# NL FILM FONDS

Realisation Sub-Regulations of the Netherlands Film Fund

1 January 2021

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## Realisation Sub-Regulations of the Netherlands Film Fund – 1 January 2021

The Stichting Nederlands Fonds voor de Film [Netherlands Film Fund],

In view of the stipulations in the Algemene Wet Bestuursrecht (Dutch General Administrative Law Act),

In view of Article 10, paragraph 4, of the Wet op het specifieke cultuurbeleid (Dutch Cultural Policy (Special-Purpose Funding) Act),

In view of Article 2 of the Algemeen Reglement (General Regulations),

decides as follows:

#### **GENERAL**

- Definitions -

#### Article 1

In these regulations the following is understood:

Completion: the preparation of a film production for screening in the cinemas and further

exploitation after the finalisation of the working copy (part of realisation);

Animatic: sequence of usually drawn storyboard pictures that tell the story, are of the same

length as the animated film to be produced and are at least accompanied by

dialogue;

Animation: a film production that uses a man-made film technique in which by playing different

still images the illusion of movement is given:

Arthouse film: a feature film where the emphasis is on the artistic quality and the end result is so

idiosyncratic and special that this is potentially recognised and valued nationally

and/or internationally;

Board: the board of the Fund; '

Cinema release: the national distribution of a film production, which is released for several weeks

after the première with a daily screening in several cinemas and/or film theatres in

the Netherlands before a paying audience;

Category: a type of film production;

Completion bond: the insurance that guarantees that the film production will be completed and

delivered under the (budgetary) terms and conditions as stated in the insurance policy, or – in the event that production is abandoned – 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 and make a

content-related and financial contribution based on a film plan and/or script

approved by all parties;

Crossover film: arthouse film that has the quality to reach a wider audience at home and abroad

and in the Netherlands is released in both film theatres and cinemas;

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, which can

be screened in a cinema;

Debut film: a film with which a scriptwriter, director or producer makes his or her debut in a

specific category in which the scriptwriter, director or producer concerned has not previously had independent responsibility for a film that has been realised and

published;

Distribution: the professional release and exploitation of film productions;

Documentary: a non-fiction film production suitable for cinema screening that throws light upon an

aspect of reality where the director's own vision is given shape making creative use

of cinematic resources in a personal style;

Film consultant: a specialist film professional who for a limited period is appointed by the Fund to

advise on applications to the Fund;

Film distributor: a legal entity that continuously engages in business activities aimed mainly at the

distribution and exploitation of film productions in the Dutch cinema and via other

distribution channels. At the time the application for a grant is made, this legal entity has been based and active for at least two years beforehand in the Netherlands, a Member State of the European Union, or in a State that is party to the agreement establishing the European Economic Area, or in Switzerland; the plan for execution: a series of related activities involving the funding, the

realisation and exploitation of a film production;

Film production: a cinematographic work; the Fund: Netherlands Film Fund;

Film plan:

International co-production: an internationally co-produced film production to be released in the Netherlands.

Short film: a film production with a screening time of up to 60 minutes;

Long animation film: a feature film that uses artificial film technology in which the illusion of movement is

given by showing different still images one after the other;

Mainstream film: a feature film with an emphasis on the quality and audience potential; in other

words, the size of the audience reached in conjunction with the intended

exploitation results:

Majority (co-)producer: a production company of a national or international majority film production to be

released in the Dutch cinema and/or film theatres, which makes a risk-bearing investment, is jointly and severally responsible and has decisive decision-making powers and who has contributed (or will contribute) a majority of the funding for the

film production;

Majority film production: a national or international film production where 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; \*

Marketing and promotion: promotional activities whose purpose is to maximise the audience reach which

include drawing up and executing a cross-media marketing and distribution plan tailored to the film production, which contains a clear positioning of the film

production in line with the target group, with details of the place of release, a media and advertising plan, the (joint) promotions and possible merchandising.

Marketing and distribution strategy: the detailed strategy, focusing on marketing and promotion as well as the

actual cinema release and the further exploitation of a specific film production;

Market parties: parties whose regular professional activities are aimed at the distribution and

exploitation of film productions, in the widest sense of the word, or parties who

make risk-bearing investments;

Matching contribution: a contribution from the Fund that is awarded if specific parties also make a certain

contribution:

Minority co-producer: a production company of an (international) co-production to be released in the

Dutch cinema and/or film theatres, which makes a risk-bearing investment but has limited decision-making powers and responsibility and who has contributed (or will

contribute) a minority of the funding for the film production;

Minority co-production: an international co-production in which the Dutch producer is a minority co-

producer;

Non-theatrical release: all possible forms of distribution of a film production, except those via cinemas and

film theatres, in any case including distribution on DVD and Blu-ray, via television,

Video On Demand, pay per view and online distribution channels;

Investigative & experimental: a film production, in any category, that in the opinion of the board is investigative

and/or ground-breaking; \*

Broadcasting: making known to the public by screening the film production;

Outreach campaign: a marketing method involving a targeted search for representatives or influencers

(people, organisations, foundations, etc) who have a strong, clear link with the subject of the film and who in their turn can reach a very specific target group and

tell them about the film; \*

Bridging loan: a guaranteed financial loan for the creation of a film production that is made

available by a third party during the entire production period from which production

costs are pre-financed whilst waiting for the funders' payment deadlines;

Picture lock: the montage version of the film production finally decided by producer and director,

based on which the further editing is carried out;

Printing costs: the costs for the duplication and/or production of a DCP (Digital Cinema Package)

for screening the film production;

Prints & advertising: the direct costs after the realisation phase relating to the cinema release and

promotion of the film production ready for screening and the costs of the release

copies (print costs/DCP);

Producer: the natural person who legally represents the production company and is ultimately

responsible within the organisation of the production company for policy,

operations and content;

Production costs: the costs associated with the realisation of a film production;

Production company: a legal entity that continuously engages in business activities aimed mainly at the

production and exploitation of film productions and other audiovisual media productions. At the time of the application for a grant the legal entity has been based and active for at least two years beforehand in the Netherlands, a Member

State of the European Union, or in a State that is party to the agreement

establishing the European Economic Area, or in Switzerland;

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;

Director: a natural person who is in charge of the artistic direction in relation to the execution

of a film production;

Sales deliveries: the (promotion) materials, including an international press kit that an international

sales agent needs for the international sale of the film production;

Script: a description of a sequence of scenes and written text with dialogue suitable for

filming to create a film production;

Scriptwriter: the writer of a synopsis, treatment, scenario or documentary script;

Feature film: a film production in the fiction genre with a screening time of at least 60 minutes,

which is primarily intended for cinema release;

Theatrical release: the distribution of the film production in the cinema or film theatre;

Supplement: an additional fund contribution based on predetermined criteria included in the

Financial & Production Protocol;

Working copy: the montage version (that prior to the 'picture lock') of the film production is

submitted to the Fund for discussion and shows a clear set-up of the final film

production.

## - Scope of regulations -

## Article 2

- 1. These sub-regulations apply to grants awarded by the board for realisation and completion in the feature film, documentary, animation, short film and investigative & experimental categories and, taking into account Article 8, to grants awarded within the collaboration projects with other institutions that serve for realisation of these film productions.
- 2. The Fund's General Regulations apply alongside and in addition to these sub-regulations.

## - Application -

## Article 3

- 1. An application is submitted digitally for each category, where a written copy of this digital application, signed by the applicant, is handed over to the Fund.
- 2. In the case of applications for realisation in principle fixed submission times apply for each category. Applications for realisation for which no fixed submission time applies may be submitted throughout the whole year, up to eight weeks at the latest before the first broadcast. Information on submission rounds and any submission stops are published on the website of the Fund (www.filmfonds.nl).
- 3. Applications for realisation of the same film production may, after a rejection decision on this, be resubmitted once. An application for the same film production that has been rejected twice by the board will not be considered.
- 4. The applicant shall in any case submit with the application a declaration in which he guarantees that his financial position, and in particular the relationship between available funds and obligations entered into, prior to the application has not had a negative development that was a threat to his stability and solvency and, in accordance with realistic expectations, will also not have such a negative development.
- 5. In case of applications for realisation of film productions the applicant shall submit the declaration(s) of the (film) distributors and/or third parties who commit themselves to the film production as regards funding, screening and/or exploitation.
- 6. The applicant in any case submits with the application a declaration in which he guarantees that he has (an exclusive option to) the exclusive filming and exploitation rights necessary for the film production.
- 7. The applicant submits a plan with associated budget and funding plan showing clear evidence of thorough artistic and production development of the film production in preparation for realisation.

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## - Applicant -

## Article 4

- 1. Realisation applications in the *feature film, long animated film* or *documentary* categories are made by a production company, represented by a producer who as majority producer has had prime responsibility for producing at least one film production in the same category with a cinema release in the Netherlands. \*
- 2. Realisation applications in the *animation* category with a screening time of up to sixty minutes or in the *investigative & experimental* category are made by a production company, represented by a producer, who as majority producer has had prime responsibility for realising and releasing at least one free film production in the relevant category in the Netherlands. \*
- 3. An application for the realisation of a *short film* in a category other than animation or for the *completion* of a film production is made by a production company or a producer with proven experience in professional film and television practice and experience in the area of the relevant category. \*
- 4. Deviation from paragraphs 1 to 3 is possible and other or further conditions can be imposed on the applicant in a call or scheme published on the Fund's website. \*

## - Form of grant -

#### Article 5

- 1. The grant awarded under these sub-regulations must be repaid from income that is obtained from exploitation of the film production. Grants previously awarded by the board for the film production form part of the financial contribution for realisation. \*
- 2. The board can attach further conditions to the grant for realisation.

# - Assessment of grant for realisation -

## Article 6

- 1. For the acceptance of the application the opinion on the quality of the film production must be positive. The quality of the film production is assessed in the light of the assessment criteria in Article 5 of the General Regulations.
- 2. The board may publish further conditions, procedures and methods relating to the assessment of realisation applications in the different categories on the Fund's website www.filmfonds.nl.
  - Interrelationship of financial contributions -

## Article 7

The award of a grant for the realisation of a film production shall under no circumstances commit the board to award any other grant.

## - Collaboration projects -

#### Article 8

- 1. The board may in collaboration with other (grant-awarding) institutions provide grants for the realisation of film productions and to this end enter into collaboration agreements with these institutions and/or implementation agreements with the applicants.
- 2. The board awards a grant for realisation within a collaboration project as referred to in the first paragraph, where possible and relevant, in accordance with these regulations. The board may also deviate from the provisions of these sub-regulations.
- 3. The board publishes on the website of the Fund: www.filmfonds.nl the further terms and conditions, procedures and method for the collaboration projects.
  - Preparation for decision-making and additional contributions -

# Article 9

- 1. The decision to award a grant (Phase 2) may be preceded by an intention to award a grant (Phase 1).
- 2. When deciding to award a grant for realising a feature film, a long animated film and/or documentary, the board can, if the need and the (financial) justification for this is included in the application, award an additional contribution for:
  - a.) the production of sales deliveries for the international sale of a film production;
  - b.) the production company's costs for marketing activities in the realisation phase, as documented in the Fund's Financial & Production Protocol, if the board feels that their use and effectiveness have been sufficiently substantiated.

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## - Additional requirements -

#### Article 10

- 1. If, in the opinion of the board, a film production can be described as high risk, the board may make additional requirements in terms of the financial and production supervision of the film production or demand a guaranteed bridging loan and/or the conclusion of a *completion bond*.
- 2. The terms and conditions under which the supervision is carried out or a bridging loan or the *completion bond* is entered into must be approved beforehand by the board.
- 3. If a *completion bond* is required based on the first paragraph, the recipient of the grant must when entering into the implementation agreement submit a written declaration from a *completion guarantor*, incontestably showing that the budgeted production costs for the film production for which a grant is awarded, as set out in the production budget, are sufficient and that the production and completion of the cinema film for which a grant is awarded fall under the cover of this *completion guarantor* from the time when the recordings for the film production start. The recipient of the grant must also submit a copy of a valid *completion bond* in which the Fund is appointed as co-beneficiary.

## - Obligations of grant recipient -

## Article 11

- The recipient is obliged:
  - a. no later than twelve months after being notified of the intended awarding of a grant or, failing that, the decision to award a grant, to consider with all the parties involved in the funding for the film production the final written agreements relating to the funding and exploitation of the film production for which a grant is awarded. This shows that in the opinion of the board each of these parties has unconditionally committed themselves to the share in the funding for the realisation of the film production relating to it in accordance with the details submitted in the application for a grant and on terms and conditions which are compatible with the terms and conditions attached to awarding a grant, these sub-regulations and the General Regulations;
  - b. to ensure that the recordings, or in the case of animation the execution of the film production for which a grant is awarded, do not start earlier than after it is reported by the Fund that the applicant has fulfilled the obligations, referred to in the first paragraph under a., and if applicable the bridging loan is guaranteed or the *completion guarantor* has provided final cover for the production and completion of the film production for which a grant is awarded;
  - c. to notify the board beforehand of the time when the recordings, or in the case of animation the execution of the film production for which a grant is awarded, start and to ensure that the film production is ready and published 24 months after the start.
- 2. The recipient is obliged to submit to the Fund an up-to-date and truthful summary of all the revenues, expenditure and the territorial spending related to realisation of the film production.
- 3. The recipient is obliged to supply a working copy of the film production that is in accordance with the application and the corresponding film plan.
- 4. The recipient is obliged to inform the Fund adequately and in writing of the costs, audience reach, festival selections and prizes, and revenues produced by distribution and exploitation of the film production, for which a grant is awarded.

#### - Implementation agreement -

## Article 12

- 1. Once the agreements and documents referred to in Articles 10 and 11 have been received by the board, the applicant and the board shall enter into an implementation agreement, unless otherwise specified.
- 2. The implementation agreement to be signed between the applicant and the board after awarding a grant lays down the further obligations associated with the grant, including:
  - a. what securities, where in the opinion of the board there is a justifiable reason for this, the applicant must provide relating to compliance with the obligations of other parties who have promised funding contributions to the film production for which a grant is awarded;
  - b. the frequency within which and the form in which the applicant fulfils any reporting obligations;
  - c. the way in which the revenues to be generated with exploitation of the film production are divided between the beneficiaries and financiers and at what time these revenues must be used to pay back the grant awarded based on these regulations or to use it for the next film production.

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#### - Involvement of directors and scriptwriters -

#### Article 13

The board may, having regard to the efficient spending of funds, lay down terms and conditions or restrictions for the involvement of directors and scriptwriters. A producer cannot in principle also act as director or scriptwriter here. \*

## - Spending commitment -

## Article 14

The relevant film production must have an impact on the audiovisual sector and the film climate in the Netherlands. The applicant is obliged to spend an amount equal to the grant awarded in the Netherlands. The part of the production costs that are spent in the Netherlands, as well as the spending in possible other territories, is indicated separately in the production budget submitted. Should other contributions or grants be awarded, that qualify as state support, with which a (partial) spending commitment is associated in the Netherlands, the applicant is at all times free to spend 20% of the budgeted production costs in another Member State of the European Union, or in a State that is party to the Agreement establishing the European Economic Area, or in Switzerland.

- Activity eligible for a grant for realisation of minority co-production -

## Article 15

For an application for a grant for an international minority co-production the following terms and conditions apply:

- 1. Only minority co-productions that have not received any other contribution for realisation from the Fund based on the Fund's Realisation Sub-Regulations are eligible for a contribution.
- 2. Minority co-productions for the feature film (including long animated film), documentary, investigative & experimental (including immersive and interactive film productions) and short animation categories are eligible for a contribution if the share in the film production of the Dutch minority co-producer as well as the nature of the Dutch contribution involved and audience reach in the Netherlands are evident.
- 3. At the time of submission of the application to the Fund:
  - a. a minimum of 50% of the financing must come from the country of the foreign majority co-producer and be promised in writing; and
  - b. the total input of Dutch funds and market parties in the realisation of the film production must be a minimum of 10% of the total production costs; and
  - c. for feature film, long animated film and documentary the national cinema release in the country of the majority co-producer must be guaranteed by a film distributor or market parties from the local exploitation chain: and
  - d. a declaration signed by the foreign majority co-producer must be submitted that shows how the coproduction takes shape and what the division of tasks and responsibilities will be.
- 4. To be eligible for a contribution, the film production must in the opinion of the board:
  - a. be of exceptional quality in terms of artistic content within the total offer of international co-productions; and
  - b. be demonstrably linked to substantial creative and technical input by film professionals from the Netherlands.
- 5. Within the limited resources that the Fund has available for minority co-productions priority is then given, in addition to paragraphs 1 to 4, to minority co-productions:
  - a. whose foreign majority co-producer is established in a member State of the European Union, or in a state that is party to the agreement establishing the European Economic Area, or in Switzerland, or a state with which the Dutch government has signed a bilateral convention relating to film productions;
  - b. where diversity and inclusivity are a fundamental part of the film plan and/or team of film professionals;
  - c. co-productions have previously been produced with the same foreign majority co-producer;
  - d. national funds or public financiers from the country of the majority co-producer contribute to the financing on artistic content selection:
  - e. the Dutch share of the financing substantially exceeds the minimum required under paragraph 3; and f. in the case of feature film, lang animated film or documentary a cinema release in the Netherlands is guaranteed.
- 6. Unless otherwise agreed with the Fund in bilateral conventions or in case the board sees important reasons to depart from this, the applicant must, with due regard for Article 14, spend the Fund contribution in full in the Netherlands.
- 7. The agreement with the foreign majority co-producer must stipulate that:
  - any financial contributions for the purposes of Eurimages and/or other European financing will be allocated pro rata to the applicant; and

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- the applicant has the exclusive filming and exploitation rights for preferably the Benelux and, if the rights for Belgium and Luxemburg have already been given, at least have these rights on Dutch territory;
- the applicant shares pro rata in the world revenues from the film production.
- 8. The film production must be given a theatrical or non-theatrical release in the Netherlands. For the feature film, long animated film and documentary categories the applicant must submit a written declaration signed by a Dutch film distributor and/or if applicable by a Dutch authorised broadcaster and/or a detailed release plan with a view to audience reach and visibility in the Netherlands.

## - Completion activity eligible for a grant -

#### Article 16

- 1. The board will only award a completion grant if the application concerns a film production that is not a mainstream film and that was created without a realisation grant pursuant to these regulations, has not yet been published and the costs for completion are not or not fully financed by a third party. The Fund's contribution will be not less than 5% of the production budget.
- 2. The board awards a grant for completion, where possible and relevant, in accordance with these subregulations.
- 3. A cross-media marketing plan is submitted with an application. In the feature film, long animated film and documentary categories a written declaration from a film distributor must also be submitted, with which the film distributor commits himself to the applicant to carry out cinema release and a non-theatrical release for which sound exploitation prior to television broadcasting is possible.
- 4. The picture lock must be supplied with the application, accompanied by an up-to-date list of debtors and creditors if requested by the Fund. The board can decide to permit a partial re-edit as part of the completion costs.
- 5. The board may also award a grant for completion if this concerns a film production that is selected for at least:
  - a. one renowned national or international film festival;
  - b. an exhibition at a renowned museum and/or gallery;
  - c. a leading international digital video platform, the programming for which is determined by the curators and the film production distinguishes itself in reach or appreciation;
  - d. the film production will be shown before a main film with a cinema release.
    - Delivery of working copy and picture lock -

## Article 17

- 1. The applicant is obliged to submit the working copy and picture lock version in accordance with the procedure described in the Financial & Production Protocol.
- 2. The board assesses whether the working copy and the final picture lock are in accordance with the application and the corresponding film plan.

#### - Digital conservation and exploitation -

## Article 18

- To maintain the cultural heritage the applicant is obliged in good time, that is at the time of the completion of the film production to contact EYE Film Institute Netherlands and to grant them access to the digital and analogue (if applicable) parent material of the final film production (Digital Cinema Distribution Master). On awarding of the grant the applicant agrees to the conservation and to that end the digital storage of the film by EYE Film Institute Netherlands. The conditions attached to the conservation and related digital storage by EYE Film Institute Netherlands shall be determined in a separate agreement between the applicant and EYE Film Institute Netherlands.
- 2. With a view to the innovation of the film sector and the wide accessibility to the public of film productions partly subsidised by the Fund, the grant is awarded on condition that the applicant on a non-exclusive basis can dispose of the rights to digital exploitation of the film production, but taking into account a reasonable period, in which the applicant will for a certain period refrain from exploitation of these rights in favour of the film distributor.
- 3. The applicant is entitled and obliged towards the Fund to open up the film productions digitally where possible or to have them opened up via independent digital platforms, so that film productions are fully and permanently accessible to the public.

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#### SPECIAL PROVISIONS RELATING TO THE CATEGORIES

## Feature film and long animated film

#### - Activity eligible for a grant-

## Article 19

- 1. The grant for realisation of a feature film or long animated film is made available for the production of a working copy and the final copy ready for screening that will be released in the cinema and/or film theatres and also via non-theatrical release.
- 2. To reach a decision to award a grant the producer must, on the basis of an intention or decision to award a grant, present the following documents to the board of the Fund:
  - a substantiated declaration of intent or letter of guarantee from a film distributor; and
  - a marketing and distribution strategy, together with a film distributor. \*
- 3. A decision on awarding a grant is taken on the condition that before the latest date on which the implementation agreement must be signed a detailed cross-media marketing and distribution plan is presented, together with the film distributor, to the board of the Fund for assessment and approval. This plan must be aimed at achieving optimum audience reach via a theatrical and non-theatrical release.
- 4. If the feature film/long animated film is a mainstream film, then in addition to paragraphs 1 to 3:
  - the film plan must be geared towards reaching a minimum of 150,000 paying admissions in Dutch cinemas or 100,000 paying admissions in the case of a children's film or a film for young people, and
  - the producer must itself be demonstrably capable of bearing the risk of participating in the funding;
  - at the time of submission of the application 25% of the required funding must already have been unconditionally and demonstrably promised by market parties, including a film distributor and/or cinema operators.

#### **Documentary**

## - Activity eligible for a grant-

#### Article 20

- 1. The grant for realisation of a documentary with a screening time of at least 70 minutes is made available for a working copy and a final copy ready for screening that in addition to a wide non-theatrical release will also be screened in the cinemas or film theatres.
- 2. To reach a decision to award a grant the producer must, on the basis of an intention to award a grant, present the following documents to the board of the Fund:
  - a substantiated declaration of intent or letter of guarantee from a film distributor; and
  - a marketing and distribution strategy, together with a film distributor.
- 3. A decision on awarding a grant is taken on the condition that before the latest date on which the implementation agreement must be signed a detailed cross-media marketing and distribution plan is presented, together with the film distributor, to the board of the Fund for assessment and approval. This plan must be aimed at achieving an optimum audience reach via a non-theatrical and theatrical release.

## Animation

## - Activity eligible for a grant-

## Article 21

- 1. This Article applies to animation with a screening time up to a maximum of 60 minutes.
- 2. The grant for realisation of animation is made available for a working copy and a final copy ready for screening that will be screened via audiovisual media and/or the cinema and/or film theatres.
- 3. The application must be accompanied by a detailed marketing and distribution strategy, aimed at achieving an optimum audience reach via different platforms.
- 4. The special provisions in Article 19 for the feature film category apply to an application for an animated film of at least 60 minutes.

#### Investigative & experimental

# - Activity eligible for a grant-

## Article 22

- 1. The grant for realisation of a film production in the investigative & experimental category is made available for an end product that is suitable for public screening to an audience.
- 2. The applicant must justify the choice of the screening method and the location of this in the application.

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	Noundation dus regulations of the Notherlande Film Faile
3.	The application must be accompanied by a detailed marketing and distribution strategy, aimed at achieving an optimum audience reach via different platforms.
	- Assessment criterion -
<u>Article</u>	<u>23</u>
\//hon	accepting an application for grant in addition to the criteria of Article E of the Coneral Regulations the board

When assessing an application for grant, in addition to the criteria of Article 5 of the General Regulations the board assesses whether in the opinion of the board the film production in the investigative & experimental category contributes to the creative and technical upgrading of the cinematography. For an award the assessment of this criterion must also be positive. \*

#### Short film

- Activity eligible for a grant-

## Article 24

The realisation grant for a short film in all categories is made available for a working copy and a final copy that is ready for screening with, at a minimum, a demonstrable non-theatrical release. \*

## PRODUCTION SUPPORT MEASURE

- Activity eligible for a grant-

## Article 25

- 1. In addition to a realisation contribution granted by the Fund, an additional grant can be provided to cover extra production costs that have arisen through the consequences of the COVID-19 pandemic, or to take care of associated financial problems, and therefore to ensure the progress and the (re)start of productions.
- 2. Only impacts on production that are the direct consequence of the measures taken in relation to the COVID-19 virus are eligible for a contribution.
- The additional contribution will not be made payable until the full financing of the production has been unconditionally demonstrated and all the financial and business conditions laid down in the decision have been met.

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#### **FINAL AND TRANSITIONAL PROVISIONS**

#### Article 26

- 1. The board shall decide in all cases not provided for by these regulations.
- 2. The board may for important reasons deviate from these regulations, where such deviations are compatible with the assessment framework for state support to the film sector, as used by the European Commission.
- 3. These regulations were adopted by the board with the approval of the Board of Trustees on 30 October 2020 and come into force with effect from 1 January 2021.
- 4. The Realisation Sub-Regulations, applicable from 16 June 2020, are withdrawn as of 1 January 2021.
- 5. The Realisation Sub-Regulations as applied up to 1 January 2021 remain applicable to all applications received by the Fund before 1 January 2021.
- 6. These regulations are cited as Realisation Sub-Regulations of the Netherlands Film Fund.
- 7. These regulations are published by means of an announcement in the Staatscourant (Dutch Government Gazette) and on the website of the Netherlands Film Fund (www.filmfonds.nl).

#### **NOTES**

#### **General notes**

The Realisation Sub-Regulations describe in the general part among other things the methods, procedures, requirements and obligations of the applicant that apply for all grants for realisation. In the second part, for each category the special provisions are laid down. The provisions of the general part apply in full to these categories.

Only film productions that are fully developed in terms of content are eligible for a realisation contribution.

## Article-by-article notes

#### Article 1 (Definitions)

In realisation and completion the Fund distinguishes between the following types of film production: the categories of feature film and long animated film, documentary, animation, investigative & experimental and the short film.

Completion is understood to mean the further vision and sound completion of the film production already recorded and edited aimed at screening in the cinema.

The Fund understands by the definition of cinema release a thorough and national distribution of a film production that is released after the première for a significant number of weeks in a significant number of cinemas and/or film theatres for a paying audience. An instrumental or promotional release whose primary aim is not a cinema release but for example a release on television or through a streaming service does not meet the Fund's definition. \*

In the case where a realisation contribution is awarded for a film production, the extent of the release must be in line with the approved exploitation objective in the application. Within these sub-regulations this involves the film productions released or to be released in Dutch cinemas or film theatres. Where a completion grant is awarded in the investigative & experimental and animation categories, cinema screening is also understood to mean a festival screening. If for a specific film production the distribution strategy departs from a (regular) cinema release, as in the case of a documentary or sensitive artistic feature film with limited commercial potential, this must be presented to the Fund for assessment in advance. An example of a non-standard distribution strategy could be an event release with an outreach campaign, a tour release in film theatres across the country or a festival release.

Excepted from the definition of documentary are audiovisual works that have the aim of purely providing information or that are purely descriptive, such as for example an educational film, an informative film, business film, a report, a purely scientific or teaching media production, (an item for) a news or current affairs programme. As a rule, with one exception, documentaries have a screening time of at least 70 minutes.

Fiction means a film production in which a story is told that mainly takes place in the fantasy of the maker and the viewer. This means that the main elements, the story/plot, characters and story structure are invented/fictitious and not based on reality. This is unlike non-fiction, which means film productions that mainly do relate to reality.

A short film is understood to mean a narrative film production with a maximum length of 60 minutes.

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The definition of investigative & experimental not only includes the film productions that are experimental and ground-breaking in form and content, but also interactive and immersive film productions and (feature) films that originate mainly from the visual power of the film medium and which explore the boundaries between art and film or film productions with a clearly identifiable cinematic component in which the visual narrative and the use of new media applications come together. \*

If the applicant is a production company, it will have to be demonstrated to the satisfaction of the board that the elements of the definition of production company are fulfilled. As the person ultimately responsible, the producer is in principle also the owner/shareholder of the production company.

In the case of majority film productions the link that the producer and the artistic team have with the Netherlands is important. Further requirements will therefore be made of the majority (co-)producer for international co-productions. Natural persons of any nationality may be part of the Dutch cultural community. The director or scriptwriter may for example be working and established in the Netherlands on a continuing basis or have attended the film academy or art education in the Netherlands.

Realisation is not understood to mean the conversion of already recorded parts of a television series or television film into a feature film. In exceptional cases this may be departed from.

The first broadcast is the first public screening of the film production.

## Article 3 (Application)

Based on the General Regulations the application form must be completed truthfully, fully and in accordance with the guidelines set out in the notes to the application form, accompanied by all the requested annexes. An application form submitted incompletely and/or late will not be considered. Applications that have been rejected twice previously in the context of a specific cooperation project will no longer be considered within the same cooperation project, unless otherwise agreed with the cooperation partners.

In an application for realisation of a (Dutch) film production the declarations of the film distributor, broadcasters and/or other operators and financiers must be enclosed with the application. The extent to which these parties commit themselves to the film production and the underlying justification for the proposed distribution or exploitation is considered in assessing the application.

The applicant must have the exclusive filming and exploitation rights. If the cooperation of certain natural persons or bodies is crucial for the realisation of the corresponding film production the applicant must demonstrate that the cooperation of corresponding persons or bodies in the realisation and exploitation of the film production is promised.

In an application for realisation of a long animated film the recommendation is also to submit an animatic.

#### Article 4 (Applicant)

An application for the feature film, documentary or long animated film categories may only be made by a production company represented by a producer who has had prime responsibility for realising at least one feature film with a cinema release in the Netherlands. Film productions created for the purposes of training or competition (such as the 48 Hour Project) are disregarded in this assessment. The Fund applies these rules to encourage the further professionalisation of the sector. The Fund may in addition set specific requirements for the applicant where the applicant submits an application for a particular film technique (such as animation) for which very specific specialist knowledge is required. A realisation application may be submitted in co-production with a producer experienced in the category concerned who does fulfil the requirements. In such a case the production company of the producer who does meet the requirements, is the applicant and is therefore ultimately responsible for his own account and risk for the financial management, spending of the production costs and financial accounting. The producers also implement a reasonable division between themselves of the further tasks, responsibilities, rights and remuneration, which are laid down prior to the application in a detailed co-production contract. \*

The applicant in the investigative & experimental and short animation categories must be a production company. If the total fund contribution is lower than the amount indicated in the Financial & Production Protocol, an exception may be made to this requirement, but the applicant must then in the opinion of the board have sufficient demonstrable production experience and also specific knowledge and experience in these areas. For other short films and completion the applicant must be a production company or producer with proven experience in professional film and television practice and experience in the area of the category concerned. \*

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Other or further conditions than those in paragraphs 1 to 3 of this Article may be imposed on the applicant in a call or scheme that the Fund publishes on the website under paragraph 4. The Fund will for example do this if it wishes to open particular realisation grants to film professionals other than producers, such as directors, or wishes to expand the circle of applicants with producers or other film professionals with a different AV background. Applications can be made for limited contributions on the basis of such a call or scheme. Under these regulations the applicant must in any event have proven relevant experience in professional film and television practice, media or visual art on the basis of previous free work.

#### Article 5 (Form of grant)

The board awards a grant for realisation with the obligation to repay this via income from exploitation. Development contributions previously granted (to the producer) by the Fund for the film production form part of the total financing and associated repayment agreement. Terms and conditions may be attached to this, for example relating to the position in the recoupment schedule.

#### Article 8 (Collaboration projects)

To implement its policy objectives, the Fund may enter into collaboration projects with other (grant awarding) institutions and sign collaboration agreements to this end. For example, the Fund has set out cooperation with the Flemish Audiovisual Fund (VAF), Netherlands Public Broadcasting and cultural funds laid down in collaboration agreements. The Film Fund, the Hubert Bals Fund and the IDFA Bertha Fund cooperate with the aim of giving Dutch producers better entry into artistically attractive international co-productions. The Fund awards realisation grants under collaboration projects with other (grant awarding) institutions where possible and relevant, in accordance with these regulations. In particular as regards procedures and methods the board may in these cases depart from these regulations.

#### Article 9 (Preparation for decision-making)

Because the Fund requires sound business information to reach a careful award decision, the applicant may on the basis of complexity and scope of film productions first receive an intention to award a grant, also called 'Phase 1', after which the further business information only has to be submitted in the so-called 'Phase 2'. This avoids applicants whose application is rejected in Phase 1 having to bear an unnecessary amount of administrative charges. Applicants whose application in Phase 1 is for the present found to be positive, must in Phase 2 demonstrate that the film production can and will be realised and released in line with their application. Based on the further business information submitted in Phase 2 the Fund may then come to a positive decision or otherwise. Audio description and subtitling to make the film production accessible to visually and hearing-impaired people on its exploitation via the different platforms form part of the realisation contribution for feature films, documentaries and long animated films. \*

#### Article 10 (Additional requirements)

In the case of film productions considered by the board to be high risk, the board of the Fund may ask for additional securities or make demands, in terms of the financial and production supervision, such as demanding a guaranteed bridging loan and/or a completion bond and/or a production accountant who monitors the financial and production progress on site and reports any irregularities in the cash flow or spending of production costs immediately. In principle this is the case for film productions with a production budget of 2,000,000 euros or higher or film productions that will be primarily filmed abroad and/or are financed to a significant extent by deferments or foreign funding through economic incentive measures. The Fund must approve the terms and conditions under which a bridging loan or the completion bond is awarded in advance so that clarity is obtained as to the cover and the terms and conditions of the loan or the completion bond, and the experience, independence and financial resources of the provider or insurer.

## Article 11 (Obligations of applicant)

The Fund may carry out unlimited random checks to ensure that obligations associated with the grant are met. The applicant's records must therefore be set up such that they can be checked by the Fund. For this purpose the applicant's records must meet certain requirements and, in the case of a realisation application, in any case include financial reports and production schedules such as for example call sheets, day reports and production and spending schedules.

The recordings may not start until the applicant has fulfilled the obligations laid down in this Article. An exception to this may be made for initial (trial) recordings in the documentary or investigative & experimental categories that were previously necessary in the phase of (project) development for possible realisation at a later stage.

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## Article 12 (Implementation agreement)

The Fund is entitled to require additional securities. For example, the Fund may require an immediately payable bank guarantee or a payment into a separate bank account if a certain form of funding is not yet incontestably established in the opinion of the Fund.

For a realisation contribution with a limited level, the Fund can waive the signing of an implementation agreement and the terms and conditions and obligations form part of the grant decision.

## Article 13 (Involvement of directors and scriptwriters)

The composition of the producer, director and scriptwriter triangle must be well suited to one another as regards knowledge and experience. If the Fund can see that the same makers are involved in several applications, the Fund may lay down terms and conditions for the involvement of these makers in order to ensure optimum progress of the development and realisation of film productions.

For efficiency considerations the board may decide that certain directors and scriptwriters may be involved to a limited extent in the realisation of distinctive film productions. The Fund is for example of the opinion that a director can be involved in this capacity at the same time in up to two grants awarded for which an implementation agreement has not yet been signed. Also, the producer, who legally represents the applicant, may in principle not be the director or scriptwriter of the film production.

# Article 14 (Spending commitment)

The film production must have an impact on the audiovisual sector and the film climate in the Netherlands and in addition contribute to the continuity and the development of talented Dutch film professionals or the audiovisual infrastructure in the Netherlands.

All grant contributions by the Fund must be spent in full in the Netherlands. In exceptional cases the board may depart from this. If other financiers also use Dutch spending obligations, the applicant does, however, have the right to spend at least 20% of the production costs elsewhere.

#### Article 15 (Minority co-production)

To avoid the assessment by the Fund of film productions which are not realisable, it is necessary for at least 50% of the financing of the film production to be secured by the jointly and severally responsible foreign producer. In addition, several minority co-producers may participate in the film production.

Any contribution of the Dutch part from Eurimages is included in the calculation of the total contribution of Dutch funds and market parties, which must be a minimum of 10%. It will also have to be a fully fledged co-production with the Netherlands and the film production must in any event have a national cinema release in the country of the main producer to be assured of a home market. A promotional and instrumental release, in support of the release on an international VOD platform, for example, will not be seen as a national cinema release.

To make the most competitive possible selection of international co-productions, the film production must in any event stand out above the total offer and other applications on the basis of exceptional quality in terms of artistic content. This is because the film production will have to appeal to an international audience and must have the potential for selection by a leading international film festival. There must also be substantial Dutch creative and technical input that justifies a selective Fund contribution. \*

Within its limited available resources the Fund will also have to set priorities. It is the case for all co-productions that the film must be released in the Netherlands, either by means of a theatrical or a non-theatrical release, or both. Film productions with a guaranteed cinema release have priority in this regard. An exception can be made for a film production in the animation category with a screening time of up to 60 minutes and a film production in the investigative & experimental category, but then a detailed distribution plan must be submitted.

The agreement or declaration from the foreign co-producer must among other things show that this involves cooperation, what is expected from one another, what the financial contribution is, how the risks are covered, the parts which the co-producers must look after and how the rights to the co-production are regulated. Outside the territories of the individual co-producers, the Dutch minority co-producer in principle also shares in revenues from the rest of the world. \*

Minority Dutch co-productions with a Flemish majority producer, with the exception of short animation, will only be considered under the collaboration agreement with the Flemish Audiovisual Fund (VAF) via the joint committee of the Fund and the VAF.

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Contrary to the provisions of paragraph 3, the total contribution of Dutch funds and market parties to the realisation of the film production may be adjusted to a minimum of 5% of the total production costs on the basis of the Council of Europe Convention on Cinematographic Coproduction (revised) in the case of a co-production with more than two countries.

Article 16 (Completion activity eligible for a grant)

The board may decide to award a grant for completion for non-mainstream film productions created without a realisation grant under the Fund's Realisation Sub-Regulations.

A limited grant can also be awarded for completion if it concerns a free film production (not productions fully funded by broadcasting companies or made by order) that has demonstrably been selected for at least one renowned international film festival (see list of international film festivals in the Financial & Production Protocol) or exhibition at a renowned museum and/or gallery or is guaranteed to be shown before a main film with a cinema release. A contribution can also be awarded on the basis of demonstrable online success of the film production. In that case it should have been selected by a leading international digital video platform for which curators determine the programming and the film production should stand out in terms of reach or appreciation. The limited completion grant can be used to meet the costs of the production (including completion), promotion or for distribution. A spending plan for the grant should be provided with the application for this. The third and fourth paragraphs of Article 16 are not applicable to applications for this limited contribution and neither is the demand in the first paragraph that the Fund's contribution should make up a minimum of 5% of the production budget.

Article 19 (Feature film and long animated film/activity eligible for a grant)

The Fund will work with differentiated realisation contributions. In the case of a specific call or scheme different requirements may be made of the release. If an application is made for a mainstream film, it must be demonstrated that the market potential of the film production is broadly supported and the film production is also partly funded by the market.

Article 23 (Investigative & experimental/assessment criterion)

When assessing an application in the investigative & experimental category the board decides to what extent the film production is innovative, exceptional and exemplary for the cinematographic cultural offer. In addition, this may involve new methods in the technical and creative area as a result of which the film production is a qualitative and/or professional addition to the cultural offer in the Netherlands. This criterion must, in addition to the assessment criteria referred to in Article 5 of the General Regulations, be positively assessed to obtain the awarding of a grant in the investigative & experimental category. \*

Article 24 (Short film/activity eligible for a grant)

The application for the realisation or completion of a short film is open to all categories.

Article 25 (Production Support Measure)

In addition to a realisation contribution granted by the Fund, both selective and under the Film Production Incentive in the Netherlands, the Fund may award an additional grant to cover additional costs of production arising from compliance with COVID-19 protocols or to guarantee the continuity of production and to provide security that financial agreements made will be fulfilled. This grant may be awarded in the form of an additional realisation contribution or as a guarantee.

Article 26 (Transitional and final provisions)

The reference date relevant for the transitional system is the date of submission of the application to award a grant. These sub-regulations apply to applications submitted on or after 1 January 2021.

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