimages of the signed original of the document listing these items (the "List of Deductions");
- after receipt and approval by Eurimages of an updated financing plan;
- after approval of the credit list by the Executive Director.

5.2.3. The third instalment of 20% of the total amount awarded is payable:

- after confirmation of cinema release in the co-producing countries or, if appropriate (documentaries only), selection in at least one significant film festival;
- after receipt and approval by Eurimages of the total final costs of the production and the expenditure and financing of each co-producer, presented in a standard form approved by Eurimages and certified by a chartered accountant, an auditor or a statutory auditor independent from the production companies involved;
- after receipt and approval of the final financing plan;
- after receipt and approval of evidence of payment of the minimum guarantees included in the financing plan and in the list of deductions approved by Eurimages. Minimum guarantees paid in cash shall not be accepted. Eurimages reserves the right to modify the list of deductions should the evidence of payment submitted be unsatisfactory;
- after receipt and approval by Eurimages of the publicity material for each co-producing country and receipt of 50 copies of the DVD with English and, if possible, French subtitles, or with a sound track in English;
- after confirmation of attribution of definitive national accreditation.

5.3. Production bank account(s)

Payment of the co-producers' share of the amount awarded shall be made by Eurimages either to the respective bank accounts opened by each co-producer, or to a single bank account opened by the delegate co-producer, on condition that written consent is received from each of the co-producers concerned.

5.4. Completion guarantee

Should the co-producers conclude a completion guarantee, Eurimages must be a signatory to the contract and have the status of beneficiary.

6 References to Eurimages' Support

6.1. Eurimages' support must be mentioned clearly and visibly in the main credits at the beginning of the film, as high as possible after the producers and in accordance with its financial contribution, as well as in major publicity material for the film.

6.2. The draft front and end credits must be submitted to Eurimages for prior approval. Failing this, Eurimages reserves the right to refuse payment of the outstanding balance of the support awarded.

7 Repayment of the support

7.1. Eurimages recoupment corridor

7.1.1. The support amount is repayable, from the first euro, from each producer's net receipts at a rate equal to the percentage of the Eurimages share in the financing of the film, and after deduction – if formally approved by the Secretariat by means of the "List of Deductions" – of distribution guarantees and/or pre-sales necessary for the financing of the film upon which binding agreements have been concluded before completion of the answer print. Any other deductions or comparable financing arrangements are to be approved by the Executive Director.

Subject to prior written approval from the Executive Director, the share of distribution minimum guarantees or international sales advances financed by "Soficas", financial institutions or risk investors such as gap and equity financiers (hereafter "complementary financing") may be assimilated to minimum guarantees or international sales advances and recouped prior to Eurimages provided that:

- The complementary financing takes the form of a distribution guarantee or international sales advance whose nature can be clearly and objectively verified in the contractual documents provided to Eurimages (for example, allocation of receipts alone constitutes an insufficient proof). In the absence of a distribution or international sales agreement in standard industry form, the complementary financing will not be accepted by Eurimages;
- Complementary financing must be provided by independent companies or third-party organisations, without shareholding or legal links with the producers involved in the project;
- The complementary financing agreements must be signed before the completion of the digital master copy;
- Once the minimum guarantee or international sales advance including the complementary financing has been recouped by the distributor, an additional recoupment corridor will be allocated to Eurimages, above and beyond Eurimages' standard recoupment position as defined above. The additional corridor will be equivalent to the total of remaining receipts until recoupment by Eurimages of an amount equal to the application of the standard Eurimages recoupment percentage to the complementary financing. The overall corridor granted to Eurimages will therefore be equal to 100% of receipts after recoupment of the distribution guarantees and international sales advances. Exceptionally, and on a case-by-case basis, this corridor can be reduced to no lower than 50% of receipts in order to allow potential rights-holders, other than the co-producers, to recoup;
- Only the nominal value of the complementary financing, excluding any premiums or interest, will be considered as recoupable prior to Eurimages.

7.1.2. Each co-producer shall be proportionally responsible for repayment of the share of the support allocated to him or her. Repayment is due up to 100% of the amount awarded. In the case of disproportionate allocation of Eurimages support (according to the conditions under Article 4.3.2. above), the repayment of the support awarded will be in proportion to the co-production percentages.

7.1.3. When there is a group of national co-producers, the Leading producer as identified in the support agreement shall be responsible for reporting obligations and repayment of the sums due by the whole group. The co-producers forming part of the same group shall send to the Leading producer of their group, the information and funds necessary in order to comply with the obligations of the group.

7.1.4. At any time during the examination of support applications and the follow-up of support agreements, Eurimages reserves the right to request a detailed recoupment schedule from the co-producers, in order to verify the correct application of these Regulations and those of the support agreement with regard to repayment of the support granted.

7.2. Producers' net receipts

7.2.1. The following are considered as producers' net receipts: all receipts resulting from exploitation of all or part of the film and from any products derived from the film in the territories exclusively allocated to the producers, as well as in the territories other than those exclusively allocated to the producers, after deduction of "deductible costs" linked to the exploitation of the film (as defined in Article 7.3.1. below). These net receipts shall constitute the basis for the reimbursement of the support.

7.2.2. Any pre-sales and distribution guarantees in excess of the financing necessary to cover the production cost approved by Eurimages as well as those concluded after completion of the answer print are considered as net receipts for the purpose of repayment to Eurimages. The Executive Director must have received valid documentation before payment of the second instalment of the support (see Article 5.2.2. above).

7.2.3. Should the producers and/or distributors be beneficiaries of any form of public or private support (including but not limited to distribution support, sponsoring etc.) covering a part or the totality of the distribution costs, this must be clearly indicated in the revenue statements and the corresponding costs must be deducted.

7.3. Deductible amounts

All deductions must be approved by the Executive Director.

7.3.1. “Deductible costs” are out-of-pocket, third-party verifiable, non-refundable expenses incurred and directly related to the exploitation of the film concerned. The only “deductible costs” accepted by Eurimages for the calculation of net receipts are:

- a. the distribution commission of up to 25% (per set of rights sold in one territory), except in domestic co-producing countries, and with the exception of the cases mentioned in Article 7.3.4.;
- b. provided that the costs listed below are not already fully or partially included in the production budget approved by Eurimages:
 - technical costs related to the manufacture and the forwarding of release prints (on all media) of the film, as well as the manufacture of a foreign language version of the work;
 - costs related to publicity for the launch (P&A) of the film (on all media) announced, incurred and paid by the distributors and/or sales agents, and approved by each producer upon receipt of all items of evidence of these costs.
- c. non-deductible taxes paid to public authorities for the exploitation of the film;
- d. customs duties and fees to professional organisations, costs related to submission of the film to censure, control and archive bodies, insofar as they are directly related to the film concerned.

Deductible costs falling outside the above definition (for example a sales agent’s flat market fee) may exceptionally be accepted subject to the Executive Director’s approval. Deferrals, equity investments, royalties, profit participations and authors’ rights cannot be deducted from the revenues generated.

7.3.2. All such “deductible costs” should be duly specified in the financial statements provided by the distributors and/or sales agents and shall be subject to verification.

7.3.3. In the event that the distribution costs are directly borne by the producers and such costs are not already included in the financial statements provided by the distributors and/ or sales agents, Eurimages may accept the deduction of such costs as follows:

- a. should the producer decide to distribute the film himself, the corresponding costs shall be deducted in the same manner as indicated in Article 7.3.1., provided that these costs are certified by an independent chartered accountant who confirms that such costs are directly related to the film in question, were established using project-based accounting, and were not included in the production budget. The deduction of a distribution commission is acceptable provided that it is within the percentage limits generally accepted in the territory in question and for the relevant rights.
- b. should the producer appoint a distribution company which does not bear all the distribution costs, the share of the costs borne by the producer himself shall be deducted in the same manner as indicated in Article 7.3. provided that (i) the distribution company certifies in writing that it has not borne the distribution costs deducted by the producer, and (ii) the distribution costs deducted by the producer are certified by an independent chartered accountant who confirms that these are directly related to the film in question, were established using project-based accounting and were not included in the production budget.

7.3.4. A sales agent’s fee superior to 25% can be accepted on condition that:

- the fee includes the technical and publicity costs listed in Articles 7.3.1. to 7.3.3. No other deduction from gross receipts will in this case be accepted by Eurimages;
- OR
- the fee is related to non-theatrical exploitation (cultural or educational institutions) or festival screenings
- AND
- the fee is not superior to 50% of gross receipts.

7.4. Revenue statements

7.4.1. Starting from the first commercial exploitation of the project, the co-producers shall, without prior request, provide Eurimages with revenue statements concerning the exploitation of the film as soon as there are receipts or at least once every 12 months.

These statements shall be presented in a clear and detailed format, showing the exploitation results of the film for each type of media, clearly indicating the “deductible costs”, and shall include a copy of the royalty statements from distributors and sales agents, as well as a copy of all sales and licence agreements.

7.4.2. Each co-producer is obliged to provide Eurimages with a copy of all contracts for the exploitation of the film or any part thereof.

7.4.3. Where no collection account management agreement has been signed, receipts arising from the Rest-of-the-World territories (that is, territories other than the exclusive territories of the co-producers) must be declared by the delegate producer who will be solely liable for repayments of Eurimages’ support arising from these territories.

7.5. Collection account

For projects with a budget of €3 million or more, the setting up of a collection account by a collection agency shall be obligatory. For projects with a budget of less than €3 million, Eurimages reserves the right to demand the setting up of a collection account by a collection agency. In all cases, Eurimages must be a signatory to the subsequent agreement.

8 Modification of the support granted and termination of the support agreement

8.1. Evolution of the co-production

8.1.1. Co-producers must request the prior approval of the Executive Director, and provide adequate documentation, concerning any modification to the artistic, technical, legal or financial aspects of the project as approved by the Board of Management.

8.1.2. Any substantial modification of the artistic or financial structure of the project must be approved by the Board of Management. A substantial modification is defined as a change of:

- the director after principal photography or animation has commenced;
- the identity of the delegate or majority producer;
- a co-production with artistic and technical cooperation into a financial co-production (in line with the applicable treaties).

Any other changes shall be approved by the Executive Director.

8.1.3. Without prejudice to the above provisions, a change of director before the start of shooting or principal animation shall automatically entail the cancellation of the Eurimages financial support to the project. Producers are entitled to submit a new application for support at the following calls for projects.

8.2. Decrease in production costs

Should the revised production budget of the film at the date of signature of the support agreement between Eurimages and the co-producers be inferior by more than 10% to the production budget initially submitted to the Board of Management for decision, the support granted by Eurimages will be reduced proportionally to the decrease exceeding 10%.

Similarly, should the final cost of production be inferior by more than 10% to the budget included in the support agreement signed between Eurimages and the co-producers, the support granted by Eurimages will be reduced proportionally to the decrease exceeding 10%.

Finally, should successive reductions in the production budget as described above be individually less than 10% but taken cumulatively reduce the budget by more than 10%, Eurimages support will, as outlined above, be reduced proportionally to the decrease exceeding 10%.

8.3. Cancellation of financial support

8.3.1. Eurimages' financial support shall be cancelled or immediately repayable if:

- a. a producer fails to meet the terms of these Regulations or the obligations contained in the terms of the support agreement, or
- b. a producer has made false or misleading statements in the application or other relevant correspondence.

8.3.2. Eurimages may exceptionally and for duly justified reasons derogate from Article 8.3.1.

8.3.3. If, within one year from the first theatrical release in any of the co-producing countries, the second and/or the last instalment(s) of the support has/have not been disbursed, the Executive Director will, in consultation with the authorities of the co-producing countries, cancel any outstanding amount.

8.3.4. Eurimages further reserves the right to cancel financial support, in full or in part, or to deem it immediately repayable in situations covered by Article 1.5.1.

8.4. Theatrical release

Eurimages financial support shall be cancelled if the film is not completed or theatrically exhibited in each of the co-producing countries within the time limit set in the support agreement. After consulting the competent authorities of the co-producing countries and taking into account the particular characteristics of the film in question, the Executive Director may derogate from the obligation to release the film theatrically in minority co-producing countries where evidence of another acceptable form of presentation to the public can be provided.

9 Dispute settlement and interpretation of the Regulations

9.1. There can be no appeal against a decision of the Board of Management not to support a request for financial support.

9.2. Any dispute relating to the execution of any agreement concluded pursuant to these Regulations shall be submitted, failing a friendly settlement between the parties, for decision to an Arbitration Board composed of two arbitrators, each selected by one of the parties, and a presiding arbitrator, appointed by the other two arbitrators. If a presiding arbitrator is not appointed under the above conditions within a period of six months, the President of the *Tribunal de Grande Instance* of Strasbourg shall make the appointment.

9.3. However, the parties may submit the dispute for a decision to a single arbitrator chosen by them by common agreement or, failing such agreement, by the President of the *Tribunal de Grande Instance* of Strasbourg.

9.4. The Board referred to in paragraph 9.2. or, if appropriate, the arbitrator referred to in paragraph 9.3., shall determine the procedure to be followed.

9.5. Failing agreement between the parties on the law applicable, the Board, or if appropriate, the arbitrator, shall decide *ex aequo et bono* having regard to the principles of law, as well as observing customs used in the cinematographic and audio-visual field.

9.6. The arbitration decision shall be final and shall be binding on the parties.

9.7. The Board of Management reserves the right to interpret and amend these Regulations.