



FINANCIAL & PRODUCTION PROTOCOL INCENTIVE

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This document replaces the versions from 1 January 2020 onwards. Changes are marked 
The Articles that are changing substantively from 8 January 2021 are also marked 

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This protocol describes the financial and production regulations that financial grant applicants and recipients must bear in mind under the Netherlands Film Production Incentive regulations.

Chapter 1: Financial & production protocol

Important considerations before submitting an application

Only those film productions that as a cinematographic production are primarily intended to be a cinema release can qualify for a Production Incentive contribution. To a large extent these are international co-productions, which are film productions that comply with the criteria of the European Convention or of another treaty signed with the Netherlands. Other cross-border film productions too that cannot be considered to be international co-productions – both minority and majority ones – can be considered for a contribution, as can film productions that are primarily financed from the Netherlands or by a single specific foreign primary financier. High-end TV series can also submit an application for an Incentive contribution during the term of the pilot.

- A. There is no requirement to have a preliminary discussion before submitting an application, but taking advantage of this opportunity is recommended, to gain the maximum possible benefit from the scheme and the contribution granted under it. Questions can be submitted during a preliminary discussion and your attention will be drawn to common sticking points in this regard. An applicant will himself make choices about an application on the basis of a preliminary discussion.
- B. If financial contributions under another Fund scheme should prove necessary for realisation, these application options must be utilised *first*, in view of the limited period to full financing and the link to expenditure under the Netherlands Film Production Incentive. No application can be submitted under the Netherlands Film Production Incentive if the Fund is yet to make a decision about a previously submitted application for the same film production under one of the Fund's other schemes.
- C. Film productions or High-End TV Series on the basis of which an application is submitted must be fully developed from the artistic/content perspective.
 - 1. Drama series: The scripts and director's vision must be ready for production.
 - 2. Documentary series: The documentary scripts and director's vision must be ready for production, as must a research report on the research outcomes.
 - 3. Animated series: In the case of animation there must be a detailed director's vision, the long story lines/step outline for the series and definitive style guide.
- D. The production may not start until the financing, including the Production Incentive, is 100% guaranteed and has been recorded in writing and the obligations referred to in the Fund's decision have been met.
- E. The recordings for film productions whose further financing, apart from the contribution of the Incentive, has already been unconditionally promised and recorded in writing on application may be started at the applicant's own expense and risk if the financing share of the Incentive has also been guaranteed by a third party (not being the producer). If no Incentive contribution or a lower Incentive contribution follows, this third party must close the financing gap unconditionally.
- F. For films, such as minority co-productions that are already fully funded and have gone into production, an application for the *replacement* of existing financing (e.g. a tax scheme from abroad) may be made to the Incentive with the agreement of the other

financiers. The Incentive then serves to cover costs that have still to be incurred, in most cases the qualifying costs in post-production.

- G. Minority productions/minority co-productions must have a cinema release in the country of the main producer and a theatrical or non-theatrical release in the Netherlands. ■

1. The submission of the application

- 1.1. The Fund's application form states what business documents must be enclosed with the film plan. The business documents include among other things a financing plan, a budget, itemising qualifying and non-qualifying costs, as well as a breakdown of internal, regional and national or international spending relating to the financing and a recent annual report of the applicant. Such documents must be truthful and dated and serve as the basis for further processing. A further explanation of qualifying and non-qualifying costs is given in Annex 1 (qualification test) included in the Incentive.
- 1.2. In the case of an application for a financial contribution the Fund includes in its assessment whether, in the opinion of the Fund, grants received previously for other film productions were settled correctly, the obligations were met and the duty to report on the (exploitation) results was fulfilled.
- 1.3. Each application must be accompanied by notes on the budget and financing plan, the qualifying costs incurred with respect to non-affiliated domestic tax payers, the breakdown of internal, regional, national and international spending relating to the financing and any conditions of third parties related thereto and on any special or complicating factors relating to the film production. The notes for applications for which a financial contribution is applied for must give an understanding of the financial and production considerations, the positioning in the market and well-founded expectations of the applicant regarding release, exploitation and audience reach.
- 1.4. When determining the level of the contribution the qualifying costs are included from the date of submission, provided that at that time the application has demonstrably been found to be complete. This for instance means that 50% of the financing is demonstrably and unconditionally guaranteed, the required number of points under the points system has been reached and the distribution for at least the Netherlands is guaranteed. If the application has not been submitted in full, the latest date of submission of the application round concerned counts as the moment at which qualifying costs are eligible.
- 1.5. As regards the natural persons who fulfil functions such as those included in the points system, irrespective of their nationality, they must have their domicile in the Netherlands and carry out economic activity from there, or in some other way have a demonstrably strong link with the Dutch film culture. The nationality of the natural person is not therefore relevant. These are professionals who are established in the Netherlands, or who for example have grown up in the Netherlands and have attended a film training or related arts training.
- 1.6. A producer who legally represents the applicant can, in principle, not be the director or scriptwriter for the film production.
- 1.7. In the context of a professional film sector, the Fund assumes that applicants and the professionals and companies involved in an application respect the frameworks of their own professional associations, apply fair practice¹ and act transparently, ethically and professionally.

¹ <https://fairpracticecode.nl/>

2. Frameworks relating to the budget

The Fund uses fixed frameworks which must be taken into account when drawing up the production budget. These frameworks for the budget are separate from the question of whether or not costs qualify according to the Incentive.

(in the case of a minority coproduction the parameters of the main producer's national fund are guiding and the provisions below are aimed primarily at the Dutch share of the production)

production costs

- 2.1. The applicant must use the Fund's latest budget model (as stated on the Film Fund website). With a view to an efficient and correct way of working, the tab with general information (the globals) must first be completed properly.
For minority co-productions the applicant can choose to use the main producer's budget model, provided that it has been drawn up in English, and to enter the Dutch spending exclusively in the incentive budget model. In this case reference must be made in the incentive budget to the original budget numbers in the total budget. The total Dutch expenditure must be demonstrably incorporated into the total budget of the majority co-producer and correspond to Dutch expenditure from the incentive model.
- 2.2. The budget estimate appended to the application provides a full, detailed and realistic representation of the expected costs of the purpose for which an application has been submitted. The budget also contains a breakdown of regional and national or international spending and of the qualifying costs and non-qualifying costs, as well as internal costs charged on. If applications are being made to several Fund schemes, the budget estimate must be the same.
- 2.3. The estimated costs must be realistic, in line with the market, cost efficient and detailed to enable the Fund to assess the underlying calculation and appraisal by the applicant. Substantial cost items that cannot (yet) be broken down must be explained.
- 2.4. If the Fund makes a financial contribution, the level of the budget and the recoupment position of the Fund's portion are fixed.
- 2.5. Increases or reductions in main cost items (front sheet of the budget), greater or less than 10% with respect to the budget approved by the Fund must be submitted in advance to the Fund for approval with a justified basis.
- 2.6. The rates of suppliers, fees and any (rights) payments must in the opinion of the Fund be in line with the market, reasonable and cost efficient. Criteria for the fees to be charged include experience, commercial and artistic success of earlier work, the level of the production budget and the exploitation opportunities of the relevant film production.
- 2.7. The Fund itself does not set any maximum figures for price agreements between parties, but as regards its own contribution the Fund decides up to what level costs, fees and (rights) payments are in line with the market and subsidisable.
- 2.8. The office and salary expenses of employees employed by the applicant or by affiliated persons or legal entities and co-production partners are classed as internal costs and on-charges. These costs can only be budgeted separately from the 'overhead' cost item if, in the Fund's opinion, they fulfil a managing operational function in the development and realisation of the film production in question. Internal and on-charged salary and office costs must be set out clearly in the budget with a specification of the exact costs, plus the price per unit and the period in which the costs will be incurred. Internal costs and on-charges that the Fund has approved and the level of grant can only be adjusted upwards after the Incentive contribution has

- been granted following approval by the Fund. When budgeting salaries and fees of the applicant's employees, the Fund must feel that these costs relate to the fees of freelance workers or permanent appointments of a similar level elsewhere. *
- 2.9. For the film rights to books and/or format rights a maximum of 2.5% of the total production budget, to a maximum of 75,000 euro, applies as a basis for a financial contribution by the Fund, the minute price and the calculation of supplements for producer's fee, overheads and contingencies. For other payments the Fund considers the total of all payments (including previously received fees) and the empirical figures for the past five years in the Netherlands and comparable countries.
 - 2.10. The Fund may in the assessment of the budget request quotations based on which certain items are estimated. The quotations can then be made directly available to the Fund.
 - 2.11. Costs already incurred for research, script and/or production development must be included in the budget for the total production costs.
 - 2.12. If the film production contains more than 15% Computer Generated Imagery (CGI) or Animation Technology the applicant must provide the Fund with a breakdown and analysis of the costs of the scenes and shots for which this applies.
 - 2.13. Under the Film Production Incentive and qualifying costs accounted for therein, only a percentage of the purchase value of capital production equipment owned by the applicant or an affiliated entity (including– but not limited to – computers, monitors, software, cameras, light and sound equipment) can be charged as production costs that depends on the period within which this capital production equipment is used for the film production; when this is used for 30 days or less, 5% of the purchase value (excluding VAT) of the relevant capital production equipment can be charged to production costs in the budget; the latter percentage is 10% when it is used for more than 30 days.
 - 2.14. The budget includes a separate and clear budget item for kilometre allowances and other types of travel and accommodation costs. The applicant must on the first request of the Fund be able to submit justification for these costs.
 - 2.15. Sponsor contributions in kind, contributions of suppliers, makers and crew & cast that also provide services or goods for the realisation of the film production are not seen as qualifying costs. In such cases the financial contribution and margins for *producer's fee, overheads and contingencies* are calculated on the budgeted costs, approved by the Fund, for the services or goods supplied minus the contributions of the sponsor, supplier or cast & crew.
 - 2.16. For film productions with a budget of more than EUR 2 million, the budget includes a standard budget item of EUR 3,000 for interim and cross-checks by/on behalf of the Fund.
 - 2.17. For film productions that have received a realisation contribution from the Fund partly because of their chances on the international market the costs for subtitling and/or dubbing, M&E tracks and sales deliverables must be included in the production budget.
 - 2.18. All majority Dutch feature films, long animated films and documentaries intended for cinema release as well as television series that receive a financial contribution from the Fund must be provided with audio description and STD&HOH² so that they are accessible for the blind, the visually impaired, the deaf and the hard-of-hearing. Films with English as language of communication and aimed at an international audience may choose to put the audio description in English. The necessary costs for this must be included in the budget. †

² Subtitling of film productions for the deaf and hard of hearing.

- 2.19. The budgeted amount for the marketing/promotion must be in relation to the intended reach of the film, so that sound marketing and promotion is ensured. For majority Dutch feature films and long animated films, the Fund applies a target percentage of 5% of the estimated production costs. The minimum is 2.5%.
- 2.20. Other or *miscellaneous* costs must form part of the contingencies budget item. Overtime is not budgeted separately, but also forms part of the contingencies item.
- 2.21. The *digital production costs* of a film are included in the budget under items 4100 (except items 4140 and 4194), 4600, 4650, 4700, 4800 (except 4880), 4900 (except 4911), 5000 (except item 5094), 5300 (except items 5390 and 5394), 5400 (except 5494) and 5500. The items are also clearly indicated in the model budget.
- 2.22. The film distributor has in his employ specialist staff with demonstrable film distribution experience. If the film distributor is a member of the same group of companies as the producer and/or the production company, the natural person responsible for the day-to-day management and performance of the marketing and distribution activities must have independent authority to sign.

Financing costs/co-financing costs

- 2.23. The costs relating to foreign co-financing in the form of foreign funds, tax shelters, rebates, credits and investments are in so far as necessary and solidly substantiated estimated under budget items **6650** and **6655** in the budget. In respect of amount and estimated items, the budget for the application is the same as the budget used by foreign financiers. The costs cannot be considered for grant awarding by the Fund because they are not direct production costs. The costs are not included either in the calculation of margins for producer's fee, overhead and contingencies. ❌
- 2.24. Any domestic financing costs ([see definition](#)) involved in attracting risk-bearing private investments from individuals or companies, can, if solidly substantiated and from specialist recognised parties, be budgeted under budget item **6645** to a maximum of 15% of the net investment (gross investment minus the costs) by correctly entering the *globals* of the Incentive budget. In so far as these costs are greater than the maximum permitted 15%, the balance is automatically included in budget item **6646** if the *globals* have been filled in correctly. These remaining costs are disregarded in awarding grants and passing on margins for producer's fee, overheads and contingencies. ❌

producer's fee, overheads, completion bond and contingencies

- 2.25. The budget items producer's fee, overheads, any completion bond and contingencies are calculated separately from each other on the estimated production costs excluding foreign co-financing costs but including the domestic financing costs accepted by the Fund in connection with private investments. Development and rights are not taken into account in the percentage for contingencies. ❌
- 2.26. The salary costs of the producer(s) form part of the budget items *producer's fee* and where applicable to a limited extent the *overheads*. These also include the costs for creative or delegated producers, a head of production or producers who support the ultimately responsible producer in parts.
- 2.27. For Dutch majority feature films that on the basis of the European Convention³ or another international treaty with the Netherlands qualify as an *international co-*

³ European Convention on Cinematographic Co-Production (<https://www.coe.int>)

production an item can be budgeted separately – for the additional efforts of the production team – for executive producer up to a maximum of EUR 25,000. If externally invested, these costs may also qualify under the Incentive. ❖

- 2.28. For Dutch majority documentaries a supplement of 17.5% on the director's fee (exclusive of other positions) may be budgeted to a maximum of 10,000 euros. This supplement is intended for activities of the documentary producer in the area of public reach, innovation, professionalisation or any other activity that benefits the further development of the production company. This amount remains outside the margins for producer's fee, overheads and contingencies.
- 2.29. The extent to which the *producer's fee* and *overheads* are increased by the applicant must be in proportion to the type of film production or television series and the size of the production company. The overheads item includes all the fixed and variable costs of the applicant and any co-production or business partners it has in connection with the regular conduct of business. This includes all the internal salary and office costs that in the opinion of the Fund are not directly connected with the film production for which an application is submitted for a financial contribution.

The budget item *producer's fee* for film productions is a maximum of 7.5%.
The budget item *overheads* for film productions is a maximum of 7.5% up to a maximum of 350,000 euros per film production. ❖

In the case of minority co-productions, the items producer's fee and overheads for the Dutch minority co-producer are a maximum of 15% of the total Dutch production costs (above and below the line).

For majority Dutch documentaries for which the total production budget including margins is less than EUR 750,000 the use of a higher percentage for overheads may be chosen for this. The total of *producer's fee* and *overheads* together however in such cases may not exceed 17.5% of the budgeted (production) costs.

For drama, documentary and animated series in principle the agreements with the main financier about producer's fee and overheads are followed, with no scope to exceed the Fund's maxima. For high-end drama series internationally co-produced in cooperation with the NPO, 12.5% in principle applies as a total for producer's fee and overheads. The supplement referred to in Article 2.28 does not apply to high-end documentary series.

- 2.30. The level of the *contingencies* budget item varies per film production and category, but is between 5% and a maximum of 10%. At least a third of the *contingencies* must be reserved for post-production. To this end a current cost overview must be submitted not later than 14 days after the last day of shooting.

3. Frameworks relating to financing


- 3.1. The financing plan of a film production presents a realistic overview of (possible) financiers. It states which financial contributions have already been promised unconditionally or are currently under consideration and when the outcome is expected. Written evidence or statements of any contributions already promised must be enclosed. All grants awarded for development, such as research, script and/or production development, must be included in the financing plan for an application for a contribution.
- 3.2. If at the time of the application a business partner or co-producer is inseparably tied to the application, an agreement or deal memo with this party must be appended to the application. This agreement or deal memo must set out transparent agreements relating to rights, tasks, responsibilities, remuneration and the position of the applicant.
- 3.3. If the production costs can partly be financed by attracting private investors, by issuing participatory interests in the company assets that are formed by the film production and/or its exploitation revenues, the investment proposal must be submitted to the Film Fund in writing, accompanied by a written statement from an RA/AA accountant that the risks and income distribution related thereto are adequately discounted in the profit forecasts and that the investment proposal has been drawn up in line with the current legislation and regulations, before this proposal for these participatory interests is submitted to each of these private investors. The participatory interests must be demonstrably fully paid up or taken at the time when the whole of financing must be unconditionally financed or secured by a financial guarantee from one of the other financiers.
- 3.4. The total *deferments* may as a maximum amount to 75% of the *producer's fee* and *overheads* items and the total deferments in relation to the production budget are not more than 10%. This is to prevent the applicant keeping too few buffers for a healthy conduct of business.
- 3.5. Investments from the own capital of the production company (or from an entity affiliated with it), producer or makers involved in the financing must:
 - be demonstrably substantiated with financial documentation;
 - be invested unconditionally and at own expense and risk in the film production;
 - be deployed to cover the initial production costs (or pre-production costs) and be fully included in the cash flow schedule.

If the own investments are part of the unconditionally guaranteed financing for the application then at least one other independent market party must make a substantial and competitive contribution to the financing that must be included as such in the financing plan as an unconditionally guaranteed financing.

Investments cannot subsequently be replaced by other forms of financing. If the production budget is reduced then the own investment must remain the same.

4. Frameworks relating to execution

- 4.1. When granting a financial contribution, the conditions under which the contribution of the Fund is made available are included in the grant decision. In the case of own investment (Article 3.5), the initial costs of the production must be covered by the producer himself or herself. Further agreements and commitments are laid down in an implementation agreement.

- 4.2. In the implementation agreement it will also be laid down that the payments of the film production are strictly separate from other film productions and activities of the applicant.
- 4.3. To provide a clear separation from other projects a separate bank account must be used for the film production in question. With a production budget of EUR 2 million or more a single purpose company must also be set up in principle. The conditions under which the contribution made is transferred to a single purpose company are laid down in the implementation agreement.
- 4.4. If applicable, a detailed recoupment schedule (chapter 3, regular Financial & Production Protocol) approved by the Fund based on the final financing forms part of the implementation agreement.
- 4.5. Payments including discounts and commitments for services rendered and goods delivered, as recorded in the accounts, must be consistent with the agreements made regarding the film production. Any credit invoices must be to the benefit of the film production and must have been recorded by no later than the delivery of any financial report. Kickbacks or similar constructs by which costs or revenues would be kept out of the view of the Fund or other financiers are not permitted.
- 4.6. After granting the financial contribution the applicant must provide immediate notice of the following, accompanied by a proper explanation:
 - a) deviations from the budget estimate approved by the Fund (these are communicated using a *cost report*);
 - b) deviations in the points system submitted by the applicant for the application;
 - c) deviations in the qualifying costs and non-qualifying costs and deviations in the regional, national and international spending approved by the Fund;
 - d) deviations in the financing compared to the approved financing plan;
 - e) deviations in the internal costs agreed with the Fund;
 - f) circumstances that may seriously harm or jeopardise the production and financial execution of the film production; and
 - g) circumstances that conflict with the Dutch laws and regulations and/or with the proper spending of the financial contribution of the Fund.
- 4.7. The picture lock must be delivered to the Fund on DVD or in the form of high resolution streaming, video or download. The Application file including the cultural features and the final script ('shooting script') is compared with the picture lock by the production manager and/or the head concerned. If substantial differences are found compared with the application file, this will be notified in writing to the recipient of the financial contribution and this may have consequences for determining the financial contribution and/or any advances made from this.
- 4.8. The Fund endorses both the Child Supervision Protocol (NAPA)⁴ for regulating and safeguarding the interests of minors (up to the age of 12) who take part in a film production and the COVID-19 Protocol for the AV Sector (NAPA/NCP)⁵ with guidelines on hygiene, precautionary and protective measures and rules of behaviour, with the aim of the safest possible work situation at the time of the Covid-19 crisis. Producers of film productions that come about with support from the Fund are obliged to follow the Child Supervision Protocol and the COVID-19 Protocol for the AV Sector closely. 
- 4.9. The efforts in the sector to produce with greater sustainability are encouraged by the Fund. At the end of the montage phase (picture lock) producers must provide written

⁴ <https://www.producentenalliantie.nl>

⁵ <https://www.producentenalliantie.nl/covid-19-protocol.html>

feedback on their efforts and findings, which may possibly be shared with other colleagues.

- 4.10. For the Fund the term social responsibility means the following:
Within a professional sector the rules and manners customary in social and economic life between clients and contractors are respected, while a safe working environment and reasonable working conditions are assured. Unacceptable behaviour (including harassment, discrimination, abuse of power and sexually unacceptable behaviour) must be reported to sector associations or confidential advisers, (Mores⁶), established by them and, depending on the seriousness of the behaviour, to the (government) agencies intended for this.
- 4.11. The grant awarded is of an exploitation grant nature. It is not subject to turnover tax. For this reason no account is taken of turnover tax in awarding the grant amount. If at any time the grant amount nonetheless proves to be subject to turnover tax, wholly or partially, it will not be increased by the Film Fund. The risk of the grant amount being subject to turnover tax is therefore borne by its recipient. Each grant recipient also bears its own responsibility to test the nature of the grant for turnover tax purposes and in case of doubt to seek advice about this. The Film Fund does not test whether grants are subject to turnover tax in individual cases.
- 4.12. When fixing the financial contribution, the Fund will take into account the fulfilment of the obligations laid down in the Financial & Production Protocol and the Incentive Financial & Production Protocol.

⁶ <https://www.mores.online>

5. Financial account and final account

- 5.1. The records must be kept in a clear and efficient way in accordance with Dutch legislation and regulations, the Financial & Production Protocol Incentive and the corresponding Financial Accounting Manual. In addition, a record system acceptable to the Fund must be used using the coding system from the standard budget of the Fund.
- 5.2. In addition, the records must give a true, full and up-to-date view of the functioning of the applicant and at detail level be in line with the budget approved by the Fund, schedules of qualifying and non-qualifying costs, spending at home and abroad, internal on-charges and the financing plan. When setting up the financial records of the applicant and the accountability possibly required for the costs and financing realised after the event, the final budget approved by the Fund and the financing plan must be used as a reference framework. In the case of a financial contribution in the framework of the Incentive, it then means the budget and cover associated with the implementation agreement. The Fund also uses these documents as a reference in fixing the financial contribution.
- 5.3. Proper documentary evidence must be present for all receipts and expenditure, clearly showing the nature and the extent of the goods supplied or services rendered and containing reports, cost, spending and other schedules in the applicant's records, including a schedule of the spending of qualifying costs incurred with respect to non-affiliated domestic taxpayers.
- 5.4. Expenses, e.g. expenses for art/clothing/make-up etc., that were paid on the basis of official (cash) receipts/invoices with VAT specification qualify if these costs are processed as follows:
 - by means of an invoice - which must contain a breakdown of at least the labour costs, material costs, kilometre allowance, accommodation and other costs - accompanied by an overview of the qualifying costs (date, receipt/company/description of purchase/amount with and without VAT);
 - by means of an expenses claim in which the claimed expenses relate only to qualifying costs, and an overview of these costs (date, receipt/company/description of purchase/amount with and without VAT) is provided with the claim. The claim must contain the date of submission, be signed by the claimant and approved by the applicant;
 - both the advance - if any - and the invoice or claim were paid through the production company's bank account opened specially for the project.
- 5.5. The records must clearly show whether the number of points has been obtained on the basis of which a financial contribution has been granted and from the *Points Accounting* form completed by the applicant.
- 5.6. The recipient of the financial contribution or their administrator or accountant shall without any restrictions provide full cooperation with employees or representatives of the Fund who are involved in interim and final audits of the records and (final) accounts.
- 5.7. In the grant decision the Board undertakes the obligation that a financial report must be issued on the financial contribution granted and corresponding spending for the relevant film production.
- 5.8. If the grant is based on an incentive percentage of 35%, but at the time of final settlement it turns out that the situation has changed and the requirements for a

- higher cash rebate can no longer be met, the regular percentage of 30% is applied in fixing.
- 5.9 The financial report gives an insight such that a sound opinion can be formed regarding
- (i) the spending of qualifying costs incurred with respect to non-affiliated domestic taxpayers,
 - (ii) the spending incurred by the recipient of the financial contribution and, where this relates to an international co-production, the spending incurred due to producers from countries of origin outside the Netherlands,
 - (iii) the internal costs passed on by the recipient of the financial contribution, and
 - (iv) the financing received from third parties by the recipient of the financial contribution and, where this relates to an international co-production, by the producers from the countries of origin.
- 5.10 The financial report is in line with the classification of the budget and the financing plan that prior to the granting of the financial contribution or upon signature of the implementation agreement were submitted and approved by the Fund according to the Financial & Production Protocol Incentive of the Fund. Major differences between financial report and budget and/or financing plan are explained.
- 5.11 The recipient of the financial contribution is obliged to append to the financial report a statement from the accountant as referred to in Article 393, of Book 2 of the Civil Code, where not otherwise agreed in the implementation agreement. The accountant follows the Financial Accounting Manual and the underlying Financial Report Audit Protocol and model audit opinion of the Fund. In addition, special attention is paid to spending of qualifying costs incurred with respect to non-affiliated domestic taxpayers and otherwise spending incurred in the Netherlands and to the extent to which other regional and national or international spending commitments are met.
- 5.12 If the applicant receives several contributions from the Fund for the same film production the Board may include in the decision to grant a grant the obligation that reports and any justification must be submitted by an accountant in relation to all the grants and/or financial contribution(s) received. Any grants already awarded and costs for the development, such as research, script and/or production development in the case of corresponding film productions must be fully included in the reports and justification when it comes to fixing the financial contribution.
- 5.13 Representatives of the Fund may on the first request inspect the records relating to the film production for which the financial contribution has been granted. Notwithstanding the provisions in this Article the Fund may after granting the financial contribution at any time required by the Fund check whether the obligations relating to the financial contribution have been met. This check may also relate to the creditors bound to the film production, and where the granting of the financial contribution concerns an international co-production, to the co-producers involved in this.
- 5.14 If the film production has been executed in accordance with the conditions for granting the financial contribution, the applicant must submit a request for the grant to be fixed, in accordance with Article 18 of the Incentive and the timeframe specified therein, whereupon the Fund will proceed with fixing the financial contribution.

6. Exploitation

- 6.1. The total contribution(s) invested by the Fund in the development and realisation of a film production must be repaid out of exploitation income. The income received by the Film Fund in this position is revolving and is divided as follows:

The Fund provides a minimum of 50% and up to 100% for the development and/or realisation of new film productions belonging to the recipient of the financial contribution. The Fund lays down the same requirements as for regular Fund contributions. Revolving funds that are demonstrably used for a new film production have no consequences for any Fund contribution (for which no application has yet been made).

If the Board of the Fund agrees, in anticipation of the point at which the film has fully covered its costs, in the case of Dutch majority productions a maximum of 50% can be used by the grant recipient to fulfil agreements with risk-bearing investors, together with any entitled parties, including the producer, the director and the scriptwriter of the film production concerned. In the absence of demonstrable agreements with entitled parties other than the producer or risk-bearing investors, a minimum of 75% of funds must be reinvested in a new film production.

After fixing the financial contribution, a request for use of repaid exploitation income may be made within a period of three years. This request must be sent to the Board and be accompanied by a detailed substantiation. On the expiry of this date the (remaining) funds will be added to the Film Fund's general funds. See chapter 3 for the further procedure.

In the context of minority co-productions dispensation can be granted for the repayment of the Incentive contribution.

- 6.2 The recipient of the financial contribution has the obligation, in addition to the obligation to repay, to inform the Fund adequately and in writing of the visitor numbers and sales figures across all forms of exploitation as well as all costs and the revenues generated through exploitation of the film production for which a financial contribution has been granted, both nationally and internationally. The recipient of the financial contribution must provide the Fund with detailed information at least once a year, either when requesting a financial contribution for a new film production, or annually before 1 June for the previous calendar years. The recipient of the financial contribution must also include this duty to report to the Fund in its agreements with film distributors, sales agents and others exploiting the film production. After five years the reporting duty will become an annual duty to inform in the event that there is any income to report.
- 6.3 The reporting duty referred to in Article 6.2. applies to all forms of exploitation including but not limited to, income from theatre screening, close circuit screening (airline, hotel), DVD and Blu ray sales and rental, Video On Demand and Pay Per View, online distribution, international sales and distribution, format and remake rights and must be itemised.
- 6.4 The net proceeds will be divided up as set out and defined in the (repayment) recoupment schedule that forms part of the implementation agreement. The Fund's customary model, laid down in the regular Financial & Production Protocol, is used for this. For investments on the basis of tax-driven instruments a prior assessment will be made to see whether these should also be repaid out of income from exploitation. This will also take into account the term of the investment proposition. If the fiscal vehicle is suspended, the recoupment position of the affiliated investors will expire from that moment.
- 6.5 The financial contributions of the broadcasters and funds allied to them, with the exception of CoBO, are aimed at obtaining a licence for the usual industry broadcasting rights or for collectively agreed broadcasting rights and are not therefore

- eligible for a recoupment position unless the Fund and any other public financiers agree to a repayment position.
- 6.6 If the foreign co-producer claims a position within the Dutch recoupment for the foreign funds brought in by the co-producer with a recoupment obligation, reciprocity must exist in respect of the position of the Dutch producer in the foreign recoupment. What happens in principle in such a case is a pro rata distribution in the same recoupment position.
- 6.7 With regard to the collection and distribution of income from exploitation, the Fund endeavours to make binding arrangements in conjunction with other financiers concerning a system of central collection and distribution of income from exploitation (*collective accountancy*).
- 6.8 The Fund requires that the recipient of the financial contribution furnish every film production that is realised with the Fund's support with a so-called ISAN⁷ code containing all the information relating to rights to production.
- 6.9 Upon publication the recipient of the financial contribution must inform the Fund beforehand of all festival selections of a film production that has been created with a contribution from the Fund and of all prizes that are won with it.

⁷ www.isannl.org

7. Definitions

Where terms are used in the Financial & Production Protocol Incentive that are not defined in Article 1 of the Incentive in addition to these the following definitions apply:

records:	all data about the company recorded on paper or in digital form. The records consist of the physical and digital records, the “books, records and other data carriers”, and these must be stored in such a way that the rights and obligations of the applicant can be known;
audio description:	a technique by which a narrator, during the pauses in dialogue and background sounds, describes everything that is to be seen so that blind and visually impaired people are able to follow the film;
budget:	the detailed financial basis of the costs of a film production;
board:	the board of the Fund; *
cinema release:	the national distribution of a film production, which is released after the première with a daily screening for several weeks and in several cinemas and/or film theatres in the Netherlands for a paying audience; *
domestic taxpayers:	legal entities, partnerships and natural persons that demonstrably have their permanent residence or a permanent establishment in the Netherlands and demonstrably carry out economic activities from there, which among other things is evidenced by a registration with the Commercial Register of a Chamber of Commerce, a bank account with a bank branch in the Netherlands, with normal invoicing from the Netherlands and – at the discretion of the Board – are not established or have an establishment in the Netherlands with the sole purpose of meeting the description of domestic taxpayer;
VAT:	i) tax levied under Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax and ii) any tax of a similar nature, irrespective of whether this tax is levied as a replacement for or in addition to the turnover tax described in section (a) in a member state of the European Union or outside it.
category:	a type of film production; *
completion bond:	the insurance that guarantees that the film production will be completed and delivered in accordance with the (budgetary) terms and conditions as stated in the insurance policy, or that – in the event that production is abandoned – guarantees that the production costs incurred thus far will be reimbursed; *
co-production:	a film production for which two or more co-producers bear the risk in making a content-related and financial contribution based on a film plan and/or script approved by all parties; *
cross-media marketing & distribution plan:	a detailed plan of all activities in the area of marketing and distribution, using all possible forms of promotion, advertising and (social) media, for the cinema release and further exploitation of the film production; *
DCP:	(digital cinema package): the digitally stored copy of the film production that can be screened in a cinema; *
deferment:	a decision not to bill for costs on the condition that these costs are repaid out of any proceeds from exploitation of the film production;
distribution:	the professional release and exploitation of film productions;
fiction film:	a (live-action) film production in which a story is told that mainly takes place in the imagination of the maker and viewer;

financing costs:	all costs incurred for attracting investment from the market through individuals or companies, including commissions of specialist recognised intermediaries, legal, banking, tax and insurance costs;
financial report:	the concluding report that gives an understanding of the expenditure, application and spending of the financial contribution by the recipient of the financial contribution and the financing received from third parties, that is accompanied by a statement from the accountant as referred to in Section 393 (1) of Book 2 of the Dutch Civil Code;
the Fund:	the Netherlands Film Fund Foundation;
affiliated:	if a person or legal entity is directly or indirectly connected with the applicant through (whole or partial) ownership, control, management or (capital) interest, for example; *
globals:	short name for details and basic assumptions in the budget to which certain calculations are linked;
internal costs:	all the office and salary costs or on-charges of employees on the payroll of/with a (notional) employment relationship with the applicant or affiliated persons or legal entities and co-production partners with regard to the film production included in the budget estimate and the financial records; *
investment:	a financial contribution that is demonstrably invested in a risk-bearing way in the production of the film production to the satisfaction of the Board of the Fund and does not consist of a deferment or, in the Board's opinion, an equivalent contribution or a sponsorship contribution in kind;
qualifying costs:	production costs that qualify according to the qualification test and are demonstrably spent directly with non-affiliated domestic taxpayers as described in the qualification test included in the incentive;
majority film production:	a national or international film production in which the Dutch producer is a majority (co-)producer and the composition of the artistic team means that the film production can be regarded as Dutch; *
minimum guarantee:	an advance on revenues from exploitation that are invested in the realisation or purchase of a film production and is not refundable, but recoupable against any revenues, that a film production may generate through screening in cinemas and further exploitation in the broadest sense of the word;
minority co-production:	an international production or co-production where the Dutch producer is a minority co-producer; †
mood board:	visual presentation intended to convey a style;
development:	all work associated with the development of a film production up to the production stage;
contingencies:	the budget item for covering costs to do with a film production that are unexpected and cannot be estimated in advance;
overheads:	the fixed and variable costs of the applicant or the applicant's co-production and business partners that are associated with the normal course of business, including all the internal salary and office costs, and not the relevant film production or film activity;
STD&HOH:	Subtitling of film productions specifically for the deaf and hard of hearing. *
preproduction:	the production preparation phase preceding the shooting period;
prints & advertising (P&A):	the direct costs after the realisation phase that are associated with the cinema release and promotion of the film production ready for screening and the costs of the release copies (print costs/DCP);

producer's fee:	all the fees and remuneration for the producer(s) and any co-producer(s) on a film production;
realisation:	all activities after the development phase that are associated with creating a film production primarily intended for cinema release in the Netherlands and with making it ready for screening;
legal entity	any institution that is legally authorised to act independently from the natural person, including: associations, co-operatives, limited liability companies, private companies with limited liability and foundations
director:	a natural person, who is in charge of artistic direction in relation to the execution of a film production;
script:	a description of a sequence of scenes and written text with dialogue suitable for filming to create a film production;
single purpose company:	a company of the production company that was set up especially for the execution of a single film production;
incentive:	the Film Production Incentive Regulations of the Fund in the Netherlands;

Chapter 2: Mention of the Fund, ident and use of logo

Mention of the Fund

1. The Netherlands Film Fund is to be mentioned in both the opening and the closing credits. Opening credits must appear on a separate title card. In the closing credits, the Fund may be mentioned together with the other financiers. For short films or films that only receive a completion contribution or otherwise limited Film Fund support, mention is only required in the closing credits. A correct mention of the Netherlands Film Fund applies to all forms of exploitation. In the case of television or online screening, the Fund must at least be mentioned in the opening or closing credits.
2. Mention of the Fund must be easy to read and on at least the same scale or bigger than that for any other financiers or the film distributor. In the event that only the Netherlands Film Fund is mentioned, this must be visible for at least three seconds.
3. The fund is mentioned on all copies of the film print (master), on all video and digital copies and on all other forms of publication, including screening on television or online.
4. All credits and logo depictions must be submitted to the relevant production manager of the Netherlands Film Fund for approval in advance.
5. If the film was only granted a contribution from the Netherlands Film Production Incentive the opening and closing credits must read as follows:

Dutch: *“Deze film is tot stand gekomen met een bijdrage van de Netherlands Film Production Incentive”.*

English: *“This film was supported by the Netherlands Film Production Incentive”.*

If the film was realised with both a regular realisation contribution from the Fund *and* a contribution was granted from the Netherlands Film Production Incentive, the opening and closing credits must read as follows:

Dutch: *“Deze film is tot stand gekomen met een bijdrage van het Nederlandse Filmfonds en de Netherlands Film Production Incentive”.*

English: *“This film was supported by the Netherlands Film Fund and the Netherlands Film Production Incentive”.*

The ident

For film productions of 10 minutes or more with a cinema release that have received a regular realisation contribution, the Fund’s ident must also be placed after the film distributor’s ident and before the mention of the Fund. The ident is available in various formats from www.filmfonds.nl under ‘About the Fund’ under ‘logo’.

Depiction of logo

The provisions regarding the credits also apply to the depiction of the Fund's logo in the closing titles. The size is at least the same as that of the film distributor, but with a minimum height of 1 centimetre. The logo is available as a white logo on a dark background and as a white logo and black area on a light background. The logo must be clearly readable and be used in a high resolution. Readability must be a particular consideration if the background is not a solid colour. The logo is available as a JPEG, PNG or EPS (ai) file from www.filmfonds.nl under 'About the Fund'.

For film productions that receive a contribution from the Netherlands Film Production Incentive (in addition to a regular contribution from the Fund), the Film Fund logo and the Production Incentive logo must be used next to each other.



For film productions that only receive a contribution from the Netherlands Film Production Incentive, the Netherlands Film Production Incentive logo must be used.



Posters and other publicity materials

The provisions concerning mention of the Fund and depiction of the logo also apply to the posters for the film, in consultation with the Fund, to all publicity materials made by the applicant or on the applicant's behalf within reason and to festival newspapers. Also if only a development or distribution contribution was granted.

Person responsible

The applicant sees to it that the requirements concerning mention of the Fund and depiction of the logo are met by third parties who exploit the film under licence, screen it or arrange for it to be screened. Non-compliance or inadequate compliance with the provisions concerning mention of the Fund, depiction of the logo, the posters and other publicity materials will lead to a deduction from the final grant instalment to a maximum of 5% of the total contribution.

Any practical queries may be addressed to the Fund's communication department. For approval of the mentions of the Fund, please contact the production manager concerned.

Chapter 3: Terms and conditions for the delivery of a film copy for storage and conservation by Eye

The main purpose of the contractual obligation to donate your film production and source materials to EYE is to ensure the long term conservation and storage of Dutch audiovisual heritage. The long-term storage of the source materials will enable us in the future to produce new copies and/or digital formats using the then current standard.

The **process** for **transferring** the material is as follows:

- I. For the post-production phase of the film production, the producer must contact EYE by e-mail in order to set the transfer in motion. The producer must indicate the title involved and in which (language) version(s) and which formats the film will be released.

Please contact EYE at filmfonds@eyefilm.nl

- II. A decision must then be made as to which digital and/or analogue elements and supplementary material will be transferred to EYE.

- III. Post-production phase is over and the film has been completed – the delivery procedure:

A) CATALOGUE AND TECHNICAL INFORMATION

EYE will ask you to complete a delivery form with catalogue information and meta data. On this form you must give a list of the formats agreed in PHASE I. You will find the specifications for these formats below in SECTION B. You will receive this form by email and you must return it to filmfonds@eyefilm.nl. You can only send the actual material to the EYE Collection Centre once the form you have completed has been approved. The material will be checked against the completed form.

B) DELIVERY SPECIFICATIONS FOR DIGITAL FILM PRODUCTIONS

1. **Master**

DCDM (image, sound and subtitles)

The Digital Cinema Distribution Master (DCDM) contains uncompressed files of the image, the sound and the subtitles of all language versions of the film.

It is a requirement to act according to the DCI and SMPTE specifications⁸. All (language) versions, including Dutch and English subtitling (if available), must be supplied.

- Image – TIFF sequence - including textless elements

Bit depth: 16 bit (12 bit in 16 bit)

Colour space: X'Y'Z'

Colour Gamut: P3 or REC709

White point: at P3: DCI/P3 (sometimes described as D63), D65, D60. At REC709: D65

Gamma: 2.6

⁸ For DCI (Digital Cinema Initiatives) specifications version 1.2 go to:

<https://www.dcinovies.com/specification/>; for SMPTE and ISO standards for DCDMs: SMPTE ST 428-1 t/m 428-3, RP 428-4, RP 428-5, ST 428-7, ST 428-9 to ST 428-12 or for ISO see ISO from 26 428-

1

- Sound

- 7.1 or 5.1 theatre mix - one sound file per channel (WAV, 24-bit, 48,000 Hz or 96,000 Hz)
- LtRt theatre mix (if available)
- If available, other final mixes (television, internet, DVD, etc)

- Subtitles

Unencrypted XML files⁹ of the different language versions and STD&HOH.

All the elements must be in sync with each other and be of the same length. This also applies in the case of image sequences that are divided into acts.

2. Projection copy

An unencrypted DCP (Digital Cinema Package) of all existing language versions, including Dutch and English subtitling (if available), according to DCI and SMPTE standards¹⁰. The DCPs can be supplied on the same hard disk as the rest of the material. A CRU disk is not therefore necessary.

3. Reference copy

Apple ProRes 4444 or Apple ProRes 422 (HQ) with embedded sound (LtRt, stereo or another final mix). These reference copies must be the same as the DCPs. Subtitles may not be burned in but must be supplied as standalone SRT files. If possible, both a 24-fps and a 25-fps version must be supplied.

4. Film-related material

Stills: uncompressed TIFF files, including the name of the photographer.

Posters: two printed posters of each format. Digital versions must also be supplied, as uncompressed TIFF files, 1:1, ready to print. Name of designer must be stated.

Electronic Press Kit (EPK) and other PR material: two printed copies of each element and digital versions as PDF file.

If available: shooting script, dialogue list, music score, opening and closing credits list. All as PDF file.

5. Audio description

As continuous WAV file (if available).

C) FOLDER STRUCTURE ON THE HARD DRIVE

The elements listed in B must be supplied on a hard drive in the following folder structure

1. [film title – DCDM] with subfolders for image, sound and subtitles. If the film consists of several reels, they also have a folder of their own.
2. [film title – unencrypted DCPs]
3. [film title – ProRes files]
4. [film title – film-related materials]

⁹ For specifications see: CineCanvas rev C; SMPTE 428-7 or SMPTE 429-5

¹⁰ For DCI (Digital Cinema Initiatives) specifications version 1.2 go to: <https://www.dcmovies.com/specification/>; for SMPTE and ISO standards for DCPs: SMPTE 429-2 to 429-10, 429-12, SMPTE 382M, SMPTE 422M, SMPTE 430-2, ITU-T X-509

5. [film title – audio description]

D) COSTS

The costs, including the hard disk, must be budgeted together with all the other film costs. The hard disk will not be returned and cannot be picked up.

E) DELIVERY

The material must be delivered to the following address, all at the same time, clearly marked 'Filmfondstraject' (*Film Fund process*):

EYE Collection Centre
Film Conservation & Digital Access
Asterweg 26
1031 HP Amsterdam

Delivery can be accepted from Monday to Friday between 10 a.m. and 4 p.m.

IV. Handling

Once it has received the material, EYE will check that it is complete and can be used for conservation. Within three weeks of approval of the material, you will receive a statement for the Film Fund. You will also later receive (an Annex to) the donation agreement. Please sign and return this contract.

In July, August and December processing times may be longer than normal.

Chapter 4: International podia and prizes (film festivals and film awards)

International film festivals: Film Production Incentive List

<u>Berlin International Film Festival</u> Official Competition Panorama Forum of new cinema Generation	Germany
<u>Drama Series Days (EFM Berlinale)</u> Selection international premiere	
<u>Mostra Internazionale d'Arte Cinematografica (Venice)</u> Official Competition Orizzonti Venice days (Giornate degli Autori) Cetta della mane critique	Italy
<u>Giffoni Film Festival</u> Official Competition	
<u>Festival de Cannes</u> Official Competition Un certain regard Semaine de la critique Quinzaine des Réalisateurs/Directors Fortnight	France
<u>Annecy International Animation Festival</u> Selection	
<u>Clermont Ferrand International Short Film Festival</u> For animated films: international competition	
<u>SeriesMania</u> Selection international premiere	
<u>San Sebastian International Film Festival</u> Official Competition New Directors Competition	Spain
<u>Sundance Film Festival</u> Official Competition	United States of America
<u>Tribeca Film Festival</u> Competition/Gala	

New York Film Festival

Selection international premiere
New Directors, New Films festival, New York
Selection international premiere

Chicago International Children's Film Festival

Selection international premiere

SXSW Film Festival

Selection International premiere

Sitges International Fantastic Film Festival (Austin)

Selection international premiere

London Film Festival

Official Competition (English Language market)

Great Britain

Edinburgh

Selection international premiere

Sheffield

Selection

Toronto International Film Festival

Selection

Canada

Toronto International Film Festival Kids

Selection

Hot Docs (Toronto)

Selection

Ottawa International Animation Festival

Selection

Locarno International Film Festival

Main Competition & Competition for new film directors
Piazza Grande Screening

Switzerland

Busan International Film Festival

World Cinema & Flash Forward - selection

Korea

Yamagata International Documentary Film Festival

Competition

Japan

Tokyo International Film Festival

Asian premiere

Hiroshima International Animation Festival

International competition

Shanghai

Official Competition

China

Rio International Film Festival

Selection International premiere

Brazil

Guadalajara

Official Competition/International premiere

Mexico

Zagreb World Festival of Animated Films

International competition

Croatia

Karlovy Vary

Official competition

Czech Republic

Tallinn

Competition

Estonia

CPH Docs

Selection

Denmark

Kristiansand

Selection International premiere

Norway

Buff

Selection International premiere

Sweden

International Film Festival Rotterdam

Tiger Competition, Bright Future Competition

Netherlands

International Documentary Film Festival Amsterdam

Competition

Kaboom Animation Festival

International competition

Cinekid

International premiere

International Film Awards:

Academy Award (Oscars)

United States of
America

Emmy Award

Golden Globe

<u>European Film Award</u>	Europe
<u>British Academy Film and TV Award</u>	Great Britain
<u>Cartoon d'Or - Competition</u>	World
<u>British Animation Awards (BAA)</u> Best short + long form - shortlist	Great Britain

Chapter 5: Checklist (interim) financial accounts

This checklist is intended as a brief guide with regard to the accounts that must be submitted as a result of an intended contribution under the Netherlands Film Production Incentive (hereinafter: 'the Incentive'). The full Incentive regulations and the accompanying models and declarations may be found on our website:

<http://www.filmfonds.nl/film-producties/film-production-incentive>

General

The production payment transactions must be kept strictly separate from the applicant's other productions and activities. A bank account opened specifically for the project must be used for them.

- The following costs in any event are not eligible for a contribution (Appendix 1: qualification assessment in respect of the scheme):
 - costs associated with the company of the applicant or the co-producers involved, including salary costs associated with the normal course of business, costs for the interior and rent or mortgage of the production office, secretarial support, post, telephony, Internet and text messaging, couriers and other administrative costs and office materials, with the exception of primary functions within the executive production process (budgeted at market rates) (limited to: the line producer/executive producer and/or production manager and/or specialist budget controller and/or post-production supervisor and/or marketing specialist/publicity assistant);
 - on item 2036, being *production accountant*, in the case of a budget up to two million an amount up to 4,000 euros can qualify for an internal function. For productions with a budget above two million a maximum of 6,000 euros can be included as qualifying;
 - taxi charges, purchase of fuel, kilometre expense claims;
 - quit claim payments, either submitted via an itemised invoice from the casting agency or paid directly to the extra via the production company bank account opened specifically for the project, for which a signed quit claim can be submitted. If the total amount of payments per extra/per production exceeds 500 euros, a signed Performers and Suppliers Declaration must also be submitted;
 - location fees without invoice from the location owner, unless these payments were made directly to the location owner via the production company bank account opened specifically for the project, for which a signed quit claim with Performers and Suppliers Declaration can be submitted;
 - representation, travel and accommodation costs, with the exception of hotel rooms. If the total amount of payments per location owner/per production exceeds 500 euros, a signed Performers and Suppliers Declaration must also be submitted;
 - financing and accountant's costs, with the exception of the costs of the interim audit and counter check (Article 17, sixth paragraph);
 - legal and tax costs;
 - unforeseen costs, in so far as they exceed 5% of the qualifying production costs. (The accounts must show that these costs were actually spent on qualifying production costs);
 - overheads;
 - the producer's fee, insofar as it exceeds 7.5% of the qualifying production costs;
 - previously incurred development costs;
 - all payments for rights, made for the use of rights not specifically established for the (film) production (such as book and format rights, existing music recordings and works).
- Expenses, including expenses for art/clothing/make-up etc., that were paid on the basis of official (cash) receipts/invoices with VAT specification, qualify if these costs are processed as follows:
 - by means of an invoice - which must contain a breakdown of at least the labour costs, material costs, kilometre allowance, accommodation and other costs - accompanied by an overview of the qualifying costs (date, receipt/company/description of purchase/amount with and without VAT);

- by means of an expenses claim in which the claimed expenses relate only to qualifying costs, and an overview of these costs (date, receipt/company/description of purchase/amount with and without VAT) is provided with the claim. The claim must contain the date of submission, be signed by the claimant and approved by the applicant;
- both the advance - if any - and the invoice or claim were paid via the production company bank account opened specifically for the project.

- Production costs that qualify may be eligible for a financial contribution if these production costs were **demonstrably** spent directly and were paid to non-affiliated domestic taxpayers.
- To prevent potential abuse of the scheme (fraud) the executives and suppliers of the production, the costs of which are eligible as qualifying expenses, must sign the 'Performers and Suppliers Declaration'.
 - If payroll companies are used, both the payroll company's declaration and that of the cast/crew member paid must be submitted.
 - For small purchases or one-off activities/service on the film production that may in principle qualify where the total amount of purchases for the production from the supplier concerned does not exceed the total of €500, no declaration is required.
 - It must be possible for all documents that are supplied to the Fund in Word and Excel to be edited.

For film productions that from 2016 have concluded or conclude an implementation agreement for the Incentive, the Fund may decide to pass 30% of the maximum contribution for payment as an advance. The Fund can do this if the producer has first made any initial own investment himself/herself * and it feels there is a need to do so and there are also sufficient guarantees available in respect of the Dutch expenditure and the progress of the production. The advance is intended only for payment of the Dutch production costs.

There are two further opportunities to request an interim payment. The first opportunity is after the (main) recording period, the second is when the picture lock is complete. Costs that are eligible for an interim payment are costs that meet the conditions of the incentive and that have actually and demonstrably been paid. Depending on whether the payment method meets the formulated requirements the Fund may or may not decide to honour the interim payment request. It is not necessary to use both opportunities for interim payment.

The total of the interim payments, including any advance, can be a maximum of 90% of the contribution awarded under the Incentive. The final 10% of the contribution is paid if all the settlement requirements have been met and the final contribution has been determined by the Fund.

For projects that have received a decision on the basis of a 35% rebate the interim payments and the advance will be calculated on the basis of a 30% rebate. When it comes to final settlement it must be evident that the conditions of the 35% rebate have been met, whereupon a final payment is determined on the basis of 35% on the basis of the qualifying spend actually approved.

Requirements for first interim payment request (if applicable)

- Cost report for the entire project, clearly stating the reference date of the request for interim payment.
- In addition to the actual costs, the cost report must contain two columns relating to the budget, being the total budget and the approved qualifying costs budget as included in the implementation agreement.
- The cost report must make it clear what costs/amounts are classed as Dutch spent. It must also be clearly indicated what the qualifying costs in the context of the Incentive already paid are. These costs are included in a separate column in the cost report.
- Advances are not regarded as paid qualifying costs. These costs do not qualify until after the actual costs have been incurred.
- Whether costs qualify depends on the period in which the work has been done or when the goods have been supplied.
 - For projects decided in 2014 the costs qualify from the first day of the month in which the decision has been signed.

- For projects decided in 2015 the limit applying is the latest submission date for the incentive round concerned. Costs of work done before this date limit do not qualify.
- For projects decided from October 2017 if the application has been submitted in full within the deadline set, the initial date of submission counts as the date limit. If the application has not been submitted in full in time, the latest submission date of the round concerned counts as the date limit.
- A list of entries from the records that together form the total qualifying costs entered and that correspond to the statement in the cost report. Invoices, payments and suppliers' declarations are retrieved on the basis of this list.
- Further explanation if deemed necessary by the applicant.
- Explanation of the points (see format available on the site) showing that the minimal points per component as outlined in 'Appendix 1: main outlines film production' to the implementation agreement are satisfied.
- Submit to incentive@filmfonds.nl and to controllingFPI@filmfonds.nl. *

Requirements for second interim payment request (if applicable)

- The same as the requirements for the first interim payment request, plus:
- The total qualifying costs entered is also included in the cost report.
- In the total list of entries it must be clear which entries relate to the requested second interim payment and which have previously been requested for the first interim payment.
- Costs can only be included as qualifying once.

Payment requirements

- A financial report must be submitted after completion and/or first release of the production, but within not more than four months thereafter.
- The applicant must submit a financial report of the entire project within the meaning of the Financial & Production Protocol Incentive of the Netherlands Film Fund (hereinafter: FPP Incentive). Part of this is:
 - The financial report corresponds with the layout of the budget. This is inclusive of the breakdown by territory, internal costs and the incentive column.
 - The financial report also contains the financing plan finally realised inclusive of reconciliation with the financing plan as included in the implementation agreement.
 - In the case of majority projects in principle an audit certificate issued by an independent accountant for all the territories must be submitted.
 - In the case of minority projects in principle an audit certificate must be supplied for the NL spend, including the NL financing plan. The majority producer's final cost report, in which the costs are broken down by territory, must also be supplied.
 - The audit by the independent accountant must be conducted in accordance with the Financial Records Handbook of the Netherlands Film Fund.
 - The applicant must also submit a list of all the entries leading to the total qualifying costs included in the final settlement. It will include an indication of the entries that have been used as a basis for the first and second interim payments.
 - The following documents must be supplied at the time of settlement:
 - account of the number of points;
 - copy of the final credits;
 - EYE declaration;
 - Send to incentive@filmfonds.nl and to controllingFPI@filmfonds.nl. *

Payment

- The fund aims to make payment within 6 to 8 weeks.
- The total of interim payments may not exceed 90% of the maximum incentive contribution.
- Costs are only reimbursed once.