

## **Information for Producers**

### **Main changes in the Regulations for Co-production Support 2018**

#### **1) Producer's Note of Intent**

Guidelines for the Producer's Note of Intent are now available in the "Download" section of the Eurimages website. As a reminder, the Producer's Note is obligatory both in English and French.

#### **2) Revised Council of Europe Convention on Cinematographic Co-production (Article 2.3.2)**

Producers established in countries which have signed and ratified the Revised Council of Europe Convention on Cinematographic Co-production can apply the new rules contained in this recent treaty, such as minimum / maximum contributions per country (for bilateral 90/10 and for multilateral 80/5). You can consult the list of ratifications [here](#).

If not all the producers of the co-production are established in countries which have signed and ratified the Revised Council of Europe Convention on Cinematographic Co-production, the old European Convention on Cinematographic Co-production still applies.

#### **3) Shooting derogation (Article 2.7.2)**

Shooting derogations (ie if principal photography starts before the decision of the Board) must be specifically requested in the on-line platform by ticking the appropriate box, uploading the necessary documents and providing the explanations justifying the derogation in the appropriate field.

#### **4) Financial requirements (Article 2.9.1)**

A (pro-rata) share of a rest-of-the-world minimum guarantee cannot alone be considered sufficient to make a financing plan eligible (since each of the coproducing countries should have the benefit of either public support, or a television presale or a minimum guarantee). Development and post-production support are acceptable if intended to cover costs included in the production budget.

#### **5) Soficas and gap financing/equity investments (Article 7.1.1)**

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

- The complementary financing takes form of a distribution guarantee or international sales advance whose nature can be clearly and objectively verified in the contractual documents provided to 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. 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.

For the avoidance of any doubts, pure equity investments cannot be assimilated to minima guarantees.

#### **6) Receipts from Rest-of-the-World rights (Article 7.4.3)**

If no collection account management agreement has been signed, receipts arising from the Rest-of-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) Decrease of production costs (Article 8.2)**

If the budget of a co-production drops by more than 10% between the time of support and the signature of the Support Agreement, the amount of Eurimages' support will be reduced by a percentage equal to the decrease exceeding 10%.

In the same way, if the final production cost is lower than the budget included in the Support Agreement by more than 10%, the amount of Eurimages' support will be reduced by a percentage equal to the decrease exceeding 10%.

Finally, if each individual decrease in the budget is less than 10% but the overall decrease between the budget at the time of support and the final production cost is more than 10%, then the amount of Eurimages' support will also be reduced by a percentage equal to the decrease exceeding 10%.

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