



MEDIA 2007 (2007-2013) *

SUPPORT FOR THE TRANSNATIONAL DISTRIBUTION OF EUROPEAN FILMS

THE "AUTOMATIC" SCHEME

PERMANENT GUIDELINES 2011-2013

*** Decision N° 1718/2006/CE
of the European Parliament and the Council**

Please note that the standard grant agreements/decisions of the Agency are currently under revision due to the entry into force of the new Financial Regulation and its Rules of Application as from 01 January 2013. For this reason they are not yet annexed to the call. The Agency will publish the draft grant agreements/decisions related to this call as soon as possible and, in any event, in due time before the deadline for the submission of proposals. Please note also that the other documents available to you are already in line with the new provisions. The Agency reserves, however, the right to introduce changes or additional details subject to the adoption of the final text of the Financial Regulation and Rules of Application. In this case the changes will be announced in due time before the deadline of the call.

Version history

Version	Date	Comments
1.0	April 2011	First version for public release
2.0	February 2012	<u>3.2 – Timetable for reinvestment stage</u> : Dates of projects and eligibility period changed <u>8.1 – Generation stage</u> : Clarification on eligible entries and 20M€cap for the Generation
3.0	December 2012 <i>The changes below take into account the entry into force of the new Financial Regulation and its Rules of Application as from 1/01/2013.</i>	<p>6. Exclusion Criteria If the grant does not exceed EUR 60 000, applicants do not have to sign any declaration on honour for the exclusion criteria.</p> <p>7. Selection Criteria If the grant does not exceed EUR 60 000, applicants do not have to prove their operational and financial capacity.</p> <p>9. Financial conditions Profit is defined as a surplus of receipts over eligible costs.</p> <p><u>9.1 Contractual provisions and payment procedure</u> Payment deadlines have been modified and interests on pre-financing for grants are no longer compulsory.</p> <p><u>9.2 Certificate on the financial statements and underlying accounts</u> New procedure</p> <p><u>9.3 Guarantee</u> Guarantees may only be requested where the grant exceeds EUR 60 000.</p> <p><u>9.5 – Eligible costs</u>: Sentence amended under Digital costs in order to comply with market reality: "Digital "Virtual" Print Fees are eligible provided that they remain within the price range commonly accepted on the market and that they are paid to a third party."</p> <p>Non deductible VAT will be eligible except for activities of public authorities in Member States.</p> <p>12. Data Protection Text Updated.</p> <p>13. Procedure for the submission of proposals Reference is made to recent legislation and to the new Financial Regulation.</p>

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1. INTRODUCTION

These guidelines explain how to submit a proposal in response to an "Automatic Scheme" Call for Proposals.

The calls for proposals to which these guidelines are referring will be published annually. In accordance with each Annual Work Programme of the MEDIA Programme, the calls for proposal will indicate the budget earmarked for the action, the timetable for the submission of project and the period of eligibility of costs.

The call for proposals to be published in 2013 will be subject to the renewal of the MEDIA programme as from 2014 and the inclusion in same of the Cinema Automatic scheme.

These guidelines are based on Decision No 1718/2006/EC of the European Parliament and of the Council of 15 November 2006 concerning the implementation of a programme of support for the European audiovisual sector (MEDIA 2007)¹ and featured in the MEDIA Work Programme for 2011.

The total budget for the MEDIA Programme 2007-2013 amounts to EUR 754,95 million.

The European Commission is responsible for the implementation of the MEDIA Programme and for the decision to grant individual European Union funds. The Education, Audiovisual and Culture Executive Agency hereafter "the Agency" manages the MEDIA Programme on behalf and under the control of the European Commission.

The MEDIA Programme unit of the Education, Audiovisual and Culture Executive Agency is responsible for the implementation of the calls for proposals for the Automatic Scheme.

These guidelines are aimed at European organisations whose activities contribute to the achievement of the objectives of the MEDIA Programme as described in the Council Decision 1718/2006/EC.

The measures covered by the Decision include support for the transnational distribution of European films.

2. OBJECTIVES - PRIORITIES

2.1. Global objectives of the Programme

The global objectives of the programme are the following:

- a. preserve and enhance European cultural and linguistic diversity and its cinematographic and audiovisual heritage, guarantee its accessibility to the public and promote intercultural dialogue;
- b. increase the circulation and viewership of European audiovisual works inside and outside the European Union, including through greater cooperation between players;
- c. strengthen the competitiveness of the European audiovisual sector in the framework of an open and competitive European market favourable to employment, including by promoting links between audiovisual professionals.

In the distribution sector, the objective of the programme, among others, is to strengthen the European distribution sector in the field of cinema by encouraging distributors to invest in the co-production, acquisition and promotion of non-national European films and to set up coordinated marketing strategies.

¹ published in the Official Journal of the European Union on the 24th of November 2006 (OJ L327, pp 12-29).

2.2. Specific objectives of the "Automatic scheme"

The aim of the "Automatic scheme" is to encourage and support the wider transnational distribution of recent European films by providing funds to distributors, based upon their performance on the market, for further reinvestment in new non-national European films.

The scheme also aims to encourage the development of links between the production and distribution sectors thus improving the competitive position of non-national European films and the competitiveness of European companies.

2.3. Priorities

These guidelines are aimed at European companies whose activities contribute to the realisation of the above objectives, and in particular at cinema distribution companies. They explain how to submit a proposal with a view to the generation of a potential fund in response to calls for proposals for the Automatic Scheme.

The « automatic » support scheme works in two phases:

1. The generation of a potential fund, proportional to the number of paying admission tickets sold for non-national European films in States participating in the Programme, up to a fixed ceiling per film and adjusted for each country.
2. Reinvestment: the potential fund thus generated by each company must be reinvested in:
 - the co-production of non-national European films;
 - the acquisition of distribution rights, for example by means of minimum guarantees, of non-national European films; and/or in
 - editing costs (prints, dubbing and subtitling), promotion costs and publicity costs for non-national European films.

3. TIMETABLE

Please read carefully section 13.3 of these guidelines concerning the procedures for submitting applications.

It is foreseen that the call for proposal will be published annually, in the 1st quarter of the year.

3.1. Timetable for "Generation" Stage

The Call for Proposals to be published annually will indicate the deadline for submission of applications for the "generation" of a potential fund.

It is foreseen that the deadline for the "Generation" will be during the 2nd quarter of the year of publication of the call for proposals.

The reference year for the eligible admissions will be the year preceding the publication of the call for proposals.

Applicants will be informed normally within 7 months of the submission deadline whether or not they have generated a potential fund for further reinvestment. This decision will be final.

Should an application be unsuccessful, the Agency will inform the applicant as soon as possible and in writing of the reasons for its decision with regards to the criteria established in these guidelines.

3.2. Timetable for "Reinvestment" Stage

Reinvestment applications must be sent to the Agency by the deadlines set out in the calls for proposal for each module. They will be treated on a "first come – first served" basis. The potential fund which is not reinvested by the deadline will be lost.

This table explains how to calculate the different deadlines of the scheme. The exact dates will be published in each call for proposals and on the MEDIA website at the following address:

http://ec.europa.eu/culture/media/programme/distrib/schemes/auto/index_en.htm

Module	Dates of the project	Deadline for presentation of the reinvestment project	Period of eligibility of costs
1.Co-production	The production contract will have to be signed at the earliest on 1 st October of the year of publication of the call	The reinvestment projects will have to be submitted by 1 st October of the year following the year of publication of the call <u>and</u> within 3 months of the signature of the co-production contract.	The period of eligibility of costs will start on 1 st October of the year of publication and end 30 months later.
2.Minimum guarantee	The distribution contract will have to be signed at the earliest on 1 st October of the year of publication of the call	The reinvestment projects will have to be submitted by 1 st October of the year following the year of publication of the call <u>and</u> within 3 months of the signature of the contract/licence agreement (deal memo or long form agreement are both accepted)	The period of eligibility of costs will start on 1 st October of the year of publication and end 30 months later.
3.P&A costs	The first theatrical release of the film in the territory may take place at the earliest on 1 st October of the year of publication of the call and within a period of 24 months following that date.	The reinvestment projects will have to be submitted at the latest on the day of the first release of the film in the territory and by 1 st October of the year following the year of publication of the call.	The period of eligibility of costs will start on 1 st April of the year of publication and end 42 months later.

Only those costs incurred by the beneficiary during the period of eligibility of costs set out in the calls for proposals will be eligible.

However, if after the signing of the agreement and the start of the action it becomes impossible for the beneficiary, for fully justified reasons beyond his control, to complete the action within the scheduled period, an extension to the eligibility period may be granted. A maximum extension of 6 additional months may be granted, if requested 1 month before the end of the eligibility period following the conditions and modalities specified in the agreement.

The intention is to inform applicants of the outcome of the selection procedure no later than 16 weeks after the relevant submission date. In the event of any additional delay, applicants will be informed in writing by the Agency.

Selected projects will receive grant agreements adapted to the size and number of awards. A consolidated grant agreement will be issued in the case of multiple small awards for a single beneficiary and territory.

4. BUDGET AVAILABLE

The total budget earmarked for the co-financing of actions under this scheme will be indicated in each call for proposals.

The amount of the financial contribution to be awarded will be determined within the limits of the available budgetary resources and with regards to the selection and award criteria. Under no circumstances may the amount of the financial contribution awarded by the Agency exceed 60% of the total eligible costs of the action.

The recipient company must guarantee the remaining finance.

“Generation”: The total annual amount of potential funding available to each distributor shall be determined on the basis of the paid admissions to recent non-national European films achieved by the distributor in the reference year set out in the call for proposal.

In the case of “Reinvestment”, the amount of the financial contribution awarded to each company is determined with respect to the cost and nature of each proposed reinvestment action (production, distribution Minimum Guarantees and P&A costs). Support will be in the form of a subsidy.

The Agency reserves the right not to distribute all the funds available.

5. ELIGIBILITY CRITERIA

Applications which comply with the following criteria will be the subject of an in depth evaluation.

5.1. Eligible Companies

European company

Company owned, whether directly or by majority participation, by nationals of Member States of the European Union and of the European Economic Area (or nationals of the other European countries participating in the MEDIA Programme) and registered in one of these countries.

Cinema / theatrical distributor

A cinema / theatrical distributor is involved in commercial activity designed to bring to the attention of a wide audience a film for the purpose of exploitation in cinema theatres. This should be the principal activity of the company or division of the company. Such activity may include aspects of the technical publishing of an audiovisual work (dubbing and subtitling, striking of prints, circulation of prints, etc.) as well as marketing and promotional activities (production of trailers and publicity material, the purchase of advertising space, the organisation of promotional events etc.).

Digital distribution can also be supported as long as it is of a minimum quality (=1.3 k).

This excludes DVD, DVIX, Digital Beta or any other support whose resolution is below 1.3K as a copy or source of the films for theatrical release.

Costs that are specific to digital distribution (master or any other digital equivalent of the inter-negative and duplication costs) are thus eligible. Digital or "Virtual" Print Fees are included.

Distributors can be supported for the digital and non-digital distribution of a film at the same time.

A cinema / theatrical distributor should fulfil the following criteria:

1. be the holder of the theatrical distribution rights for the film in the territory concerned;

2. carry out the theatrical distribution of the film in the territory (determines the release date, plans, controls and executes the distribution and promotion campaign); and
3. pay the associated distribution costs.

See also section 5.5 – eligible proposals

Limited sub-contracting is allowed, provided that :

- it has been disclosed to the Agency,
- it is substantiated by receipted invoices,
- it complies with the sub-contracting rule set out in section 10.

In the event that distribution activities are shared between several companies, the contracts/agreements between these companies must be disclosed to the Agency. The Agency will normally consider as eligible the company which actually executes the distribution of the film in the territory. The decision of the Agency will be final.

Physical distributors shall not be eligible for support.

5.1.1. Legal Entity

In order to demonstrate its existence as a legal entity, the applicant must have completed the Company Form once per year for the Cinema Selective & Automatic Schemes. Together with the form, they must provide the following documents:

- **"Legal Entity Form"** duly completed and signed by the legal representative of the applicant;
- **"Financial Identification Form"** ("Bank Identification Sheet") duly completed, stamped and signed by both the legal representative of the applicant and by a representative of the bank;

These documents must mention the name of the applicant organisation (full legal title), the registration number, the official registered address of the organisation, the date and place of registration.

- A copy of the **VAT registration**, including the VAT number (EVEN for those countries where the Registration & VAT numbers are identical). If the applicant does not have a VAT number, "Not applicable" shall be written down in the appropriate place on the application form;
- A copy of the **applicant's registration certificate** from the relevant authority, (e.g. Companies register, Official Journal, etc.) and the **statutes** of the applicant organisation (including copies of all recent amendments either to the registration documents or to the elected shareholders, directors, board members or other legal representatives).

If the name of the legal representative of the organisation is not stated in the official registration document, a copy of his/her nomination is also required (for instance: signed minutes of the Board).

Where the person authorised to sign any agreement with the Agency is not an individual specified in the documents mentioned in the previous paragraph, a letter or proxy (signed by one of the aforementioned individuals) giving them the authority to sign agreements with the Agency on the organisation's behalf must be provided.

As the legal structure of a company may vary from country to country, the relevant Legal Entity Form is only enclosed with these guidelines in sample form. Applicants must access the appropriate form at http://ec.europa.eu/budget/execution/legal_entities_en.htm and complete the form in their national language.

Note: Individuals who are registered for VAT will be treated as Private Companies.

5.2. Eligible Countries

The legal entities must be established in one of the countries participating in the MEDIA Programme, as listed in the call for proposals.

Countries with a low production capacity

The following countries will be considered as countries with a low production capacity: Austria, Belgium, Bosnia and Herzegovina², Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, Greece, Hungary, Eire - Ireland, Iceland, Liechtenstein, Latvia, Lithuania, Luxembourg, Malta, Norway, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Sweden and Switzerland.

5.3. Eligible Films

European film

Any recent work of fiction (including animated films) or documentary, with a minimum duration of 60 minutes, complying with the following conditions:

- the work has been majority produced by a producer or producers established in the countries participating in the MEDIA Programme. To be considered as the actual producers the production companies must be credited as such. Other elements such as creative control, ownership of exploitation rights and share of profits may also be taken into account to determine who the actual producer is;

and

- the work must be produced with the significant participation of professionals who are nationals/residents of countries participating in the MEDIA programme. 'Significant participation' is defined as having more than 50% of the points on the basis of the table below, (e.g. having 10 or more points in the case of a work of fiction or the biggest share of points if the total is less than 19 as is normally the case for documentaries or animation films where all of the categories are not usually included in the credits):

+	Points
Director	3
Scriptwriter	3
Composer	1
Actor 1	2
Actor 2	2
Actor 3	2
Artistic Director/Production Design	1
Director of Photography	1
Editor	1
Sound	1
Shooting location	1
Laboratory	1
Total	19

² under the condition of the finalization of the negotiation process and the formalization of the participation of this country to the MEDIA programme

Recent films are those whose first copyright has been established during or after the year specified in the Call for Proposals (this year will normally correspond to: year of publication of the call – 4 years).

Films consisting of advertising, pornographic or racist material or advocating violence are not eligible for support.

National / Non-national European film

European films will be considered as national in that member state or territory participating in the MEDIA Programme whose citizens / residents have participated in the highest proportion in the making of the film, on the basis of the points table shown above. They will be considered as non-national in all the other territories.

5.4. Eligible admissions

Eligible admissions are cinema admissions during the reference year where a normal ticket price was actually paid to the relevant exhibitor (including any special offers or discounts) but explicitly excluding those admissions where no fee was paid.

Only those paid admissions declared by the applicant distributor and certified by the relevant national correspondent will be considered as eligible.

Please note that admissions will normally only be considered as eligible in the territory where the applicant is registered. In all other cases, an applicant will have to provide written evidence of the functioning of a theatrical distribution operation working in the territory concerned, together with copies of any contracts or service agreements. Sub-distribution contracts will not be accepted. This provision does not apply to the following territories: Belgium and Luxembourg; Switzerland and Liechtenstein; Greece and Cyprus; United Kingdom and Ireland.

5.5. Eligible proposals

Only proposals submitted using the official application form, completed in full, signed (original signatures required - photocopies are not accepted) and sent by the specified deadlines, will be considered. The application form must be accompanied by an official letter from the applicant organisation, and all the other documents referred to in the application form.

Applicants must submit a budget that is balanced in terms of expenditure and revenue and must comply with the ceiling for European Union cofinancing, determined by the nature of the project as specified in section 8.2.

The Agency reserves the right to request additional information from the applicant.

The applicant must have theatrical distribution operations in the territory for which a grant is requested.

Applications will normally only be considered as eligible in the territory where the applicant is registered. If the applicant is not registered in the territory in the case of the U.K., Netherlands, Belgium, France, Denmark, Finland, Norway, Sweden, Austria, Germany, Poland, Italy, Spain, Portugal, Greece, Romania, Bulgaria and Switzerland, they will not be eligible.

They may be considered as eligible in other territories if they have provided written evidence of the functioning of a theatrical distribution operation working in the territory concerned, together with copies of any contracts or service agreements.

These last provisions concerning the territory do not apply to the following territories: Belgium and Luxembourg; Switzerland and Liechtenstein; Greece and Cyprus; United Kingdom and Ireland.

6. EXCLUSION CRITERIA

Applicants must state that they are not in any of the situations described in Articles 93(1), 94 and 96(2)(a) of the Financial Regulation applicable to the general budget of the European Communities (Council Regulation (EC, Euratom) No. 1605/2002 of 25/06/02, as subsequently amended) and set out below.³

Applicants will be excluded from participating in the calls for proposals if they are in any of the following situations:

- a) they are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- b) they have been convicted of an offence concerning their professional conduct by a judgment which has the force of *res judicata*;
- c) they have been guilty of grave professional misconduct proven by any means which the contracting authority can justify;
- d) they have not fulfilled obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established or with those of the country of the contracting authority or those of the country where the contract is to be performed;
- e) they have been the subject of a judgment which has the force of *res judicata* for fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the Union's financial interests;
- f) they are currently subject to an administrative penalty referred to in Article 96(1) of the Financial Regulation (Council Regulation (EC, Euratom) No.1605/2002 of 25/06/02, as subsequently amended)

Applicants will not be granted financial assistance if, in the course of the grant award procedure, they:

- (a) are subject to a conflict of interest;
- (b) are guilty of misrepresentation in supplying the information required by the contracting authority as a condition of participation in the grant award procedure, or fail to supply this information.
- (c) find themselves in one of the situations of exclusion, referred to in art 93(1) of the Financial Regulation, for this grant award procedure;
- (d) they are subject to the penalty consisting in the exclusion from contracts and grants financed by the budget for a maximum period of ten years.

In accordance with Articles from 93 to 96 of the Financial Regulation, administrative and financial penalties may be imposed on applicants who are guilty of misrepresentation or are found to have seriously failed to meet their contractual obligations under a previous contract award procedure.

To comply with these provisions, applicants for a grant exceeding EUR 60.000 must sign a declaration on their honour certifying that they are not in any of the situations referred to in Articles 93 and 94 of the Financial Regulation.

³ This provision does not apply for grants which are lower than or equal to EUR 60 000. Article 122 (3) FR 2013.

7. SELECTION CRITERIA

Applicants must have stable and sufficient sources of funding to maintain their activity throughout the period during which the action is being carried out or the year for which the grant is awarded and to participate in its funding. They must have the professional competencies and qualifications required to complete the proposed action or work programme.

Applicants must submit a declaration on their honour, completed and signed, attesting to their status as a legal person and to their financial and operational capacity to complete the proposed activities.

Applicants who fail to provide the requested documents or who, on the basis of the documents submitted, are judged not to meet the selection criteria, will be excluded.

7.1. Operational Capacity

In order to permit an assessment of their operational capacity, organisations applying for a grant exceeding EUR 60.000 must submit, together with their applications:

- the curriculum vitae of the legal representative of the company and
- the curriculum vitae of the Head of Distribution (if they are not the same person).

7.2. Financial Capacity

In order to permit an assessment of their financial capacity, organisations applying for a grant exceeding EUR 60.000 must submit, together with their applications:

- the audited annual accounts of the 2 most recent completed fiscal years for profit companies and of the last year for non profit companies (i.e balance sheet, profit and loss accounts and the annexes) must be included within the application form. These accounts should be certified by an approved auditor external to the company.
- the Financial Capacity form (see point IV of Company Application Form) carefully and fully completed must be signed by the legal representative of the company. The information (in figures) should be given in national currency and must be based on the certified accounts. Applicants guarantee that these figures are correct and verifiable. This information is required to evaluate the financial strength and co-financing capacity of the applicant.
- the Financial Identification form (see page 4 of Company Application Form) completed by the applicant and certified by the Bank (original signatures are required);

The analysis of the Financial Capacity will take into account the legislative framework of the different countries participating in the Programme.

The verification of financial capacity shall not apply to natural persons in receipt of scholarships nor to public bodies, or to international organisations under public law.

NB: If, on the basis of the documents provided, the Agency considers that the financial capacity has not been proven or is not satisfactory, it may:

- reject the application
- ask for further information
- require a bank guarantee (see 9.3)
- offer a grant agreement without pre-financing.

In the event that an application requests a grant equal to or below EUR 60.000 then the analysis of the Financial Capacity shall not apply provided that the applicant has duly completed the relevant Declaration of Honour in the application form.

7.3. Audit

For applicants requesting a contribution of more than EUR 500.000 grant applications must be accompanied by an external audit report produced by an approved external auditor. This report shall certify the accounts for the last 2 fiscal years available.

8. AWARD CRITERIA

8.1. Generation Stage

A potential fund will be attributed to eligible European distribution companies on the basis of the admissions achieved by the European non-national films distributed by the applicant in the reference year as set out in the call for proposal (i.e. the year preceding the publication of the call).

The potential fund will be calculated based upon a fixed amount per eligible entry. Shall the sum of generated funds exceed 20M€ under each call, each potential fund will be reduced proportionally. This reduction will not have the effect of lowering the amount of the potential fund below the minimum availability thresholds indicated below.

The support will take the form of a potential fund (the “fund”) available to distributors for further investments in recent non-national European films.

The fund will be calculated on the following basis.

- All paid admissions generated by recent non-national European films shall be declared by the applicant companies using the attached forms. Only paid admissions achieved between the 1st of January and the 31st of December in the reference year will be eligible. The paid admissions achieved by a film already supported by the MEDIA Programme shall be eligible.

Applicants attention is drawn to the fact that only clearly quantifiable, paid admissions will be eligible. Group or club screenings where an individual ticket price is not levied will not be eligible. All admissions should be covered by the relevant national reporting and verification systems which enable the National Authority to certify them. EACEA reserves the right to reject applications where it is not satisfied that all of the conditions have been met.

- On the basis of the applicants declarations, and with the co-operation of the correspondents designated by the Member States, the total number of eligible paid admissions per company per territory per year shall be calculated according to the following formula :
 - all paid admissions for a single non-national European film shall be eligible up to a limit fixed per film and per territory (**see table below**) ;
 - this limit can be reached in one or more years but in any case all paid admissions over the maximum threshold (**see table below**) for an individual film shall not be eligible.

Territory of distribution	Maximum threshold (nr of admissions)
Germany, Spain, France, Italy	600.000
Austria, Belgium, Switzerland, The Netherlands, Poland, United Kingdom	200.000
Czech Republic, Denmark, Finland, Greece, Hungary, Norway, Portugal, Sweden	150.000
Bosnia & Herzegovina, Bulgaria, Croatia, Cyprus, Estonia, Iceland, Ireland, Latvia, Liechtenstein, Lithuania, Luxemburg, Malta, Romania, Slovakia, Slovenia	32.000

Only those paid admissions declared by the applicant and certified by the relevant national correspondent will be considered as eligible.

- The following information shall be published on the Agency's website and via the MEDIA Desks and Antennae:
 - name and territory of the distribution company;
 - title(s) of the non national European film(s) distributed;
 - number of admissions made by the film(s) between 1st January and 31st December of the reference year, and the
 - amount of automatic support generated on that basis.

All other information supplied shall be treated as confidential.

- The amount of the fund generated will be calculated by multiplying the number of eligible admissions by a fixed amount per admission. The following table summarizes the parameters used for the calculation:

Territory of distribution	Amount per eligible admission		
	Films originating from France and United Kingdom (in EUR)	Films originating from Germany, Spain and Italy (in EUR)	Films originating from countries having a limited audiovisual production capacity (in EUR)
Germany, Spain, France, Italy	0,40	0,50	0,70
Austria, Belgium, Switzerland, The Netherlands, Poland, United Kingdom	0,45	0,55	0,70
Czech Republic, Denmark, Finland, Greece, Hungary, Norway, Portugal, Sweden	0,50	0,60	0,70
Bosnia & Herzegovina, Bulgaria, Croatia, Cyprus, Estonia, Iceland, Ireland, Latvia, Liechtenstein, Lithuania, Luxemburg, Malta, Romania, Slovakia, Slovenia	0,55	0,65	0,70

The calculation includes 3 different thresholds in the number of admissions for which different percentages of the entries are applied. See table below.

The first admissions of a film (from the first release) will receive 150% of the initial amount fixed in above table, up to the second threshold the calculation will be done with 100% of the initial amount and then up to the maximum threshold admissions will receive only 35% of the initial amount.

Territory of distribution	Number of admission thresholds		
	1 st threshold	2 nd threshold	Maximum threshold
	150%	100%	35%
Germany, Spain, France, Italy	75.000	300.000	600.000
Austria, Belgium, Switzerland, The Netherlands, Poland, United Kingdom	25.000	100.000	200.000
Czech Republic, Denmark, Finland, Greece, Hungary, Norway, Portugal, Sweden	18.000	75.000	150.000
Bosnia & Herzegovina, Bulgaria, Croatia, Cyprus, Estonia, Iceland, Ireland, Latvia, Liechtenstein, Lithuania, Luxemburg, Malta, Romania, Slovakia, Slovenia	4.000	16.000	32.000

The amounts indicated above are provisional and may be subject to modification depending upon the budgetary resources available.

One of the principal objectives of the « Automatic » support scheme is to have a significant effect upon the marketing of European films. Thus, and for reasons of efficiency, a series of minimum availability thresholds have been defined.

TERRITORY OF DISTRIBUTION	Availability Threshold of the potential fund (in EUR)
Germany, Spain, France, Italy	10.000
Austria, Belgium, Switzerland, The Netherlands, Poland, United Kingdom	5.000
Czech Republic, Denmark, Finland, Greece, Hungary, Norway, Portugal, Sweden	3.000
Bosnia & Herzegovina, Bulgaria, Croatia, Cyprus, Estonia, Iceland, Ireland, Latvia, Lithuania, Luxemburg, Malta, Romania, Slovakia, Slovenia	1.000

In the event that the fund generated by a company in a given year does not reach the minimum threshold, the fund will not be available. This amount may however be carried forward and be available in the following year, if the accrued fund generated for the two years is greater than the availability threshold.

Please note that in the special case of Liechtenstein, there is no minimum threshold as rights are invariably sold together with Switzerland: therefore, the award generated by this territory will be added automatically to the Swiss funds.

Following the calculation of the fund generated, a notification letter will be sent by the Agency to the beneficiary. This letter will indicate the amount of the fund and the reinvestment criteria to meet to be able to use this fund.

8.2 Reinvestment Stage

The fund generated may only be used through reinvestment projects.

The fund can be reinvested:

1. In the production of new non-national European films (i.e. films not yet completed at the date of application for reinvestment);

2. In the meeting of Minimum Distribution Guarantees for recent non-national European films;
3. In the meeting of distribution costs i.e. P&A (promotion and advertising) for recent non-national European films.

For reinvestment modules 1 and 2, applicants can be eligible for selective support for the distribution of the same film.

Reinvestment in distribution costs (3) cannot be cumulated with a selective support for the same film. Applications for distribution costs may only be made to one scheme at a time. A second application for the same film will be ineligible, unless it is made after the applicant has been officially informed that the first application under the other scheme has been unsuccessful.

Reinvestment of the fund into completed projects (i.e. released films) is impossible. This applies to all modules.

The Calls for Proposals will indicate the timetable to submit applications for reinvestment projects.

Please note that these projects will only be processed by the Agency after the establishment of the letter informing the beneficiary of the amount of the fund she/he has generated. The reinvestment projects will be treated on the basis and within the limits of the fund generated by the distributor as calculated and notified by the Agency. Reinvestment projects must be approved by the Agency.

Combining the funds generated by different reference years and under different calls into a single Reinvestment project is not permitted, which means that the last contribution request from a series of reinvestment projects will be limited to the balance of the current fund.

Reinvestment projects agreed by the Agency will be the subject of an agreement between the Beneficiary and the Agency setting out the terms and conditions of the financial contribution granted.

Amount of the Project Allocation

The amount of the fund that may be drawn for a given reinvestment project may not exceed a certain percentage of the total cost of the proposed reinvestment project, defined in the following table:

Maximum percentage of the reinvestment project's costs to be covered by the reinvested fund			
	Country of origin of the reinvestment film		
	FR - UK	DE, IT, ES	Country with a low production capacity
Module 1 (co-production)	60 %	60 %	60 %
Module 2 (MG) Licence agreement signed before completion of the principal photography of the film	60 %	60 %	60 %
Module 2 (MG) Licence agreement signed after completion of the principal photography of the film	40 %	50 %	60 %
Module 3 (P&A)	50 %	50 %	60 %

Example:

<u>Reinvestment project :</u> Module 2 (MG), contract signed before completion of the principal photography of a UK film. Amount of MG: EUR 600.000	Maximum amount which can be covered by potential fund (60%): EUR 360.000
<u>Reinvestment project :</u>	

<i>Module 3 (P&A) UK Film Distribution budget (P&A): EUR 60.000</i>	<i>Maximum amount which can be covered by potential fund (50%): EUR 30.000</i>
<i>Reinvestment project : Module 2 (MG) Date of completion of principal photography irrelevant Irish Film Amount of MG: EUR 100,000</i>	<i>Maximum amount which can be covered by potential fund (60%): EUR 60.000</i>

9. FINANCIAL CONDITIONS

European Union grants are incentives to carry out actions which would not be feasible without the Agency's financial support, and are based on the principle of co-financing. They complement the applicant's own financial contribution and/or national, regional or private assistance that has been obtained elsewhere.

Acceptance of an application by the Agency does not constitute an undertaking to award a financial contribution equal to the amount requested by the beneficiary.

The awarding of a grant does not establish an entitlement for subsequent years.

Grant applications must include a detailed estimated budget in which all prices are given in euro. Grant applications from countries outside the euro zone must use the monthly conversion rate, applicable on the date of application. This exchange rate is available from the MEDIA Desks and Antennae and from the web site of the Commission at <http://ec.europa.eu/budget/infocuro/>.

The budget for the action attached to the application must have revenue and expenditure in balance and show clearly the costs which are eligible for financing from the Union budget.

The amount of the own resources indicated in the financing plan of the estimated budget is regarded as secured, and the amount as a minimum, must be entered in the financing plan of the final account.

The allocated amount may not exceed the amount requested.

The applicant must indicate the sources and amounts of any other funding received or applied for in the same financial year for the same action.

The beneficiary shall supply evidence of the co-financing provided, if requested to do so.

The Agency grant may not have the purpose or effect of producing a profit for the beneficiary. Profit is defined as a surplus of receipts over eligible costs incurred by the beneficiary. The amount of the grant will be reduced by the amount of any surplus.

9.1 Contractual provisions and payment procedure

In the event of definitive approval by the Agency, a grant agreement, drawn up in euro and detailing the conditions and the level of funding will be sent to the beneficiary.

The 2 copies of the original agreement must be signed by the beneficiary and returned to the Agency immediately. The Agency will sign them last.

Where an applicant has presented (and the Agency has accepted) multiple projects within a single module (with an award equal to or less than EUR 25.000 per project), then a unique grant agreement covering these projects will be drawn up with a single consolidated duration, budget and eligibility period. The grant agreement will clearly identify the amount of the award for each reinvestment application and will require individual reports on the execution of same.

The account or sub-account indicated by the beneficiary must make it possible to identify the funds transferred by the Agency.

As a general rule payments will be made as follows:

- A pre-financing payment of 60% will be transferred to the beneficiary within 30 days of the date when the last of the two parties signs the agreement and all the possible guarantees are received. Pre-financing is intended to provide the beneficiary with a float.
- Payment of the balance is made after the end of the action on the basis of the implementation of the action and the approval by the Agency of final reports. In order for the Agency to agree to a payment, additional information may be requested from applicants when the final reports are submitted. The amount of this final contribution depends on actual eligible costs incurred by the beneficiary within the period of eligibility of costs and the levels of co-financing ultimately obtained. If applicable, the beneficiary will be required to reimburse any surplus already paid as part of initial pre-financing. The final payment will be made within 60 days after the Agency receives a request for payment accompanied by a final report on the action's implementation, provided the Agency approves the report.

Any MEDIA grant shall remain the exclusive property of the beneficiary and cannot be considered as revenue. Union Law and the general conditions of any eventual grant agreement offered to a distributor clearly lay down the fact that the Union Contribution (grant) "shall be used by the Beneficiary solely, exclusively and directly in discharging eligible expenses incurred".

9.2 Certificate on the financial statements and underlying accounts

The Executive Agency will establish the final amount of the grant on the basis of the following documents:

- a final report providing details of the implementation and results of the Work Programme ;
- the final financial statement of costs actually incurred, certified by an approved auditor with the certification form provided by the Agency in the grant agreement.

Only in case of Grants for an action of EUR 750.000 or more, when the cumulative amounts of request for payment is at least EUR 325.000, will require the beneficiary to submit, in support of the final payment, a "Report of Factual Findings on the Final Financial Report - Type II" produced by an approved auditor or in case of public bodies, by a competent and independent public officer. The certificate shall certify, in accordance with a methodology approved by the Agency, that the costs declared by the beneficiary in the financial statements on which the request for payment is based are real, accurately recorded and eligible in accordance with the grant agreement.

The procedure and the format to be followed by an approved auditor or in case of public bodies, by a competent and independent public officer, are detailed in the following "Guidance Notes":

http://eacea.ec.europa.eu/about/documents/guidance_notes_audit_type_ii_01.08.2012_en.pdf

The use of the report format set by the "Guidance Notes" is compulsory.

9.3 Guarantee

The Agency may require any organisation which has been awarded a grant exceeding EUR 60.000 to provide a guarantee first, in order to limit the financial risks linked to the prefinancing payment.

The purpose of this guarantee is to make a bank or a financial institution, third party or the other beneficiaries stand as irrevocable collateral security for, or first-call guarantor of, the grant beneficiary's obligations.

This financial guarantee, in euro, shall be provided by an approved bank or financial institution established in one of the Member States of the European Union. When the beneficiary is established in a third country, the authorising officer responsible may agree that a bank or financial institution established in that third country may provide the guarantee if he considers that the bank or financial institution offers equivalent security and characteristics as those offered by a bank or financial institution established in a Member State.

The guarantee may be replaced by a joint and several guarantees by a third party or by a joint guarantee of the beneficiaries of an action who are parties to the same grant agreement.

The guarantee shall be released as the pre-financing is gradually cleared against interim payments or payments of balances to the beneficiary, in accordance with the conditions laid down in the grant agreement.

9.4 Double financing

Subsidised actions may not benefit from any other Union or Eurimages funding for the same activity. (Eurimages. i.e. European cinema support from the Council of Europe).

To ensure this, applicants must give details in their application form of any other grant requests other than those submitted to the MEDIA Programme which they have submitted or intend to submit to the European Institutions during the same operating year, stating in each case the budget heading, the European Union programme and the amount requested.

9.5 Eligible costs

Eligible costs of the action are costs actually incurred by the beneficiary, which meet the following criteria:

- they are incurred during the duration of the action as specified in the grant agreement, with the exception of costs relating to final reports and certificates on the action/action's financial statements and underlying accounts;
- they are connected with the subject of the agreement and they are indicated in the estimated overall budget of the action;
- they are necessary for the implementation of the action which is the subject of the grant;
- they are identifiable and verifiable, in particular being recorded in the accounting records of the beneficiary and determined according to the applicable accounting standards of the country where the beneficiary is established and according to the usual cost-accounting practices of the beneficiary;
- they comply with the requirements of applicable tax and social legislation;
- they are reasonable, justified, and comply with the requirements of sound financial management, in particular regarding economy and efficiency;
- they are directly linked to the distribution of the film concerned.

The beneficiary's internal accounting and auditing procedures must permit direct reconciliation of the costs and revenue declared in respect of the action with the corresponding accounting statements and supporting documents.

9.5.1 Eligible costs for reinvestment in Module 1 (co-production)

Only those contributions linked to the investment of the distributor in the co-production and which are set out in the co-production contract signed with the producer and / or co-producer of the film will be eligible provided that they are paid within the eligible period.

The beneficiary must submit together with his certified financial (final) report a certified copy of the bank debit detailing the date of payment, the name of the recipient and the amount(s).

9.5.2 Eligible costs for reinvestment in Module 2 (MG)

Only the costs of the Minimum Guarantee set out in the distribution contract signed with the producer or sales agent of the film will be eligible provided that they are paid within the period of eligibility of costs.

It is common that distribution rights are acquired by distributors for multiple territories and that the amount of the Minimum Guarantee is defined for all these territories.

The Agency can only co-finance the Minimum Guarantee for the territory of the distributor concerned. The amount of the eligible Minimum Guarantee will therefore be reduced following the methods established in the light of experience and set out below. However, should a sub-licence deal have been previously concluded at a certain price, this amount may be taken into account, i.e. an actual contract amount would replace the guidelines percentages set out in this section, provided it has been disclosed in due time and approved by the Agency.

Territories	Division of the MG
Germany - Austria	- Germany: 90 % - Austria: 10 %
Belgium - Luxemburg	- Belgium: 97,5 % - Luxemburg: 2,5 %
BENELUX (Belgium - Netherlands - Luxemburg)	For French language films: - Belgium: 73% - Luxemburg: 2 % - Netherlands: 25 % For other films : - Belgium: 48 % (without LU: 50%) - Luxemburg: 2 % - Netherlands: 50 %
Greece - Cyprus	- Greece: 97,5 % - Cyprus: 2,5 %
United Kingdom - Ireland	- United Kingdom: 95 % - Ireland: 5 %
Scandinavia (Denmark - Finland - Iceland - Norway - Sweden)	- Sweden: 35 % - Norway: 30 % - Denmark: 25 % - Finland: 9 % (without Iceland: 10 %) - Iceland: 1 %
Czech Republic - Slovak Republic	- Czech Republic: 80 % - Slovak Republic: 20 %
Estonia - Latvia - Lithuania	- Estonia: 30 % - Latvia: 30 % - Lithuania: 40 %
Switzerland - Liechtenstein	- Switzerland: 99% - Liechtenstein: 1%

The other cases of multi-territory acquisitions will be treated individually.
The decision of the Agency on the relevant deduction will be final.

9.5.3. Eligible direct costs for reinvestment in Module 3 (Distribution Costs)

The eligible direct costs for the action are those costs which, with due regard for the conditions of eligibility set out above, are identifiable as specific costs directly linked to the performance of the action and which can therefore be booked to it directly. In particular, the following direct costs are eligible, provided that they satisfy the criteria set out in the previous paragraph:

Advertising costs (heading 1)

Publicity Material : design, layout and printing of the posters, slides and stills, production of advertising spots for radio and TV, flyers, design and layout of press advertising, ...

Other costs have to be clearly identified and detailed for them to be eligible.

Publicity Space: purchase of advertising spaces (TV, radio, internet, press), distribution of publicity material (trailers, flyers, posters, mailing...) and other advertising costs.

Other costs have to be clearly identified and detailed for them to be eligible.

Promotion costs (heading 1)

Promotion: promotion material such as press files, EPK, betas; press screenings; previews and receptions for launching the film in the territory, organisation of test screenings and market research; travel and accommodation of the director / cast of the film in the distribution territory for the promotion of the film; Press Agency, Press officer, Publicist and PR fees; design and construction of a web site / homepage for the promotion of the film; other promotion costs.

Other costs have to be clearly identified and detailed for them to be eligible.

Optical Costs (heading 2)

These costs include the costs related to the optical manufacturing and circulation of the prints for the exploitation of the film/trailers in the cinemas: striking of an inter-negative and prints of the film/trailers, prints insurance, prints maintenance, dubbing and subtitling of the prints of film/trailers, translation; transport and taxes, costs for the national systems of certification of the film.

Digital Costs (heading 2)

These costs include the costs related to the optical manufacturing and circulation of the digital copies for the exploitation of the film/trailers in the cinemas: mastering⁴ and duplication of the digital copies, digital copies insurance, dubbing and subtitling of the prints of film/trailers, translation; transport and taxes, costs for the national systems of certification of the film.

DVD or Digital Beta for promotional purposes are to be included in heading 2 Promotion Costs.

If the digital costs are eligible according to the list above, the different digital services should be detailed relating to the following:

- master (Digital Source Master (DSM), Digital Cinema Distribution Master (DCDM), specific colour grading for digital release...);

⁴ Colour grading required for theatrical release, compression of the data, encoding, encryption.

- digital copies : specify what kind of digital copy you use;
- dubbing and subtitling.

Digital "Virtual" Print Fees are eligible provided that they remain within the price range commonly accepted on the market and that they are paid to a third party.

Other Costs (heading 3)

Audit Fees.

In the framework of the execution of an eventual financial support grant agreement, the Agency requires the beneficiary to produce a statement of the final costs of the action. This document must be certified by an independent approved auditor, external to the company on the basis of justifying documents and the accountancy records of the beneficiary. Therefore the costs of this certification are the only costs eligible beyond the eligibility period.

All other Costs.

A space is provided in the form for the disclosure of other costs such as censorship and booking & billing Agency, and costs directly linked to the action, which are not expressly provided for in the form and have to be clearly identified and detailed in the application form and in the financial report for them to be eligible. Moreover, those costs normally associated with the running of the company are not eligible under this heading. These "other costs" must not fall under costs listed under Section 9.6 - Ineligible costs.

Non deductible VAT is eligible unless it is related to activities of the public authorities in the Member States.

9.5.4 Eligible indirect costs (administrative costs)

A flat-rate amount, not exceeding 7% of the eligible direct distribution costs of the action is eligible under indirect costs, representing the beneficiary's general administrative costs which can be regarded as chargeable to the action (i.e. rent of company offices, insurance, maintenance costs, telecommunications, postal charges, heating, lighting, water, electricity, office supplies, rental of stands on markets and festivals).

Indirect costs may not include costs entered under another budget heading.

Indirect costs are not eligible where the beneficiary already receives an operating grant.

9.6 Ineligible costs

The following costs shall not be considered eligible:

- return on capital;
- debt and debt service charges;
- provisions for losses or potential future liabilities;
- interest owed;
- doubtful debts;
- exchange losses;
- costs declared by the beneficiary and covered by another action or work programme receiving a European Union grant;
- excessive or reckless expenditure;
- contributions in kind;
- personnel costs;
- travel and subsistence of staff;
- purchase of equipment.

10. SUB-CONTRACTING AND AWARD OF PROCUREMENT CONTRACT

Where implementation of the action requires sub-contracting or the awarding of a procurement contract, the beneficiary and, where applicable, its partners must obtain competitive tenders from potential contractors and award the contract to the bid offering best value for money, observing the principles of transparency and equal treatment of potential contractors and taking care to avoid conflicts of interests.

11. PUBLICITY

All grants awarded in the course of a financial year must be published on the Internet site of the European Union Institutions during the first half of the year following the closure of the budget year in respect of which they were awarded. The information may also be published using any other appropriate medium, including the Official Journal of the European Union.

With the agreement of the beneficiary, (taking account of whether information is of such a nature as to jeopardise its security or prejudice its financial interests) the Agency will publish the following information:

- name and address of the beneficiary,
- the subject of the grant,
- the amount awarded and rate of funding.

Beneficiaries must clearly acknowledge the European Union's contribution in all publications or in conjunction with activities for which the grant is used. Furthermore, beneficiaries are required to give prominence to the name and logo of the programme as well as the mention "with the support of the MEDIA Programme of the European Union" on all their publications, posters, programmes and other products realised under the co-financed action. If this requirement is not fully complied with, the beneficiary's grant may be reduced.

12. DATA PROTECTION

All personal data (such as names, addresses, CVs, etc.) will be processed in accordance with Regulation (EC) No 45/2001 of the European Parliament and of the Council of 18 December 2000 on the protection of individuals with regard to the processing of personal data by the European Union institutions and bodies and on the free movement of such data.⁵

Unless marked as optional, the applicant's replies to the questions in the application form are necessary to evaluate and further process the grant application in accordance with the specifications of the call for proposals. Personal data will be processed solely for that purpose by the department or Unit responsible for the Union grant programme concerned (entity acting as data controller). Personal data may be transferred on a need to know basis to third parties involved in the evaluation of applications or in the grant management procedure, without prejudice of transfer to the bodies in charge of monitoring and inspection tasks in accordance with European Union law. The applicant has the right of access to, and to rectify, the data concerning him or her. For any question relating to these data, please contact the Controller. Applicants have the right of recourse to the European Data Protection Supervisor at any time. A detailed Privacy statement,

⁵ Official Journal L 8, 12.1.2001.

including contact information, is available on EACEA's website:

http://eacea.ec.europa.eu/about/documents/calls_gen_conditions/eacea_grants_privacy_statement.pdf

Applicants and, if they are legal entities, persons who have powers of representation, decision-making or control over them, are informed that, should they be in one of the situations mentioned in:

- the Commission Decision of 16.12.2008 on the Early Warning System (EWS) for the use of authorising officers of the Commission and the executive agencies (OJ, L 344, 20.12.2008, p. 125), or
- the Commission Regulation of 17.12.2008 on the Central Exclusion Database – CED (OJ L 344, 20.12.2008, p. 12),

their personal details (name, given name if natural person, address, legal form and name and given name of the persons with powers of representation, decision-making or control, if legal person) may be registered in the EWS only or both in the EWS and CED, and communicated to the persons and entities listed in the above-mentioned Decision and Regulation, in relation to the award or the execution of a procurement contract or a grant agreement or decision.

13. PROCEDURE FOR THE SUBMISSION OF PROPOSALS

Following the adoption of the Annual Work Programmes, the calls for proposals will be published in the Official Journal of the European Union and will be accessible on the MEDIA programme website at the following address: <http://ec.europa.eu/media>.

These permanent guidelines are valid for the years 2011 to 2013 and for all those reinvestment projects submitted using the funds generated under the call for proposals published during those years.

The “Automatic” support system works in two successive stages:

- The generation of the support: a potential fund is generated by the eligible distribution companies in proportion to the number of paying theatrical admissions achieved by the non national European films distributed the previous year, within the limits for each film and adjusted for the relevant territory.
- The mobilisation or reinvestment of the potential support in the co-production, acquisition (MG) or the distribution of new non-national European films.

These two stages can be summarised as follows:

	Stage 1: GENERATION	Stage 2: REINVESTMENT
Distributor	Application from the distributor for the generation of the support (declaration of the paid admissions) Deadline: as set out in the call for proposal	Presentation of reinvestment projects Deadline: as set out for each module in the call for proposals
Agency	Calculation of the potential fund generated Notification of approval (or rejection) of its available potential fund and of the reinvestment rules	Acceptance/Rejection of the reinvestment project Signature of the agreement between the Agency and the beneficiary
Payment of a Union Financial Contribution	No	Yes

13.1. Publication

The Calls for proposals will be published in the Official Journal of the European Union and on the internet site of the MEDIA Programme at the following address:

<http://ec.europa.eu/culture/media> or

http://ec.europa.eu/culture/media/programme/distrib/schemes/auto/index_en.htm

13.2. Application forms

Grant applications must be drawn up in one of the official EU languages (preferably in English or French) using the form specifically designed for this purpose.

The forms can be obtained on the Internet at the following address : <http://ec.europa.eu/culture/media/>

Please note that only typed applications will be considered.

13.3. Submission of the grant application

Generation Stage:

European distribution companies must present their proposal in view of the generation of a fund using the application forms published on the MEDIA Programme website together with the relevant call for proposals and providing the required annexes.

Proposals must include the following items (see Annex 2):

- a) **Application form « COMPANY » in one single copy only.**
- b) **Application form « FILM »: the admission statement (in triplicate)
+ information on each non-qualified film (one single copy only).**

as well as all the annexes defined in the application forms.

Proposals for the “generation” of a potential fund must be sent (postmark date) by the deadline set out in the call for proposal.

Reinvestment Stage:

Only applications submitted on the correct forms, duly completed, dated, showing a balanced budget (revenue/expenditure), in one or several copies (as defined in the application forms), and signed by the person authorised to enter legally binding commitments on behalf of the applicant organisation will be accepted.

Application forms are specific to each type of reinvestment:

- Module 1: in the production of new non-national European films (i.e. not yet completed at the time of the submission of the reinvestment application).
- Module 2: in Distribution Minimum Guarantees for new non-national European films.
- Module 3: in distribution costs (prints / publicity) for new non-national European films.

Reinvestment application forms will be published annually on the MEDIA Programme website together with the relevant call for proposals. They need to be sent together with the requested documents.

Reinvestment projects must be submitted within the deadlines set out in the call for proposals (postmark date).

Applications which do not include all the stipulated documents in the required language and which are not submitted within the applicable deadline will not be considered.

All Proposals must be sent to the following address **by the relevant deadline**:

Education, Audiovisual and Culture Executive Agency (EACEA)
MEDIA Programme – P8
BOUR 3/66
Avenue du Bourget, 1
B-1140 Brussels
Belgium

- (a) by registered post, date as postmark;
- (b) in person at the above address, **before 15h00 on the relevant deadline date**: signed and dated receipt will constitute evidence of timely delivery
- (c) by courier service, date of receipt by the courier service.

Envelopes should be clearly marked:

MEDIA Programme - DISTRIBUTION EACEA – AUTOMATIC CINEMA

No changes to the dossier can be made after the application has been submitted. However, if there is a need to clarify certain aspects, the Agency may contact the applicant for this purpose.

Only applications that fulfil the eligibility criteria will be considered for a grant. If an application is deemed ineligible, a letter indicating the reasons will be sent to the applicant.

All unsuccessful applicants will be informed in writing.

Selected proposals will be subject to a financial analysis, in connection with which the Agency may ask the persons responsible for the proposed actions to provide additional information and, if appropriate, guarantees

The applicant has to submit all distribution agreements relevant to the application. Incomplete applications will be considered non-eligible.

The information submitted by the distributor will be treated as confidential.

No file or document submitted will be returned to applicants at the end of the evaluation and award procedure.

13.4. Rules applicable

- Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities. (OJ L 248, 16.9.2002, p. 1, as subsequently amended).
- Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002 laying down detailed rules for the implementation of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities. (OJ L 357, 31.12.2002, p. 1, as subsequently amended).

- Decision No 1718/2006/EC of the European Parliament and of the Council of 15 November 2006 (Official Journal L 327, 24/11/2006 P. 12 – 29) concerning the implementation of a programme of support for the European audiovisual sector (MEDIA 2007).
- Proposal for Regulation (EU) No .../2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union (expected to enter into force as from 1 January 2013).
- Proposal for Commission Delegated Regulation (EU) No .../.. of XXX on the rules of application of the Regulation (EU) No .../2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union (expected to enter into force as from 1 January 2013).

13.5 Contacts

If you have any questions, please contact:

violaine.somja@ec.europa.eu – Fund Generation

laura.texier@ec.europa.eu – Reinvestments and Fund Control

National contacts

Additional information, as well as guidelines and applications forms in the Union's official languages are available at MEDIA Desks and Antennae as per the list on the following website:

http://ec.europa.eu/culture/media/programme/distrib/who/index_en.htm

The list of national correspondents is available on the MEDIA Programme website:

<http://ec.europa.eu/culture/media/>

Annex 1 – Summary table for the generation stage

Territory of distribution	Amount per eligible admission according to the origin of the films and the number of admissions								
	Films originating from France and United Kingdom			Films originating from Germany, Spain and Italy			Films originating from low production capacity countries		
Germany, Spain, France, Italy	Up to 75.000 admissions	Between 75.001 and 300.000 admissions	Between 300.001 and 600.000 admissions	Up to 75.000 admissions	Between 75.001 and 300.000 admissions	Between 300.001 and 600.000 admissions	Up to 75.000 admissions	Between 75.001 and 300.000 admissions	Between 300.001 and 600.000 admissions
	0.60€	0.40€	0.14€	0.75€	0.50€	0.18€	1.05€	0.70€	0.25€
Austria, Belgium, Switzerland, The Netherlands, Poland, United Kingdom	Up to 25.000 admissions	Between 25.001 and 100.000 admissions	Between 100.001 and 200.000 admissions	Up to 25.000 admissions	Between 25.001 and 100.000 admissions	Between 100.001 and 200.000 admissions	Up to 25.000 admissions	Between 25.001 and 100.000 admissions	Between 100.001 and 200.000 admissions
	0.68€	0.45€	0.16€	0.83€	0.55€	0.19€	1.05€	0.70€	0.25€
Czech Republic, Denmark, Finland, Greece, Hungary, Norway, Portugal, Sweden,	Up to 18.000 admissions	Between 18.001 and 75.000 admissions	Between 75.001 and 150.000 admissions	Up to 18.000 admissions	Between 18.001 and 75.000 admissions	Between 75.001 and 150.000 admissions	Up to 18.000 admissions	Between 18.001 and 75.000 admissions	Between 75.001 and 150.000 admissions
	0.75€	0.50€	0.18€	0.90€	0.60€	0.21€	1.05€	0.70€	0.25€
Bosnia & Herzegovina, Bulgaria, Croatia, Cyprus, Estonia, Iceland, Ireland, Latvia, Liechtenstein, Lithuania, Luxemburg, Malta, Romania, Slovakia, Slovenia	Up to 4.000 admissions	Between 4.001 and 16.000 admissions	Between 16.001 and 32.000 admissions	Up to 4.000 admissions	Between 4.001 and 16.000 admissions	Between 16.001 and 32.000 admissions	Up to 4.000 admissions	Between 4.001 and 16.000 admissions	Between 16.001 and 32.000 admissions
	0.83€	0.55€	0.19€	0.98€	0.65€	0.23€	1.05€	0.70€	0.25€