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## ITALY

### Film Distribution Fund

### Guidelines

#### Introduction| purpose of the Fund

The Ministry of Cultural Heritage and Activities and Tourism, in collaboration with the Istituto Luce Cinecittà and ANICA, with a view to supporting the commercial circulation of motion pictures outside national borders through a special project to promote Italian films, establishes a fund of €650,000.00 in order to grant contributions for the distribution of Italian films in theatres in **South Korea, Japan, Taiwan, Argentina, Mexico, Brasil, Australia, Canada, Israel, Russia and in Europe** (only for Italian films that do not have access to the Selective Media Fund).

#### The contribution

It is a contribution for the co-financing of P&A expenses for the theatrical release of the film in the country, that cannot exceed 30% of the costs incurred, the M.G. paid, and has a ceiling of 30,000 Euros per film per country. The contribution will be granted progressively **until funds are exhausted**.

#### Eligible films are:

- ✓ Feature films (>75 min.) intended for theatrical release (fiction, documentary, animation);
- ✓ 100% Italian or majority Italian productions;
- ✓ cinematographic works of original expression as defined by the Italian Interministerial Decree 22/02/2013, namely films of Italian nationality whose original version is mainly in Italian or Italian dialects ;
- ✓ films whose rights exploitation agreements with local distributors include theatrical rights and the insertion that any contribution received in cash flow reduce the costs incurred;
- ✓ recently produced films: made within the 24 months prior to the date of submission (the date of rating serving as proof);
- ✓ Italian films for which distributors have concluded related rights acquisition agreements starting from MIA International Audiovisual Market (not before 16 October 2015).

#### Exclusions

- ✓ Films for which the distributor has acquired worldwide rights are not eligible.
- ✓ Films that have obtained a financial contribution from the Selective Media Fund (only for European countries) are not eligible.

The regulation does not exclude the possibility of applying for both funds. In this case the double request must be reported and the outcomes for Media Selective Fund communicated.

#### Who can apply

Foreign local distributors, independent companies whose main commercial activity is to distribute films in theatres operating in the above-mentioned countries, providing that the following conditions are fulfilled:

- ✓ the foreign distributor has acquired theatrical distribution rights of eligible Italian titles (as defined hereinabove), paying a Guaranteed Minimum;
- ✓ the scheduled theatrical release in the applicant country has not yet taken place on the date of the application (confirmation e-mail sent by ANICA upon receipt of the application serving as proof).

#### In order to apply for a contribution, local distributors need to fulfil the following requirements:

- ✓ hold all the relevant theatrical distribution rights of the motion picture in the country in question;
- ✓ cover all the distribution expenses for the launch of the film they are applying for;
- ✓ guarantee that the film will be screened in movie theatres for at least one week (applicant will be asked to provide evidence);

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Please note that for the purpose of this fund, any screenings at Festivals, retrospectives, special events or previews will not be considered 'theatrical releases' which, for the avoidance of any doubt, is hereby intended as a release in theatres open to a paying audience for at least six screenings in the course of a week.

### Eligible costs

#### 1) Publicity and Advertising

By way of example, but not limited thereto: Graphic layout in various formats (posters, flyers, advertising pages, etc.); printing of playbills; radio/tv trailers (Beta/DVD); purchase of advertising space (newspapers, magazines, bills, TV/Radio/Internet spaces); EPK; press agent; social network campaign, website; preview and press junket;

#### 2) Prints

- a. DCP production;
- b. Subtitling and dubbing;
- c. Transport;
- d. censorship license procedure expenses (if applicable);
- e. VPF

### Amount of Funding

The financial contribution will amount to 30% of budgeted expenses, up to a sum of 30,000 Euros to allow the distributor to cover in part film launch costs.

If, during reporting, it is clear that the film has realized gross revenues greater than three times the expenses incurred and reported, then the contribution will not be granted, while, in the opposite case, it will be granted to the extent specified herein above, providing receipts of expenses incurred.

### How to apply

Applicants are required to fill in and sign the contribution application form available at [www.anica.it](http://www.anica.it) (link), including a company and film information file, a detailed P&A budget and a financing plan to cover the budget.

The following additional documents **must** be attached:

- 1) A company profile including track records (films distributed, with evidence of Italian titles, box office receipts, etc.);
- 2) A CV of the company's legal representative and the Head of Distribution (if they are two different persons);
- 3) A detailed plan for the release of the film for which the application is submitted (i.e. launch strategy, target audience, release date, towns, theatres, number of prints, promotion/marketing/advertising aspects etc.);
- 4) A copy of the signed film rights acquisition agreement;
- 5) A letter of the sales agent or producer, from the film was purchased, attesting that the contract has been fulfilled financially (either in part or totally) and that all financial obligation have been met (partially or in full), thus confirming that the applicant has full ownership of the rights;
- 6) A copy of the registration form of the applicant company with the National Company Register

Application form and annexes must be sent by e-mail to the **international seller and copied to ANICA** [international@anica.it](mailto:international@anica.it)

Only duly complete applications written in English and sent by e-mail will be taken into consideration.

The seller will send a confirmation e-mail upon actual receipt of the application.

The seller will examine and check the documents submitted. After having checked that admissibility criteria have been fulfilled, the seller will send ANICA a summary sheet highlighting the key aspects of the application (see Reference plan form). All applicants will be notified in writing about the outcome of their application.

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### **The Committee**

The Committee will be formed by 1 representative of the Ministry of Cultural Heritage and Activities and Tourism MIBACT, 1 representative of Istituto Luce Cinecittà and 1 representative of ITA - ICE Agency and alternately 3 representatives of producers and distributors with advisory power.

Staff: Roberto Stabile, Diana Tocci.

### **Selection Criteria**

After having checked eligibility, the Committee will assess the quality of the P&A plan, the budget and financing plan and the extent to which said plans fulfil the objectives established by this Fund. The Commission will then decide, without right of appeal, whether or not to grant the contribution and in what proportion.

In case of a favourable outcome, the sum of the budgeted contribution will be notified. Said sum shall be paid after having received the final accounts and the final report.

If the actual expenses incurred by the applicant are lower than anticipated, the Committee may decide to reduce the contribution proportionately, which however cannot exceed 30% of eligible P&A costs up to a maximum of €30,000.00 and cannot be higher than the MG paid.

### **Final Report**

The final activity report should be delivered to ANICA within 3 months from the theatrical release in the country in question and forwarded via e-mail and copied to the seller concerned, who will have to approve it.

Said report must include:

- ✓ One copy of any advertising material produced for the film: by way of example, but not limited thereto: advertising pages, posters, playbills; TV commercials, trailers etc.;
- ✓ Press review of the film;
- ✓ weekly box office reports specifying the number of prints, number of admissions, overall and average box office receipts per theatre; the box office report must be sent weekly for all screening weeks, starting from the first day of release, until the last day of screening;
- ✓ A cost statement for incurred expenses, including copies of invoices dated maximum six months before to three months after the date of theatrical release in the territory concerned.

**The contribution will be used to cover the expenses incurred by the distributor and specified in the report to the producer and seller.**

### **Terms of Payment**

The contribution shall be paid within 60 days from submittal of the Final Report and of a letter of the seller certifying full payment of the sum due (only in those cases in which said sum has not been paid when the application for the contribution was filed).

### **Timetable**

The committee will meet approximately on a quarterly basis within the months of April, September and December and is committed to give formal acknowledgment to the requests within a maximum of 30 working days from receipt of a complete application.

Applications may be submitted anytime, by March 15, July 22, and November 1, and until the funds are exhausted, providing that the film's release is scheduled to take place within 6 months from the date of application and has not already taken place. In order to establish the forwarding date, the confirmation of e-mail receipt shall serve as proof.

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### **Mibact visibility**

The films receiving said contribution shall be required to give visibility to the Ministry of Cultural Heritage and Activities and Tourism by using the following acknowledgement: “a Made in Italy project with the support of the Ministry of Cultural Heritage and Activities and Tourism in collaboration with Istituto Luce Cinecittà and ANICA” in all press and online material.