

The MEDIA Programme.

SUPPORT FOR THE TRANSNATIONAL DISTRIBUTION OF EUROPEAN FILMS

THE SELECTIVE SCHEME

THE TREATMENT OF THE SELECTIVE SCHEME GRANT IN CONTRACT REPORTING TO THIRD PARTIES.

The question arises, both from the Sales Agents and Distributor community as to how this grant should be treated in relation to reporting to Sales Agents.

Following a review process and legal consultation, the position of the Commission and the Executive Agency for Culture Education & Audiovisual is the following:-

The Cinema Selective Scheme is a tool to incite distributors to take part in a film project, which is one of the MEDIA Programme objectives, and is not a source of extra income.

Including these funds as film revenue could substantially undermine this goal.

In making explicit reference to the "exclusive ownership" of the grant (Article 11 of the Call for Proposals), it is understood that the beneficiary alone (i.e. the distributor) is to decide how to use the funds, within the limits laid down in the Cinema Selective Scheme contracts.

The eligible costs provided for in the Cinema Selective Scheme Calls for Proposals and contracts do not include any amount to be paid to any third party and the Community funding can only be used "solely, exclusively and directly in discharging eligible expenses incurred".

Therefore the conclusion is that, while the reporting of the existence of such fund is recommended in the interest of transparency, the Community funding should not be treated as income for the film.

We note that the existence of the Cinema Distribution support schemes of the MEDIA Programme are a significant asset to the Production and Sales communities in seeking to bring their films to the widest possible audience and that therefore the efficiency of the scheme is in the interests of all parties.