



A programme of the European Union



MEDIA 2007 (2007-2013) *

CALL FOR PROPOSALS EACEA/22/08

**SUPPORT FOR THE TRANSNATIONAL DISTRIBUTION OF EUROPEAN
FILMS – THE "SELECTIVE" SCHEME 2009**

GUIDELINES

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

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1. INTRODUCTION

The current call for proposals and attached guidelines (hereafter: "Call for proposals") 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

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 Community 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 this call for proposals.

This call is 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.

These guidelines explain how to submit a proposal in view of obtaining a community financial contribution.

The measures covered by the Decision include support for the trans-national distribution of European films.

The implementation of this Call for Proposals is subject to the adoption of the European Union budget for the year 2009 by the budget authority.

2. OBJECTIVES - PRIORITIES

2.1 Objectives of the Programme

The global objectives of the programme are the following:

- a) To protect and enhance cultural diversity and the European audiovisual heritage, to guarantee public access and to encourage cultural exchanges;
- b) To increase the circulation of European audiovisual works within and outside of the European Union, and
- c) To reinforce competitiveness of European audiovisual works within the framework of an open and competitive European market.

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

In the distribution sector, the objective of the programme, among others, is to strengthen 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.

2.2. Objectives of the "Selective scheme"

The aim of the “selective” support scheme is to encourage and support the wider trans-national distribution of recent non national European films by encouraging theatrical distributors in particular to invest in promotion and adequate distribution of non-domestic European films.

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

2.3. Priorities of this Call for proposals

This Call for proposals is aimed at European companies whose activities contribute to the realisation of the above objectives, and in particular at cinema distribution companies.

Particular attention will be paid to the development of potential in countries with a low audiovisual production capacity and/or a restricted linguistic or geographical area.

3. TIMETABLE

Applications must be sent to the Agency, ultimately, at the following deadlines (the postmark will be taken as proof of timely sending):

- **1 December 2008**
- **1 April 2009**
- **1 July 2009**

Please read carefully section 13 of this call for proposals concerning the procedure for submitting applications.

The theatrical release of the film shall take place at the earliest on the same day as the relevant deadline for submission and at the latest within 18 months of the deadline at which the initial grouping of distributors supported had submitted its application.

Only those costs incurred by the beneficiary for the execution of the action (theatrical distribution) during a period starting **6 months before the release of the film in the territory and ending 10 months after the release**, will be eligible. The maximum duration of an action is therefore 16 months.

If the release date is postponed / modified by the beneficiary, the period of the eligible costs will be adapted according to the new release date along the lines set out above (from 6 months before the release to 10 months afterwards).

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 if requested 1 month before the end of the eligibility period following the conditions and modalities specified in the agreement.

4. AVAILABLE BUDGET

The total budget earmarked for the cofinancing of actions under this Call for proposals is estimated at EUR 12,250,000 subject to the adoption of the European Union budget for the year 2009 by the budget authority.

Around 40% of the budget of the selective scheme will be allocated to small films, while 60% will be allocated to medium films.

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 circumstance may the amount of the financial contribution awarded by the Agency exceed 50% of the total eligible costs of the actions.

The recipient company must guarantee the remaining financing.

The amount of the financial contribution awarded to each company by the Agency is determined with respect to the cost and nature of each proposed action. The beneficiaries will be informed about the final amount of the financial contribution awarded at the signature of the agreement. Support will be in form of a subsidy.

The maximum grant will be EUR 150,000 per distributor and per film distributed.

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.

Applications duly signed by the legal representative of the company must be submitted before the relevant deadlines and use the application forms annexed hereto.

5.1. Eligible Companies

The call is open only to a:

European company

Company owned, whether directly or by majority participation, by nationals of Member States of the European Union and of the European Economic Agreement (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. 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.

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

A cinema / theatrical distributor must 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.

In the event that distribution activities are shared between several companies, the contracts/agreements between these companies must be previously disclosed to the Agency. The Agency will consider as eligible a distribution company that fulfils at least two of the criteria defined in the above paragraph.

The use of « physical distributors » for specific services (booking of cinemas, circulation of prints and collection of receipts) is allowed, provided that it has been previously disclosed to the Agency. Such « physical distributors » shall not be eligible for support

5.1.1 Legal Entity

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.

In order to demonstrate its existence as a legal person, the applicant must provide the following documents:

- Private Companies, associations etc.:
 - A copy of the Certificate of Registration/Incorporation (from an Official Journal if appropriate) as well as a copy of the VAT Registration (EVEN for those countries where the Registration & VAT numbers are identical), and the Articles of Association.
- Public Entities:
 - Copy of the decree/act or governmental decision or any other official documents establishing the public body.
- Individuals:

- Copy of the ID card and/or passport.

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

5.2. Eligible Countries

Participating countries:

This call for proposals is open to companies registered in and owned by nationals from the Member States of the European Union and countries of the European Economic Agreement participating in the MEDIA 2007 Programme (Iceland, Liechtenstein and Norway), as well as Switzerland and Croatia.

Countries with a low production capacity

For the purpose of this call for proposals the following countries will be considered as countries with a low production capacity: Austria, Belgium, 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 2007 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 2007 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

Recent films are those whose first copyright has been established during or after **2006**.

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

Films which have a presentation credit by a large production company established in a country not participating in the MEDIA Programme shall not be 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 2007 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.

Small films

Films with a production budget smaller than EUR 3 Mio qualify as small films.

Medium films

Films with a production budget between EUR 3 Mio and EUR 15 Mio qualify as medium films.

Films with a production budget over EUR 15 Mio are not eligible for selective support.
They are still eligible for automatic support.

5.4. Eligible groupings

- **In the case where a grouping of distributors has not yet been supported in the framework of the « selective » support scheme for distribution of the MEDIA Programme for the proposed film :**

Small films: only applications from groupings of at least **five** distributors operating in different national territories (and preferably with different languages) which propose to distribute one or more recent non-national European films may be eligible.

Medium films: only applications from groupings of at least **seven** distributors operating in different national territories (and preferably with different languages) which propose to distribute one or more recent non-national European films may be eligible.

The theatrical release of the film (not including previews or special screenings) shall take place in the territories concerned **at the earliest on the same day as the relevant deadline for submission of this Call for proposals, and ultimately 18 months after this date.**

Deadline for submission	Film must not be released before	Film must not be released after
1 December 2008	1 December 2008	1 June 2010
1 April 2009	1 April 2009	1 October 2010
1 July 2009	1 July 2009	1 January 2011

All groupings must have a coordinator who is responsible for submitting the 'Film/Group Form'.

- **In the case where a grouping of distributors has already been supported for the proposed film in the framework of the «selective» support scheme for distribution of the MEDIA Programme:**

One or more distributors who so wish may join an existing grouping already supported in the framework of the MEDIA Programme for the distribution of the same film.

A fax from the grouping's coordinator acknowledging the participation of the distributor to the grouping is requested.

The theatrical release (not including previews or special screenings) shall take place in the relevant territory **at the earliest on the day of the relevant deadline for submission of this Call for proposals, and ultimately 18 months after the date of the deadline at which the initial grouping of distributors supported had submitted its application.**

5.5. Eligible applications

Only proposals submitted using the official application form, completed in full, signed (original signatures required) and received by the specified deadline, will be considered.

The application form must be accompanied the documents attesting to its financial and operational capacity, 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 Community cofinancing.

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

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 and set out below.

Applicants will be excluded from participating in the call 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 Communities' financial interests;
- f) they are subject to an administrative penalty referred to in Article 96(1) of the Financial Regulation

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

- (a) are subject to a conflict of interests;
- (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.

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 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. This declaration is included in the Application Forms.

7. SELECTION CRITERIA

Applicant 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, applicants 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, applicants 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;
- Or, for new companies: a bank declaration (document delivered by the bank confirming that the applicant company is the holder of an account which is properly operated);
- 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. The applicant guarantees 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);

Please note that the data to be provided is different depending on whether the applicant is a profit or a non profit company.

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

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.

8. AWARD CRITERIA

The following award criteria make it possible to assess the quality of the proposals submitted in the light of the set objectives and priorities:

- **In the case where a grouping of distributors has not yet been supported in the framework of the « selective » support scheme for distribution of the MEDIA Programme for the proposed film :**

Within the limits of the budgetary resources available, those groupings of distributors will be assessed which score the highest number of points on the basis of the following criteria:

Small films (Production cost < EUR 3 Mio)

	Points
Number of eligible distributors in the grouping (minimum 5)	1 point per eligible distributor
Bonus for groupings of 10 or more distributors	2
Film produced in FR or UK	0
Film produced in DE, ES or IT	1
Film produced in a country with a low production capacity	2
Film produced in a new Member State of the European Union (entered the EU in 2004 or later)	3
First or second feature film of the director	2
Documentary	2
Animation film	1
Film for children	1
The co-ordinator of the grouping is the sales agent / producer of the film (+ 1 if the sales agent is from a different country than the film)	2

Medium films (Production cost: EUR 3 – 15 Mio)

	Points
Number of eligible distributors in the grouping (minimum 7)	1 point per eligible distributor
Film with a production budget of EUR 3 – 5 Mio	1

Film with a production budget of EUR 5 – 15 Mio	0
Film produced in FR or UK	0
Film produced in DE, ES or IT	1
Film produced in a country with a low production capacity	2
Film produced in a new Member State of the European Union (entered the EU in 2004 or later)	3
First or second feature film of the director	2
Documentary	2
Animation film	1
Film for children	1
The co-ordinator of the grouping is the sales agent / producer of the film (+ 1 if the sales agent is from a different country than the film)	2

A special attention will be paid to permanent groupings of distributors who own the distribution rights and apply for support in several territories at a time. To reward and to encourage this kind of European distribution structures, two extra points will furthermore be given to such groupings.

If selected, the grouping may be awarded a higher percentage of MEDIA contribution (within the 50% limit and the amount requested) considering the higher costs incurred for joint or co-ordination activities. For the avoidance of any doubt, companies who have subsidiaries in other territories are not considered as permanent groupings in the meaning of this Call.

- **In the case where a grouping of distributors has already been supported for the proposed film in the framework of the “selective” support scheme for distribution of the MEDIA Programme:**

Within the limits of 15 % of the budgetary resources available at each session, the Agency will “automatically” select these actions, provided that they meet the conditions defined in sections 5, 6 and 7 of this Call for proposals.

9. FINANCIAL CONDITIONS

Community grants are incentives to implement actions and are based on the principle of co-financing. They complement the applicant's financial contribution and/or national, regional or private financial contributions that have been obtained elsewhere.

Acceptance of an application does not constitute an undertaking to award a financial contribution equal to the amount requested by the beneficiary. However, the allocated amount may not exceed the amount requested. The awarding of a grant does not establish an entitlement for subsequent years.

Grant applications must include a detailed estimated budget in which all costs are given in euro. For those countries which are not members of the Euro zone or for expenses incurred in the currencies of countries which are not part of the Euro zone, the exchange rate to be used is the official exchange rate published by the Commission at the beginning of each month for the month in which the application is submitted.

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/inforeuro/>.

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 Community 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 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, either by way of own resources, or in the form of financial transfers from third parties. The applicants shall provide an explicit undertaking from each co-financing organisation to provide the amount of funding stated in the grant application for the action.

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

9.1 Payment Procedure

In the event of definitive approval by the Agency, a financial agreement, drawn up in euro and detailing the conditions and the level of funding will be entered between the Agency and the beneficiary. This agreement (the original) must be signed and returned to the Agency immediately. The Agency will sign it last.

The account or sub-account indicated by the beneficiary must make it possible to identify the funds transferred by the Agency. If the funds paid into this account give rise to interest or equivalent profits in accordance with the legislation of the country where the account is held, such profit or interest will be recovered by the Agency where it results from the prefinancing payment if this payment exceeds 50 000 euros.

As a general rule payments will be made as follows:

- A pre-financing payment of 50% will be transferred to the beneficiary within 45 days of the date when the last of the two parties signs the agreement and all the necessary guarantees are received. Prefinancing 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 45 days following approval by the Agency of the final reports accompanying the request for payment of the balance.

The Agency will establish the amount of the final payment to be made to the beneficiary on the basis of the final reports certified by an independent and approved external auditor.

9.2 Certificate on the financial statements and underlying accounts

A certificate on the financial statements and underlying accounts, produced by an approved auditor or in case of public bodies, by a competent and independent public officer, may be demanded by the authorising officer responsible in support of any payment on the basis of his assessment of risks. In the case of a grant for an action or of an operating grant, the certificate shall be attached to the request for payment. The certificate shall certify, in accordance with a methodology approved by the authorising officer responsible, 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. Except in the case of lump sums and flat rate financing, the certificate on the financial statements and underlying accounts shall be compulsory for interim payments per financial year and for payments of balances in cases 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.

9.3 Guarantee

The Agency may require any organisation which has been awarded a grant to provide a guarantee first, in order to limit the financial risks linked to the pre-financing payment.

The purpose of this guarantee is to make a bank or a financial institution, 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 State 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 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 Community funding for the same activity. To ensure this, details are to be given in the application form of any other grant requests which the applicant has submitted or intends to submit to the European Institutions during the same year, stating in each case the budget heading, the Community 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;
- directly linked to the distribution of the film concerned
- must be incurred during the period of eligibility of costs.

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 direct 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, ...

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

Please detail any other costs for a better understanding of the distribution strategy.

Promotion costs (heading 2)

Promotion: Promotion material such as press dossiers, promotion events such as organisation of press screenings, premieres or receptions for launching the film in the territory, organisation of test screenings, travel and accommodation of the director / cast of the film in the distribution territory for the promotion of the film, design and construction of a web site / homepage for the promotion of the film; other promotion costs (EPK ...)

Please detail any other costs for a better understanding of the distribution strategy.

Optical Costs (heading 3)

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.

Please detail any other costs for a better understanding of the distribution strategy.

Digital Costs (heading 3)

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: mastering² 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...);
- digital copies : specify what kind of digital copy you use;
- dubbing and subtitling.

Please detail any other costs for a better understanding of the distribution strategy.

Other Costs (heading 4)

Audit Fees.

In the framework of the execution of an eventual financial support contract, 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, 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. Costs need to be detailed if the total exceeds the amount of EUR 5,000.

² Colour grading required for theatrical release, compression of the data, encoding, encryption.

These “other costs” must not fall under costs listed under Section 9.6 - Ineligible costs

9.5.2 Indirect costs (Overheads)

A flat-rate amount, not exceeding 7% of the eligible direct distribution costs of the action within the limit of EUR 30,000 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 are not eligible where the beneficiary already receives an operating grant.

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

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;
- VAT, unless the beneficiary can show that he is unable to recover it;
- costs declared by the beneficiary and covered by another action or work programme receiving a Community grant;
- excessive or reckless expenditure.

10. SUB-CONTRACTING AND AWARD OF PROCUREMENT CONTRACT

Not applicable.

11. PUBLICITY

All grants awarded in the course of a financial year must be published on the Internet site of the Community Institutions during the first six months of the following financial year, after the completion of the budget under which they were granted. The information may also be published in 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 and rate of financing.

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

Any MEDIA grant shall remain the exclusive property of the beneficiary. Community Law and the general conditions of any eventual contract offered to a distributor clearly lay down the fact that the Community Contribution (Grant) "shall be used by the Beneficiary solely, exclusively and directly in discharging eligible expenses incurred".

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 Community institutions and bodies and on the free movement of such data.³

Your replies to the questions in the application form are necessary in order to assess your grant application and they will be processed solely for that purpose by the department responsible for the Community grant programme concerned. On request, you may be sent personal data and correct or complete them. For any question relating to these data, please contact the Agency. Beneficiaries may lodge a complaint against the processing of their personal data with the European Data Protection Supervisor at any time.

13. PROCEDURE FOR THE SUBMISSION OF PROPOSALS

The purpose of this section is to define clearly for the applicants the procedures to follow when applying for support.

Duration and validity of the Call for Proposals

These guidelines are valid for the year 2009.

Deadline for submission of proposals

³ Official Journal L 8, 12.1.2001.

Applicants may present proposals to the Agency at any given date. Only complete proposals sent before the deadlines laid down below will be examined by the Agency. The outcome of the award procedure may normally be expected 16 weeks after the relevant closing date. This decision will be final.

Closing dates for submission of proposals:

- **1 December 2008**
- **1 April 2009**
- **1 July 2009**

13.1. Publication

The Call for proposals is being published in the Official Journal of the European Union and is accessible on the MEDIA Programme website at the following address:

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

13.2. Application forms

The groupings of European distribution companies who wish to benefit from the support described above must present their proposals by using the application forms and provide the required annexes.

The proposal must contain the following documents:

- a) Application form 'Distributor' (to be filled in and signed by each legal representative) as well as the 'Estimated distribution budget';
- b) Application form 'Film/Grouping' (to be filled in and signed by the Co-ordinator of the grouping);
- c) The application form "Company Form 2009" must be filled in by the distributor only once a year **and** in case of changes.

The official forms can be downloaded from the website mentioned in 13.1.

13.3. Submission procedure

Grant applications must be submitted in one of the official EU languages (preferably in English or French), on the correct forms, duly completed, dated, showing a balanced budget (revenue/expenditure) and signed by the person authorised to enter into legally binding commitments on behalf of the applicant organisation will be accepted.

Applications which do not include all the stipulated documents and which are not submitted at the respective deadline will not be considered.

Application and documents must be sent to the following address **by the relevant deadline:**

Education, Audiovisual and Culture Executive Agency (EACEA)

Constantin Daskalakis
BOUR 3/66
Avenue du Bourget, 1
B-1140 Brussels
Belgium

- (a) by registered post , date as postmark;
- (b) in person, at the address above mentioned, in which case the evidence shall be constituted by a signed and dated receipt (**on the date of the relevant deadline at latest before 15h00**)
- (c) by courier service, date of receipt by the courier service.

Envelopes should be clearly marked:

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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 all of 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.

The applicant has to submit all distribution agreements relevant to the application, including agreements already submitted when applying for support under any previous call of the MEDIA programme. Incomplete applications will be considered non-eligible.

Selected applications 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 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. Applicable Rules

- COUNCIL REGULATION (EC, Euratom) N° 1995/2006 of 13 December 2006 (OJ L 390/2006 of 30 December 2006); amending Council Regulation N° 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities (OJ L 248, 16.09.2002);

- COMMISSION REGULATION (EC, EURATOM) No 478/2007 of 23 April 2007 amending Regulation (EC, Euratom) No 2342/2002 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;

- Decision No 1718/2006/EC of the European Parliament and of the Council of 15 November 2006 concerning the implementation of a support programme for the European audiovisual sector (MEDIA 2007)

13.5 Contacts

The Commission service responsible for managing the MEDIA 2007 Programme is the EAC Executive Agency (EACEA).

Any requests for clarification should be addressed to:

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Tel : + 32 2 295 37 75

National contacts

Additional information is available at MEDIA Desks and Antennae as per the list on the following website:

http://ec.europa.eu/information_society/media/overview/who/desks/index_en.htm .