



# **CREATIVE EUROPE**

## **MEDIA Sub-programme**

**SUPPORT FOR THE DISTRIBUTION  
OF NON-NATIONAL EUROPEAN FILMS**

**THE “AUTOMATIC SCHEME”**

**GUIDELINES**

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Annexes:

All the annexes are available on the EACEA/MEDIA website:

[http://eacea.ec.europa.eu/creative-europe/actions/media\\_en](http://eacea.ec.europa.eu/creative-europe/actions/media_en)

## 1. INTRODUCTION – BACKGROUND

These guidelines are based on Regulation No 1295/2013 of the European Parliament and of the Council of 11/12/2013 concerning the implementation of a programme of support for the European cultural and creative sector (CREATIVE EUROPE) <sup>1</sup> and its corrigendum of 27/06/2014<sup>2</sup>.

The European Commission is responsible for the implementation of the Creative Europe Programme and for the decision to grant individual European Union funds. The Education, Audiovisual and Culture Executive Agency hereafter “the Agency” manages the Culture and MEDIA Sub-programme on behalf and under the supervision of the European Commission.

General background information about the Creative Europe programme can be found on the following link: <http://ec.europa.eu/programmes/creative-europe/>

## 2. OBJECTIVES – THEMES – PRIORITIES

### 2.1. Objectives

Within the specific objective of promoting transnational circulation, one of the priorities of the MEDIA Sub-programme is the following:

- supporting theatrical distribution through transnational marketing, branding, distribution and exhibition of audiovisual works.

The MEDIA Sub-programme shall provide support for the following:

- establishing systems of support for the distribution of non-national European films through theatrical distribution and on all other platforms as well as for international sales activities, in particular the subtitling, dubbing and audio-description of audiovisual works.

### 2.2. Targeted projects

The aim of the “Automatic Scheme” is to encourage and support the wider transnational distribution of recent European films by providing funds to distributors, based upon their performance on the market, for further reinvestment in new non-national European films.

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

The “Automatic Scheme” works in two phases:

1. The generation of a potential fund, proportional to the number of paying admission tickets sold during the reference period for non-national European films in countries participating in the MEDIA Sub-programme, up to a fixed ceiling per film and adjusted for each country.
2. Reinvestment: the potential fund thus generated by each company must be reinvested in:
  - the co-production of eligible non-national European films;
  - the acquisition of distribution rights, for example by means of minimum guarantees, of eligible non-national European films; and/or in

<sup>1</sup> Published in the Official Journal of the European Union on 20/12/2013 (OJ L347/221).

<sup>2</sup> Published in the Official Journal of the European Union on 27/06/2014 (OJ L 189/260)

- editing costs (prints, dubbing and subtitling), promotion costs and publicity costs for eligible non- national European films.

### 3. TIMETABLE

#### 3.1. Timetable for “Generation” Stage

	<b>Stages</b>	<b>Date or indicative period</b>
a)	Publication of the call	February 2016
b)	Deadline for submitting applications	Friday 29 April 2016 - 12:00 (noon, Brussels Time)
c)	Evaluation period	May-October 2016
d)	Information to applicants	November 2016
e)	Signature of grant agreement or notification of grant decision	See reinvestment stage
f)	Starting date of the action	See reinvestment stage
g)	Max. duration of the action	See reinvestment stage

As the completion of the process requires the prior certification by the national authorities of the admissions, an additional delay may occur if this process is held up.

#### 3.2. Timetable for “Reinvestment” Stage

Reinvestment applications must be sent to the Agency by Tuesday **1<sup>st</sup> August 2017**.

They will be treated on a “first come – first served” basis. The potential fund which is not reinvested by the deadline will be lost.

The table below details the timetable relevant to each module:

Module	<b>Dates of the project</b>	<b>Deadline for submission of the reinvestment project</b>	<b>Period of eligibility of costs</b>
1.Co-production	The production contract will have to be signed at the earliest on 01/08/2016.	Within 3 months of the signature of the co-production contract and no later than 01/08/2017.	From 01/08/2016 until 01/02/2019.
2.Minimum guarantee	The distribution contract will have to be signed at the earliest on 01/08/2016.	Within 3 months of the signature of the contract/licence agreement (deal memo or long form agreement are both accepted) and no later than 01/08/2017.	From 01/08/2016 until 01/02/2019.
3.P&A costs	The first theatrical release of the film in the country may take place at the earliest on 01/08/2016 and at the latest on 01/08/2018.	At the latest on the day of the first release of the film in the country and no later than 01/08/2017.	From 01/02/2016 until 01/08/2019.

Only those costs incurred by the beneficiary during the period of eligibility of costs will be eligible.

However, if after the signing of the agreement and the start of the action it becomes impossible for the beneficiary, for fully justified reasons beyond his control, to complete the action within the scheduled period, an extension to the eligibility period may be granted. A maximum extension of 6 additional months may be granted if requested before the deadline specified in the agreement.

For reinvestment applications, the intention is to inform applicants of the outcome of the selection procedure no later than 16 weeks after the relevant submission date. In the event of any additional delay, applicants will be informed in writing by the Agency.

#### **4. BUDGET AVAILABLE**

The total budget earmarked for the co-financing of projects is estimated at EUR 20.2 M.

This budget is subject to the availability of the funds after the adoption of the budget for 2016 by the budgetary authority.

The EU financial contribution cannot exceed 60% of the total eligible costs of the action.

The amount of the financial contribution to be awarded will be determined within the limits of the available budgetary resources and with regards to the cost and nature of each proposed action.

The beneficiary must guarantee the remaining financing.

“Generation”: The total annual amount of potential funding available to each distributor shall be determined on the basis of the paid admissions to eligible non-national European films achieved by the distributor during the reference year (2015).

In the case of “Reinvestment”, the amount of the financial contribution awarded to each company is determined with respect to the cost and nature of each proposed reinvestment action (production, distribution Minimum Guarantees and P&A costs) and the availability of the fund.

The Agency reserves the right not to distribute all the funds available.

#### **5. ADMISSIBILITY REQUIREMENTS**

Applications shall comply with the following requirements:

- they must be sent no later than the deadline for submitting applications referred to in section 3 of the present guidelines;
- they must be submitted using the online application form (see section 14 of the present guidelines);
- they must be drafted in one of the EU official languages, preferably in English or French.

The application form must be accompanied by a balanced budget and all the other documents referred to in the application form. Failure to comply with those requirements will lead to the rejection of the application.

In order to submit an application, applicants must provide their Participant Identification Code (PIC) in the application form. The PIC can be obtained by registering the organisation in the Unique Registration Facility (URF) hosted in the Education, Audiovisual, Culture, Citizenship and Volunteering Participant Portal. The Unique Registration Facility is a tool shared by other services of the European Commission. If an applicant or partner already has a PIC that has been used for other programmes (for example the Research programmes), the same PIC is valid for the present call for proposals.

The Participant Portal allows applicants and partners, to upload or update the information related to their legal status and attach the requested legal and financial documents (see section 14.2 for more information).

## **6. ELIGIBILITY CRITERIA**

Applications which comply with the following criteria will be subject of an in-depth evaluation.

### **6.1. Eligible applicants**

Applicants shall be European Cinema/Theatrical distribution companies

#### European company:

Company owned, whether directly or by majority participation (i.e. majority of shares), by nationals of Member States of the European Union or nationals of the other European countries participating in the MEDIA SUB-Programme and registered in one of these countries.

Applications from legal entities established in one of the following countries are eligible as long as all conditions referred to in Article 8 of the Regulation establishing the Creative Europe Programme are met:

- EU Member States;
- Acceding countries, candidate countries and potential candidates benefiting from a pre-accession strategy, in accordance with the general principles and general terms and conditions for the participation of those countries in European Union programmes established in the respective Framework Agreements, Association Council Decisions or similar agreements;
- EFTA countries which are members of the EEA, in accordance with the provisions of the EEA Agreement;
- The Swiss Confederation, on the basis of a bilateral agreement to be concluded with that country;
- Countries covered by the European Neighbourhood Policy in accordance with the procedures established with those countries following the framework agreements providing for their participation in European Union programmes.

The Programme shall also be open for bilateral or multilateral cooperation actions targeted at selected countries or regions on the basis of additional appropriations paid by, and specific arrangements to be agreed upon with, those countries or regions.

The Programme shall permit cooperation and joint actions with countries not participating in the Programme and with international organisations which are active in the cultural and creative sectors

such as UNESCO, the Council of Europe, the Organisation for Economic Cooperation and Development or the World Intellectual Property Organisation on the basis of joint contributions for the realisation of the Programme's objectives.

The Agency may select proposals from applicants in non EU countries, provided that, on the date of the award decision, agreements have been signed setting out the arrangements for the participation of those countries in the programme established by the Regulation referred to above.

(Updated list of countries that fulfil the conditions referred to in Article 8 of the Regulation and that the Commission has started negotiations with can be found on the following link:

[https://eacea.ec.europa.eu/creative-europe/library/eligibility-organisations-non-eu-countries\\_en](https://eacea.ec.europa.eu/creative-europe/library/eligibility-organisations-non-eu-countries_en)

For the implementation of the MEDIA sub-programme, and unless otherwise specified in the text below:

- the following countries are considered as countries with a low audiovisual production capacity: Austria, Belgium, Bosnia & Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, Greece, Hungary, Ireland, Iceland, Latvia, Lithuania, Luxembourg, Malta, Norway, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Sweden, and any other countries fulfilling the conditions set out above (Eligible countries).

- the following countries are considered as high production capacity countries: France, Germany, Italy, Spain, and United Kingdom.

#### Cinema / theatrical distributor:

A cinema / theatrical distributor is involved in commercial activity designed to bring to the attention of a wide audience a film for the purpose of exploitation in cinema theatres. This shall be the principal activity of the company or division of the company. Such activity may include aspects of the technical publishing of an audiovisual work (dubbing and subtitling, striking of prints, circulation of prints, etc.) as well as marketing and promotional activities (production of trailers and publicity material, the purchase of advertising space, the organisation of promotional events etc.).

Digital distribution is supported as long as it is of a minimum quality (=1.3 K). This excludes DVD, DVIX, Digital Beta or any other support whose resolution is below 1.3K as a copy or source of the films for theatrical release.

A cinema / theatrical distributor shall fulfil the following criteria:

1. be the holder of the theatrical distribution rights for the film in the country concerned;
2. carry out the theatrical distribution of the film in the country (determines the release date, plans, controls and executes the distribution and promotion campaign);
3. pay directly the associated distribution costs; and
4. be registered and have theatrical distribution operations (i.e. operating staff) in the country for which a grant is requested<sup>3</sup>

Limited sub-contracting, including booking and billing, is allowed, provided that:

- it has been disclosed to the Agency.

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<sup>3</sup> This requirement is waived for the following countries as they are linked for distribution purpose: Belgium and Luxembourg; Greece and Cyprus; United Kingdom and Ireland.

- it is substantiated by receipted invoices.
- it complies with the sub-contracting rule set out in section 11.1.e.

In the event that distribution activities are shared between several companies, the contracts/agreements between these companies must be disclosed to the Agency. The Agency will consider as compliant the company which meets all the criteria and actually executes the distribution of the film in the country in line with the above conditions. The decision of the Agency will be final.

Physical distributors shall not be eligible for support.

## **6.2 Eligible activities**

### 1. Generation:

The Generation of a potential fund, proportional to the number of paying admission tickets sold for non-national European films in countries participating in the MEDIA Sub-programme, up to a fixed ceiling per film and adjusted for each country, in the reference period (2015).

### 2. Reinvestment:

Reinvestment of the potential fund thus generated by each company in:

- the co-production of non-national European films;
- the acquisition of distribution rights, for example by means of minimum guarantees, of non-national European films; and/or in
- editing costs (prints, dubbing and subtitling), promotion costs and publicity costs for non-national European films.

### Eligible Film:

The film must comply with the following criteria:

- it must be a work of fiction (including animated films) or documentary, with a minimum duration of 60 minutes.
- it must have its first copyright established in 2012 at the earliest.
- it must not consist of alternative content (operas, concerts, performances, etc.), advertising, pornographic or racist material or advocate violence.
- it must be majority produced by a producer or producers established in the countries participating in the MEDIA Sub-programme (see section 6.1). To be considered as the actual producers the production companies must be credited as such. Other elements such as creative control, ownership of exploitation rights and share of profits may also be taken into account to determine who the actual producer is.
- it must be produced with the significant participation of professionals who are nationals/residents of countries participating in the MEDIA Sub-programme (see section 6.1). 'Significant participation' is defined as having more than 50% of the points on the basis of the table below, (e.g. having 10 or more points in the case of a work of fiction or the biggest share of points if the total is less than 19 as is normally the case for documentaries or animation films where all of the categories are not usually included in the credits):



	Points
Director	3
Scriptwriter	3
Composer	1
Actor 1	2
Actor 2	2
Actor 3	2
Production Design	1
Director of Photography	1
Editor	1
Sound	1
Shooting location	1
Post Production location	1
<b>Total</b>	<b>19</b>

National / Non-national European film:

Countries participating in the MEDIA Sub-Programme are defined under section 6.1.

European films will be considered as “national” in the country participating in the MEDIA Sub-programme whose nationals/residents have participated in the highest proportion in the making of the film, on the basis of the points table shown above. They will be considered as “non-national” in all the other countries.

In the event of a tie (i.e. where the points are equal for a given nationality) the nationality of the director (or the following talent in the above list) shall be decisive.

Eligible admissions:

To be eligible admissions must comply with the following criteria:

- they must be achieved between 1<sup>st</sup> January and 31<sup>st</sup> December 2015;
- a normal ticket price was actually paid to the relevant exhibitor (including any special offers or discounts) but explicitly excluding those admissions where no fee was paid;
- they must be clearly identifiable and certified by the national correspondents designated by the Member States;
- they must be declared by applicants who are eligible in the country (see section 6.1);
- the films must be eligible non-national European films.

Group or club screenings where an individual ticket price is not levied will not be eligible.

The paid admissions achieved by a film already supported by the MEDIA sub-Programme are eligible.

Only applications that fulfil the eligibility criteria will be considered for a grant. If an application is deemed ineligible, a letter indicating the reasons will be sent to the applicant.

## **7. EXCLUSION CRITERIA**

### **7.1. Exclusion from participation**

An applicant will be excluded from participating in calls for proposals procedure, if it is in any of the following situations:

a) it is bankrupt, subject to insolvency or winding up procedures, its assets are being administered by a liquidator or by a court, it is in an arrangement with creditors, its business activities are suspended or it is in any analogous situation arising from a similar procedure provided for under national legislation or regulations;

b) it has been established by a final judgement or a final administrative decision that the applicant is in breach of its obligations relating to the payment of taxes or social security contributions in accordance with the law of the country in which it is established, with those of the country in which the authorising officer is located or those of the country of the implementation of the grant;

c) it has been established by a final judgement or a final administrative decision that the applicant is guilty of grave professional misconduct by having violated applicable laws or regulations or ethical standards of the profession to which the applicant belongs, or by having engaged in any wrongful conduct which has an impact on its professional credibility where such conduct denotes wrongful intent or gross negligence, including, in particular, any of the following:

(i) fraudulently or negligently misrepresenting information required for the verification of the absence of grounds for exclusion or the fulfilment of selection criteria or in the performance of a contract, a grant agreement or a grant decision;

(ii) entering into agreement with other persons with the aim of distorting competition;

(iii) violating intellectual property rights;

(iv) attempting to influence the decision-making process of the Agency during the award procedure;

(v) attempting to obtain confidential information that may confer upon it undue advantages in the award procedure;

d) it has been established by a final judgement that the applicant is guilty of any of the following:

(i) fraud, within the meaning of Article 1 of the Convention on the protection of the European Communities' financial interests, drawn up by the Council Act of 26 July 1995;

(ii) corruption, as defined in Article 3 of the Convention on the fight against corruption involving officials of the European Communities or officials of EU Member States, drawn up by the Council Act of 26 May 1997, and in Article 2(1) of Council Framework Decision 2003/568/JHA, as well as corruption as defined in the legal provisions of the country where the authorising officer is located, the country in which the applicant is established or the country of the implementation of the grant;

(iii) participation in a criminal organisation, as defined in Article 2 of Council Framework Decision 2008/841/JHA;

(iv) money laundering or terrorist financing, as defined in Article 1 of Directive 2005/60/EC of the European Parliament and of the Council;

(v) terrorist-related offences or offences linked to terrorist activities, as defined in Articles 1 and 3 of Council Framework Decision 2002/475/JHA, respectively, or inciting, aiding, abetting or attempting to commit such offences, as referred to in Article 4 of that Decision;

(vi) child labour or other forms of trafficking in human beings as defined in Article 2 of Directive 2011/36/EU of the European Parliament and of the Council;

e) it has shown significant deficiencies in complying with the main obligations in the performance of a contract, a grant agreement or a grant decision financed by the Union's budget, which has led to its early termination or to the application of liquidated damages or other contractual penalties, or which has been discovered following checks, audits or investigations by an Authorising Officer, OLAF or the Court of Auditors;

f) it has been established by a final judgment or final administrative decision that the applicant has committed an irregularity within the meaning of Article 1(2) of Council Regulation (EC, Euratom) No 2988/95;

g) in the absence of a final judgement or where applicable a final administrative decision, the applicant is in one of the cases provided in (c) to (f) above based on :

- i. facts established in the context of audits or investigations carried out by the Court of Auditors, OLAF or internal audit, or any other check, audit or control performed under the responsibility of an authorising officer of an EU institution, of a European office or of an EU agency or body;
- ii. non-final administrative decisions which may include disciplinary measures taken by the competent supervisory body responsible for the verification of the application of standards of professional ethics;
- iii. decisions of the ECB, the EIB, the European Investment Fund or international organisations;
- iv. decisions of the Commission relating to the infringement of the Union's competition rules or of a national competent authority relating to the infringement of Union or national competition law.
- v. decisions of exclusion by an authorising officer of an EU institution, of a European office or of an EU agency or body.

(h) where a person who is a member of the administrative, management or supervisory body of the applicant, or who has powers of representation, decision or control with regard to that applicant (this covers the company directors, members of the management or supervisory bodies, and cases where one person holds a majority of shares), is in one or more of the situations referred to in points (c) to (f) above.

(i) where a natural or legal person that assumes unlimited liability for the debts of that applicant is in one or more of the situations referred to in point (a) or (b) above.

If an applicant is in one of the situations of exclusion listed above, it should indicate the measures it has taken to remedy the exclusion situation, thus demonstrating its reliability. They may include e.g. technical, organisational and personnel measures to prevent further occurrence, compensation of damage or payment of fines. This does not apply for the situations referred in point (d) of this section.

## **7.2. Rejection from the award procedure**

An applicant will not be awarded a grant for this procedure if

- (a) it is in an exclusion situation established in accordance with the above section 7.1;
- (b) it has misrepresented the information required as a condition for participating in the procedure or has failed to supply that information;
- (c) it was previously involved in the preparation of a call for proposals where this entails a distortion of competition that cannot be remedied otherwise.

Rejection from this procedure and administrative sanctions (exclusion or financial penalty) may be imposed on applicants or affiliated entities where applicable, if any of the declarations or information provided as a condition for participating in this procedure prove to be false.

The applicants should be informed that the Agency may publish on its internet site the following information related to the exclusion and, where applicable, the financial penalty in the cases referred to in points (c), (d), (e) and (f) of the section 7.1<sup>4</sup>:

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<sup>4</sup> This information shall not be published in any of the following circumstances:

- (a) where it is necessary to preserve the confidentiality of an investigation or of national judicial proceedings;
- (b) where publication would cause disproportionate damage to the applicant concerned or would otherwise be disproportionate on the basis of the proportionality criteria and to the amount of the financial penalty;

- (a) the name of the applicant concerned;
- (b) the exclusion situation;
- (c) the duration of the exclusion and/or the amount of the financial penalty.

In case of a preliminary classification in law (i.e. absence of a final judgement or a final administrative decision), the publication shall indicate that there is no final judgment or final administrative decision. In those cases, information about any appeals by the applicant, their status and their outcome, as well as any revised decision of the authorised officer, shall be published without delay. Where a financial penalty has been imposed, the publication shall also indicate whether that penalty has been paid.

The decision to publish the information is taken by the Agency either following the relevant final judgment, final administrative decision or preliminary classification in law, as the case may be. That decision shall take effect three months after its notification to the economic operator.

The information published shall be removed as soon as the exclusion has come to an end. In the case of a financial penalty, the publication shall be removed six months after payment of that penalty.

In accordance with Regulation (EC) No 45/2001, where personal data is concerned, the Agency shall inform the applicant of its rights under the applicable data protection rules and of the procedures available for exercising those rights.

### **7.3. Supporting documents**

Applicants must sign a declaration on their honour certifying that they are not in one of the situations referred to in the above sections 7.1. and 7.2, filling in the relevant form attached to the application form accompanying the call for proposals. If applicable, the relevant documentary evidence which appropriately illustrates any remedial measures taken should be provided in annex to this declaration.

[https://eacea.ec.europa.eu/creative-europe/funding/distribution-automatic-support-2016\\_en](https://eacea.ec.europa.eu/creative-europe/funding/distribution-automatic-support-2016_en)

## **8. SELECTION CRITERIA**

Applicants must submit a declaration on their honour, completed and signed, attesting to their status as a legal person and to their financial and operational capacity to complete the proposed activities.

### **8.1. Financial capacity**

Applicants must have stable and sufficient sources of funding to maintain their activity throughout the period during which the action is being carried out or the year for which the grant is awarded and to participate in its funding. The applicants' financial capacity will be assessed on the basis of the following supporting documents to be submitted with the application:

- a) Low value grants ( $\leq$  EUR 60 000):
  - a declaration on their honour.

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(c) where a natural person is concerned, unless the publication of personal data is exceptionally justified, inter alia, by the seriousness of the conduct or its impact on the Union's financial interests. In such cases, the decision to publish the information shall duly take into consideration the right to privacy and other rights provided for in Regulation (EC) No 45/2001.

b) Grants > EUR 60 000:

- a declaration on their honour
- the financial statements (including the balance sheet, the profit and loss accounts and the annexes) of the last two financial years for which the accounts have been closed
- financial capacity form provided for in the application form, filled in with the relevant statutory accounting figures, in order to calculate the ratios as detailed in the form.

c) Grants for an action > EUR 750 000, in addition to the above:

- an audit report produced by an approved external auditor certifying the accounts for the last financial year available.

On the basis of the documents submitted, if the Agency considers that financial capacity is not satisfactory, it may:

- request further information;
- propose a grant agreement without pre-financing;
- propose a grant agreement with a pre-financing covered by a bank guarantee (see section 11.4 below);
- propose a grant agreement without pre-financing but an interim payment based on expenses already occurred;
- reject the application.

## **8.2 Operational capacity**

Applicants must have the professional competencies as well as appropriate qualifications necessary to complete the proposed action. In this respect, applicants have to submit a declaration on their honour, and, for those applying for a grant above EUR 60.000 the following supporting documents:

- the curriculum vitae of the legal representative of the company and
- the curriculum vitae of the Head of Distribution (if they are not the same person).

The documents and forms required under section 8.1 and 8.2 should be provided at least once per year for the Cinema Selective, the Cinema Automatic and the Sales Agents schemes.

## **9. AWARD CRITERIA**

### **9.1. Generation Stage**

A potential fund will be attributed to eligible European distribution companies on the basis of the eligible admissions achieved by the European non-national films distributed by the applicant in the reference year (2015).

The support will take the form of a potential fund available to distributors for further investments in eligible non-national European films.

Within the limit of the budgetary resources available, the potential fund available for each distributor will be calculated on the following basis:

- Eligible admissions generated by eligible non-national European films.

- All admissions should be covered by the relevant national reporting and verification systems which enable the National Authority to certify them. The Agency reserves the right to reject admissions and/or applications where it is not satisfied that all of the conditions have been met.
- On the basis of the applicants declarations, and with the co-operation of the national correspondents designated by the Member States, the total number of eligible paid admissions per company per country per year shall be calculated according to the following formula:
  - all paid admissions for a single non-national European film shall be eligible up to a limit fixed per film and per country (see table below);
  - this limit can be reached in one or more years but in any case all paid admissions over the maximum threshold (see table below) for an individual film shall not be eligible.

<b>Country of distribution</b>	<b>Maximum threshold (nr of admissions)</b>
Germany, Spain, France, Italy.	600.000
Austria, Belgium, Switzerland, The Netherlands, Poland, United Kingdom.	200.000
Czech Republic, Denmark, Finland, Greece, Hungary, Norway, Portugal, Sweden.	150.000
Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Estonia, Iceland, Ireland, Latvia, Lithuania, Luxemburg, Malta, Romania, Slovakia, Slovenia, and any other new country participating to the programme.	32.000

- The amount of the potential fund will be calculated by multiplying the number of eligible admissions by a fixed amount per admission. The following table summarizes the parameters used for the calculation:

Amount per eligible admission (in EUR)

<b>Country of distribution</b>	<b>Nationality of the film (as per section 6.2)</b>		
	France UK	Germany Spain Italy	Other eligible countries
Germany, Spain, France, Italy.	0,25	0,40	0,90
Austria, Belgium, Switzerland, The Netherlands, Poland, UK.	0,40	0,55	0,90
Czech Republic, Denmark, Finland, Greece, Hungary, Norway, Portugal, Sweden.	0,60	0,70	0,90
Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Estonia, Iceland, Ireland, Latvia, Lithuania, Luxemburg, Malta, Romania, Slovakia, Slovenia, and any other new country participating to the programme.	0,70	0,85	0,90

The calculation includes 3 different thresholds in the number of admissions for which different percentages of the entries are applied:

The first admissions of a film (from the first release) up to the first threshold, will receive 150% of the initial amount fixed in above table, up to the second threshold the calculation will be done with 100% of

the initial amount and then up to the maximum threshold admissions will receive only 35% of the initial amount.

Country of distribution	Number of admission thresholds		
	1 <sup>st</sup> threshold	2 <sup>nd</sup> threshold	Maximum threshold
	150%	100%	35%
Germany, Spain, France, Italy.	75.000	300.000	600.000
Austria, Belgium, Switzerland, The Netherlands, Poland, United Kingdom.	25.000	100.000	200.000
Czech Republic, Denmark, Finland, Greece, Hungary, Norway, Portugal, Sweden.	18.000	75.000	150.000
Bosnia & Herzegovina, Bulgaria, Croatia, Cyprus, Estonia, Iceland, Ireland, Latvia, Lithuania, Luxemburg, Malta, Romania, Slovakia, Slovenia, and any other new country participating to the programme.	4.000	16.000	32.000

The amounts indicated above are provisional and may be subject to modification depending upon the budgetary resources available.

The potential fund will be calculated based upon a fixed amount per eligible entry. Shall the sum of generated funds exceed 24M€ under the call, each potential fund will be reduced proportionally. This reduction will not have the effect of lowering the amount of the potential fund below the minimum availability thresholds indicated below.

One of the principal objectives of the Automatic Scheme is to have a significant effect upon the marketing of European films. Thus, and for reasons of efficiency, minimum availability thresholds have been defined. Availability threshold means that in the event that the fund in a given year does not reach the minimum threshold, the fund will not be available.

Country of distribution	Availability Threshold of the potential fund (in EUR)
Germany, Spain, France, Italy	15.000
Austria, Belgium, Switzerland, The Netherlands, Poland, United Kingdom	7.500
Czech Republic, Denmark, Finland, Greece, Hungary, Norway, Portugal, Sweden	5.000
Bosnia & Herzegovina, Bulgaria, Croatia, Cyprus, Estonia, Iceland, Ireland, Latvia, Lithuania, Luxemburg, Malta, Romania, Slovakia, Slovenia, and any other new country participating to the programme.	2.500

Following the calculation of the potential fund, a notification letter will be sent by the Agency to the beneficiary. This letter will indicate the amount of the fund and the reinvestment criteria to meet to be able to use this fund.

The generation stage is a method to calculate a maximum potential fund to be reinvested in new projects depending upon the budget available. The notification to the distributors of the potential fund generated does not constitute a claim on the European Commission/Agency.

All other information supplied shall be treated as confidential.

## **9.2 Reinvestment Stage**

The fund generated may only be used through reinvestment projects.

The fund can be reinvested:

- Module 1: Production of eligible non-national European films (i.e. films not yet completed at the date of application for reinvestment);
- Module 2: Minimum Distribution Guarantees for eligible non-national European films;
- Module 3: Distribution costs (i.e. P&A costs) for eligible non-national European films.

For reinvestment Modules 1 and 2, applicants can be eligible for MEDIA Sub-programme Selective Scheme for the distribution of the same film.

Reinvestment in distribution costs (Module 3) cannot be cumulated with a support under the MEDIA Sub-programme Selective Scheme for the same film. Applications for distribution costs may only be made to one scheme at a time. A second application for the same film will be ineligible, unless it is made after the applicant has been officially informed that the first application under the other scheme has been unsuccessful.

Reinvestment projects will only be processed by the Agency after the letter informing the beneficiary of the amount of the potential fund has been sent. Reinvestment projects will be treated on the basis and within the limits of the fund generated by the distributor as calculated and notified by the Agency. Reinvestment projects must be approved by the Agency.

Combining funds generated by different reference years and under different calls into a single reinvestment project is not permitted, which means that the last request for a financial contribution to a reinvestment project will be limited to the balance of the current fund. If the balance is inferior to the minimum reinvestment threshold, it will be lost.

The award of a potential fund does not constitute an undertaking to support the reinvestment projects.

Reinvestment projects approved by the Agency will be the subject of a grant agreement or grant decision setting out the terms and conditions of the financial contribution granted.

### *Amount of the financial contribution to a reinvestment project*

The amount of the fund that may be requested for a given reinvestment project may not exceed a certain percentage of the total cost of the proposed reinvestment project, defined in the following table:



<b>Maximum percentage of the reinvestment project's costs to be covered by the fund</b>			
	Country of origin of the reinvestment film		
	<b>FR - UK</b>	<b>DE, IT, ES</b>	<b>Other countries</b>
Module 1: (co-production)	60 %	60 %	60 %
Module 2: (MG) Licence agreement signed before completion of the principal photography of the film	60 %	60 %	60 %
Module 2: (MG) Licence agreement signed after completion of the principal photography of the film	40 %	50 %	60 %
Module 3: (P&A)	50 %	50 %	60 %

Examples:

<b>Reinvestment projects</b>	<b>Eligible costs</b>	<b>Maximum MEDIA support</b>
Module 2 (MG) for a UK film Licence agreement signed before completion of the principal photography of a UK film.	MG: € 600.000	(60%): € 360.000
Module 2 (MG) for a Irish Film Date of completion of principal photography irrelevant	MG: € 100,000	(60%): €60.000
Module 3 (P&A) for a UK Film	P&A: € 60.000	(50%): €30.000

A minimum level of support is imposed to ensure that it has an effect on the marketing of the film supported. In the case of Module 2 only, these thresholds can be reached by consolidating 2 or more projects.

<b>Country of distribution</b>	<b>Minimum MEDIA support</b>
Germany, Spain, France, Italy	€ 8.000
Austria, Belgium, Switzerland, The Netherlands, Poland, United Kingdom	€ 4.000
Czech Republic, Denmark, Finland, Greece, Hungary, Norway, Portugal, Sweden	€ 2.000
Bosnia & Herzegovina, Bulgaria, Croatia, Cyprus, Estonia, Iceland, Ireland, Latvia, Lithuania, Luxemburg, Malta, Romania, Slovakia, Slovenia, and any other new country participating to the programme.	€ 1.000

The minimum re-investment will have to be calculated on the basis of the above co-financing thresholds.

## **10. LEGAL COMMITMENTS**

In the event of a grant awarded by the Agency, a grant agreement or a grant decision drawn up in euro and detailing the conditions and level of funding, will be sent to the beneficiary, as well as the procedure in view to formalise the obligations of the parties.

- Agreement (**in case of beneficiaries established outside the European Union**):

The 2 copies of the original agreement must be signed first by the beneficiary and returned to the Agency immediately. The Agency will sign them last.

➤ **Decision (in case of beneficiaries established within the European Union):**

The grant decision must not be returned to the Agency. The general conditions applicable to the decision are available in the 'Documents register' of the Agency website (Calls for proposals II.a) [https://eacea.ec.europa.eu/about-eacea/document-register\\_en#calls](https://eacea.ec.europa.eu/about-eacea/document-register_en#calls)

As regards grant decisions, beneficiaries understand that:

**Submission of a grant application implies acceptance of these General Conditions. These General Conditions bind the beneficiary to whom the grant is awarded and shall constitute an annex to the grant decision.**

The award of a grant does not establish an entitlement for subsequent years.

## **11. FINANCIAL PROVISIONS**

### **11.1. General Principles**

a) Non-cumulative award

An action may only receive one grant from the EU budget.

In no circumstances shall the same costs be financed twice by the European Union budget. To ensure this, applicants shall indicate in the application form the sources and amounts of European Union funding received or applied for the same action or part of the action or for its functioning during the same financial year as well as any other funding received or applied for the same action.

Subsidised actions may not benefit from Eurimages funding for the same activity (Eurimages i.e. European cinema support from the Council of Europe).

b) Non-retroactivity

No grant may be awarded retrospectively for actions already completed (i.e. after the release date of the film).

A grant may be awarded for an action which has already begun only where the applicant can demonstrate the need to start the action before the grant agreement is signed or the grant decision is notified. In such cases, costs eligible for financing must be incurred during the period of eligibility set out in section 3.2.

c) Co-financing

Co-financing means that the resources which are necessary to carry out the action may not be entirely provided by the EU grant.

Co-financing of the action may take the form of:

- the beneficiary's own resources;
- income generated by the action;
- financial contributions from third parties.

d) Balanced budget

The estimated budget of the action is to be attached to the application form. It must have revenue and expenditure in balance, including the requested MEDIA grant.

The budget must be drawn up in euros.

Applicants which foresee that costs will not be incurred in euros shall use the exchange rate published on the Infor-euro website available at:

[http://ec.europa.eu/budget/contracts\\_grants/info\\_contracts/inforeuro/inforeuro\\_en.cfm](http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/inforeuro_en.cfm) and applicable on the month of the reinvestment application.

e) Implementation contracts/subcontracting

Where the implementation of the action requires the award of procurement contracts (implementation contracts), the beneficiary must award the contract to the bid offering best value for money or the lowest price (as appropriate), avoiding conflicts of interests and retain the documentation for the event of an audit.

Entities acting in their capacity of contracting authorities in the meaning of Directive 2004/18/EC<sup>5</sup> or contracting entities in the meaning of Directive 2004/17/EC<sup>6</sup> shall abide by the applicable national public procurement rules.

Sub-contracting, i.e. the externalisation of specific tasks or activities which form part of the action/work programme as described in the proposal and which cannot be performed by the beneficiary itself must satisfy the conditions applicable to any implementation contract (as specified above) and in addition to them the following conditions:

- it may only cover the implementation of a limited part of the action;
- it must be justified having regard to the nature of the action and what is necessary for its implementation;
- it clearly results from the proposal.

f) Financial support to third parties

The applications may not envisage provision of financial support to third parties

g) Special condition applying to the MEDIA Sub-programme

Any support from the MEDIA Sub-programme shall remain the exclusive property of the beneficiary and cannot be considered as revenue for the film. There cannot be any contractual conditions or other agreements which change the terms and conditions of payments, calculations or any other contractual terms in any manner whatsoever which may have the effect of taking the European Union grant into account. Distribution agreements cannot have any conditional clauses linked to the award of the subsidy. Union Law and the general conditions of any eventual grant agreement or grant decision offered to a distributor clearly lay down the fact that the European Union Contribution (grant) “shall be used by the Beneficiary solely, exclusively and directly in discharging eligible expenses incurred”.

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<sup>5</sup> Directive 2004/18/EC on the coordination of procedures for the award of public work contracts, public supply contracts and public service contracts.

<sup>6</sup> Directive 2004/17/EC coordinating the procurement procedures of entities operating in the water, energy, transport and postal services sectors.

## 11.2 Funding forms

The grants financed through reimbursement of eligible costs in combination with flat rate covering overheads are calculated on the basis of a detailed estimated budget, indicating clearly the costs that are eligible for EU funding.

### ➤ **Maximum amount requested**

The EU grant is limited to a co-financing rate of 40%, 50% or 60% of the eligible costs, depending on the type of project (see Section 9.2)

Consequently, part of the total eligible expenses entered in the estimated budget must be financed from sources other than the Union grant.

The grant amount may neither exceed the eligible costs nor the amount requested. Amounts are indicated in euros.

Acceptance of an application by the Executive Agency does not constitute an undertaking to award a grant equal to the amount requested by the beneficiary.

### ➤ **Eligible costs**

Eligible costs are costs actually incurred by the beneficiary of a grant which meet the following criteria:

- they are incurred during the duration of the action as specified in the grant agreement or grant decision, with the exception of costs relating to final reports and certificates.

The period of eligibility of costs is specific to each module as set out under section 3.2.

- they are indicated in the estimated overall budget of the action;
- they are incurred in connexion with the action which is the subject of the grant and are necessary for the implementation of the action;
- they are identifiable and verifiable, in particular being recorded in the accounting records of the beneficiary and determined according to the applicable accounting standards of the country where the beneficiary is established and according to the usual cost-accounting practices of the beneficiary;
- they comply with the requirements of applicable tax and social legislation;
- they are reasonable, justified, and comply with the requirements of sound financial management, in particular regarding economy and efficiency.

The beneficiary's internal accounting and auditing procedures must permit direct reconciliation of the costs and revenues declared in respect of the action with the corresponding accounting statements and supporting documents.

### Eligible direct costs:

The eligible direct costs for the action are those costs which, with due regard for the conditions of eligibility set out above, are identifiable as specific costs directly linked to the performance of the action and which can therefore be booked to it directly.

In particular, the following direct costs are eligible, provided that they satisfy the criteria set out in the previous paragraph:

### Eligible costs for reinvestment in Module 1 (co-production)

Only those contributions linked to the investment of the distributor in the co-production and which are set out in the co-production contract signed with the producer and / or co-producer of the film will be eligible. The beneficiary must submit together with his certified financial (final) report a certified copy of the bank debit detailing the date of payment, the name of the recipient and the amount(s).

#### Eligible costs for reinvestment in Module 2 (MG)

Only the costs of the Minimum Guarantee set out in the distribution contract signed with the producer or sales agent of the film will be eligible.

It is common that distribution rights are acquired by distributors for multiple countries and that the amount of the Minimum Guarantee is defined for all these countries.

The Agency can only co-finance the Minimum Guarantee for the country of the distributor concerned. The amount of the eligible Minimum Guarantee will therefore be reduced following the methods established based on historical data and set out below. However, should a sub-licence deal have been previously concluded at a certain price, this amount may be taken into account, i.e. an actual contract amount would replace the guidelines percentages set out in this section, provided it has been disclosed in due time and approved by the Agency.

<b>Countries</b>	<b>Division of the MG</b>
Germany - Austria	- Germany: 90 % - Austria: 10 %
Belgium - Luxemburg	- Belgium: 97,5 % - Luxemburg: 2,5 %
BENELUX (Belgium - Netherlands - Luxemburg)	<u>For French language films:</u> - Belgium: 73% - Luxemburg: 2 % - Netherlands: 25 % <u>For other films:</u> - Belgium: 48 % (without LU: 50%) - Luxemburg: 2 % - Netherlands: 50 %
Greece - Cyprus	- Greece: 97,5 % - Cyprus: 2,5 %
United Kingdom - Ireland	- United Kingdom: 95 % - Ireland: 5 %
Scandinavia (Denmark - Finland - Iceland - Norway - Sweden)	- Sweden: 35 % - Norway: 30 % - Denmark: 25 % - Finland: 9 % (without Iceland: 10 %) - Iceland: 1 %
Czech Republic - Slovak Republic	- Czech Republic: 80 % - Slovak Republic: 20 %
Estonia - Latvia - Lithuania	- Estonia: 30 % - Latvia: 30 % - Lithuania: 40 %

The other cases of multi-country acquisitions will be treated individually.  
The decision of the Agency on the relevant deduction will be final.

### Eligible costs for reinvestment in Module 3 (Distribution Costs)

#### ***Heading 1: Advertising costs and promotion costs***

**1.1 Publicity Material:** design, layout and printing of the posters, artwork, production of advertising spots for radio, TV and internet, flyers, postcards, design and layout of press advertising, and other publicity material.

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

**1.3 Promotion material and website:** promotion material such as press files, EPK, betas, design and construction of a website for the film, homepage for the promotion of the film, DVD or Digital Beta for promotional purposes; and other promotion material.

**1.4 PR and promotion activities:** press screenings; previews and receptions for launching the film in the country, organisation of test screenings and market research; travel and accommodation of the director/ cast of the film in the distribution country for the promotion of the film; Press Agency, Press officer, Publicist and PR fees; and other promotion costs.

**1.5 Trailer:** all cost related to the production and circulation of the trailer.

#### ***Heading 2: Optical and Digital Costs***

**2.1 Optical Costs:** This sub-heading includes all costs related to the optical manufacturing and circulation of the prints for the exploitation of the film in the cinemas; i.e. striking of an inter-negative and prints of the film, prints insurance, prints maintenance, transport and taxes.

**2.2 Digital Costs:** This sub-heading includes all digital costs for the exploitation of the film in the cinemas; i.e. production of the master DCP, duplication of the DCPs, delivery, movie transits, KDM's, insurance and taxes.

**2.3 Virtual Print Fees:** VPFs are eligible provided that there is no direct commercial link between the applicant company and the cinemas.

**2.4 Dubbing and Subtitling (incl. translation):** All costs related to the dubbing and the subtitling of the film, including the translation costs.

#### ***Heading 3: Other Costs***

**3.1 Audit Fees:** In the framework of the execution of an eventual financial support, the Agency requires the beneficiary to produce a statement of the final costs of the action. This document must be certified by an independent approved auditor, external to the company on the basis of justifying documents and the accountancy records of the beneficiary. Therefore the costs of this certification are the only costs eligible beyond the eligibility period.

**3.2 Censorship:** cost related to the national certification of the film.

**3.3 Booking and Billing:** if these services are outsourced to a third party, these costs must be declared.

**3.4 All other Costs:** A space is provided in the form for the disclosure of other costs directly linked to the action which are not expressly provided for in the form. Other costs have to be

clearly identified and detailed in the application form and in the financial report for them to be eligible.

Costs normally associated with the running of the company are not eligible under this heading.

These “other costs” must not fall under costs ineligible costs listed below.

Non deductible VAT is eligible unless it is related to activities of the public authorities in the Member States.

### ***Eligible indirect costs (administrative costs)***

A flat-rate amount, not exceeding 7% of the eligible direct distribution costs of the action is eligible under indirect costs, representing the beneficiary’s general administrative costs which can be regarded as chargeable to the action (i.e. rent of company offices, insurance, maintenance costs, telecommunications, postal charges, heating, lighting, water, electricity, office supplies, rental of stands on markets and festivals).

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

Applicants’s attention is drawn to the fact that in the case of organisations receiving an operating grant, indirect costs are no longer eligible under specific actions.

### **➤ Ineligible costs**

The following costs shall not be considered eligible:

- return on capital;
- debt and debt service charges;
- provisions for losses or debts;
- interest owed;
- doubtful debts;
- exchange losses;
- costs of transfer from the Agency charged by the bank of the beneficiary;
- costs declared by the beneficiary and covered by another action receiving a European Union grant. In particular, indirect costs shall not be eligible under a grant for an action awarded to the beneficiary who already receives an operating grant financed from the Union budget during the period in question;
- contributions in kind
- excessive or reckless expenditure
- personnel costs
- travel and subsistence of staff
- purchase of equipment

### **Small grants & Consolidation.**

Where an applicant has presented (and the Agency has approved) multiple projects within a single module (with a grant equal to or less than EUR 60.000 per project), then a unique grant

agreement/decision covering these projects will be drawn up with a single consolidated duration, budget and eligibility period. The grant agreement/decision will clearly identify the amount of the grant for each reinvestment application and will require individual reports on the execution of same.

➤ **Calculation of the final grant amount – Supporting documents**

The final amount of the grant to be awarded to the beneficiary is established after completion of the action, upon approval of the request for payment containing the following documents:

- a final report providing details of the implementation and results of the action;

- the final financial statement of costs actually incurred;

and

**Option 1**

In case of “Module 3” grants for an action less than or equal to EUR 60.000, the beneficiary is required to submit, in support of the final payment, a copy of the following underlining documents:

- the invoices related to the budget item “Optical and Digital costs”

**Option 2**

In cases of grants for an action of more than EUR 60.000 and less than EUR 750 000, the beneficiary is required to submit, in support of the final payment, a “Report of Factual Findings on the Final Financial Report - Type I” produced by an approved auditor or in case of public bodies, by a competent and independent public officer.

The procedure and the format to be followed by an approved auditor or in case of public bodies, by a competent and independent public officer, are detailed in the following “Guidance Notes”:

[http://eacea.ec.europa.eu/about-eacea/document-register\\_en#audit](http://eacea.ec.europa.eu/about-eacea/document-register_en#audit)

The use of the report format set by the “Guidance Notes” is compulsory.

**Option 3**

In cases of grants for an action of EUR 750 000 or more, when the cumulative amounts of request for payment is at least EUR 325 000, the beneficiary is required to submit, in support of the final payment, a “Report of Factual Findings on the Final Financial Report - Type II” produced by an approved auditor or in case of public bodies, by a competent and independent public officer. The certificate shall certify, in accordance with a methodology approved by the Agency, that the costs declared by the beneficiary in the financial statements on which the request for payment is based are real, accurately recorded and eligible in accordance with the grant agreement or grant decision.

The procedure and the format to be followed by an approved auditor or in case of public bodies, by a competent and independent public officer, are detailed in the following “Guidance Notes”:

[http://eacea.ec.europa.eu/about-eacea/document-register\\_en#audit](http://eacea.ec.europa.eu/about-eacea/document-register_en#audit)

The use of the report format set by the “Guidance Notes” is compulsory.

The calculation of the final grant amount by the Agency is based on a detailed final financial statement of the beneficiary, accompanied by supporting documentation for the incurred expenditure.

If the eligible costs actually incurred by the beneficiary are lower than anticipated, the Agency will apply the rate of co-financing stated in the grant agreement/decision to the expenditure actually



incurred. In the event of non-execution or clearly inadequate execution of an activity planned in the application attached to the funding decision/agreement, the final grant will be reduced accordingly.

EU grants may not have the purpose or effect of producing a profit within the framework of the action of the beneficiary. Profit shall be defined as a surplus of receipts over the eligible costs incurred by the beneficiary, when the request is made for payment of the balance. In this respect, where a profit is made, the Agency shall be entitled to recover a percentage of the profit corresponding to the Union contribution to the eligible costs actually incurred by the beneficiary to carry out the action.

Where applicable, the beneficiary will be required to reimburse any excess amounts paid by the Agency in the form of pre-financing.

The verification of the non-profit does not apply to low value grants, i.e.  $\leq$  EUR 60 000.

### **11.3. Payment arrangements**

A pre-financing payment corresponding to 60% of the grant amount will be transferred to the beneficiary within 30 days either of the date when the last of the two parties signs the agreement, or of the notification of the grant decision, provided all requested guarantees have been received.

The Agency will establish the amount of the final payment to be made to the beneficiary on the basis of the calculation of the final grant amount (see section 11.2 above). If the total of earlier payments is higher than the final grant amount, the beneficiary will be required to reimburse the amount paid in excess by the Agency through a recovery order.

### **11.4. Pre-financing guarantee**

In the event that the applicant's financial capacity is not satisfactory, a pre-financing guarantee for up to the same amount as the pre-financing may be requested in order to limit the financial risks linked to the pre-financing payment.

The financial guarantee, in euro, shall be provided by an approved bank or financial institution established in one of the Member States of the European Union. When the beneficiary is established in a third country, the authorising officer responsible may agree that a bank or financial institution established in that third country may provide the guarantee if he considers that the bank or financial institution offers equivalent security and characteristics as those offered by a bank or financial institution established in a Member State. Amounts blocked in bank accounts shall not be accepted as financial guarantees.

The guarantee shall be released as the pre-financing is gradually cleared against interim payments or payments of balances to the beneficiary, in accordance with the conditions laid down in the grant agreement/decision.

## **12. PUBLICITY**

### **12.1. By the beneficiaries**

Beneficiaries must clearly acknowledge the European Union's contribution in all publications or in conjunction with activities for which the grant is used.

In this respect, beneficiaries are required to give prominence to the name and logo of the MEDIA sub-programme on all their publications, posters, programmes and other products realised under the co-financed project.

To do this they must use the text, the logo and the disclaimer available at [https://eacea.ec.europa.eu/about-eacea/visual-identity\\_en](https://eacea.ec.europa.eu/about-eacea/visual-identity_en) which will be provided by the Agency.

If this requirement is not fully complied with, the beneficiary's grant may be reduced in accordance with the provisions of the grant agreement or grant decision.

## **12.2. By the Agency and/or the Commission**

With the exception of scholarships paid to natural persons and other direct support paid to natural persons in most need, all information relating to grants awarded in the course of a financial year shall be published on the Internet site of the European Union institutions no later than the 30 June of the year following the financial year in which the grants were awarded.

The Agency and/or the Commission will publish the following information:

- name of the beneficiary;
- locality of the beneficiary: address of the beneficiary when the latter is a legal person, region when the beneficiary is a natural person, as defined on NUTS 2 level<sup>7</sup> if he/she is domiciled within the EU or equivalent if domiciled outside EU;
- the amount awarded;
- nature and purpose of the grant.

Upon a reasoned and duly substantiated request by the beneficiary, the publication shall be waived if such disclosure risks threatening the rights and freedoms of individuals concerned as protected by the Charter of Fundamental Rights of the European Union or harm the commercial interests of the beneficiaries.

## **12.3 Communication and dissemination**

To maximise impact, projects should have a clear and strong strategy for communication and dissemination of their activities and results, and applicants must provide enough time and resources to communicate and interact appropriately with peers, audiences and local communities as appropriate.

The Commission together with the Agency may identify good practices and prepare relevant dissemination materials to be shared within and across all participating countries and beyond.

Data and results from projects will be made freely available to be used by stakeholders, policy makers and others in a wide range of ways.

Beneficiaries may be required to attend and to participate in events organised by the European Commission or the Agency to share their experience with other participants and/or policy makers.

## **13. DATA PROTECTION**

All personal data (such as names, addresses, CVs, etc.) will be processed in accordance with Regulation (EC) No 45/2001 of the European Parliament and of the Council of 18 December 2000 on the protection of individuals with regard to the processing of personal data by the European Community institutions and bodies and on the free movement of such data.<sup>8</sup>

Unless marked as optional, the applicant's replies to the questions in the application form are necessary to evaluate and further process the grant application in accordance with the specifications of the call for proposals. Personal data will be processed solely for that purpose by the department or Unit responsible for the Union grant programme concerned (entity acting as data controller). Personal data may be transferred on a need to know basis to third parties involved in the evaluation of applications

<sup>7</sup> European Union Official Journal L39, of 10 February 2007.

<sup>8</sup> Official Journal L 8, 12.1.2001.

or in the grant management procedure, without prejudice of transfer to the bodies in charge of monitoring and inspection tasks in accordance with European Union law. In particular, for the purposes of safeguarding the financial interests of the Union, personal data may be transferred to internal audit services, to the European Court of Auditors, to the Financial Irregularities Panel or to the European Anti-Fraud Office and between authorising officers of the Commission and the executive agencies. The applicant has the right of access to, and to rectify, the data concerning him or her. For any question relating to these data, please contact the Controller. Applicants have the right of recourse to the European Data Protection Supervisor at any time. A detailed Privacy statement, including contact information, is available on EACEA's website:

[http://eacea.ec.europa.eu/about/documents/calls\\_gen\\_conditions/eacea\\_grants\\_privacy\\_statement.pdf](http://eacea.ec.europa.eu/about/documents/calls_gen_conditions/eacea_grants_privacy_statement.pdf)

Applicants and, if they are legal entities, persons who are members of the administrative, management or supervisory body of that applicant or who have powers of representation, decision or control with regard to that applicant, or natural or legal persons that assume unlimited liability for the debts of that applicant, are informed that, their personal data (name, given name if natural person, address, legal form and name and given name of the persons with powers of representation, decision-making or control, if legal person) may be registered in the Early Detection and Exclusion System (EDES) by the Authorising Officer of the Agency, should they be in one of the situations mentioned in the Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 298 of 26.10.2012, p. 1) as amended by the Regulation (EU, Euratom) No 2015/1929 of the European Parliament and of the Council of 28 October 2015 (OJ L 286, 30.10.2015, p. 1).

## **14. PROCEDURE FOR THE SUBMISSION OF PROPOSALS**

### **14.1 Publication**

The call for proposals is published on the Internet site of the EACEA at the following address:

[https://eacea.ec.europa.eu/creative-europe/funding/distribution-automatic-support-2016\\_en](https://eacea.ec.europa.eu/creative-europe/funding/distribution-automatic-support-2016_en)

### **14.2 Registration in the Participant Portal**

Before submitting an electronic application, applicants will have to register their organisation in the Education, Audiovisual, Culture, Citizenship and Volunteering Participant Portal and receive a Participant Identification Code (PIC). The PIC will be requested in the application form.

The Participant Portal is the tool through which all legal and financial information related to organisations will be managed. Information on how to register can be found in the portal under the following address:

<http://ec.europa.eu/education/participants/portal/desktop/en/home.html>

The tool also allows applicants to upload different documents related to their organisation. These documents have to be uploaded once and will not be requested again for subsequent applications by the same organisation.

Details on the supporting document that need to be uploaded in the portal can be found

[https://eacea.ec.europa.eu/creative-europe/funding/distribution-automatic-support-2016\\_en](https://eacea.ec.europa.eu/creative-europe/funding/distribution-automatic-support-2016_en)

### 14.3 Submission of the grant application

Proposals must be submitted in accordance with the admissibility requirements set out under Section 5.

An online application system has been set up. Grant applications must be drawn up in one of the official EU languages, using the online form (eForm) specifically designed for this purpose. To facilitate the assessment of the application, an English or French translation of the documents relevant to the assessment of the project must be submitted.

The eForm can be obtained on the Internet at the following address: <https://eacea.ec.europa.eu/PPMT/>

Proposals for both Generation and Reinvestments must be submitted by the relevant deadlines mentioned in the call for proposals and in Section 3 “Timetable” of the present Guidelines **before 12:00 CET/CEST (Midday, Brussels time)**, using the online application form.

Applicants should note that no applications submitted after 12.00 CET/CEST on the relevant deadline will be accepted. They are very strongly encouraged not to wait until the final day to read the User Guide and submit their application.

Please note that no other method of submission of an application will be accepted. Applications submitted in any other way will be automatically rejected. No exceptions will be made.

Make sure that you have officially submitted your electronic application form and that you have received an e-mail acknowledging receipt of your submission with a project reference number.

Applicants shall ensure that all the documents requested and mentioned in the eForm are attached to the eForm (see *Guide for applicants*):

Generation stage:

- Annex I: declaration on the applicant's honour
- Annex II: financing plan for the films to be qualified

The following document must be at the applicant's disposal for each film declared, in case of verification by the EACEA:

Distribution contract or agreement with the producer and/or sales agent with the hand written statement “Copy certified as true” signed by the legal representative of the company (the date of contract must be on or before 31/12/15).

The applicant shall provide this information upon request by the Agency, in the context of verification of the eligibility of the declared admissions (see section 6.2).

In the event the applicant fails to submit the requested documents, the relevant admissions will not be taken into account in the calculation of the potential fund.

Reinvestment stage:

All modules:

- Annex I: Declaration on the applicant's honour

Module 1:

- Annex II: co-production contract
- Annex III: forecast budget and financing plan of the film signed and dated by the lead producer

Module 2:

- Annex II: Distribution agreement
- Annex III: financing plan of the film signed and dated by the lead producer

Module 3:

- Annex II: distribution agreement
- Annex III: budget form
- Annex IV: financing plan of the film signed and dated by the lead producer

No modifications to the application are allowed once the deadline for submission has elapsed. However, if there is a need to clarify certain aspects or for the correction of clerical mistakes, the Agency may contact the applicant for this purpose during the evaluation process.

All applicants will be informed in writing about the results of the selection process.

#### 14.4 Evaluation procedure

The “Automatic” support system works in two successive stages:

- The generation of the potential fund
- The reinvestment of the potential fund

These two stages can be summarised as follows:

	<b>Stage 1: GENERATION</b>	<b>Stage 2: REINVESTMENT</b>
<b>Distributor</b>	Application for the generation of the support (declaration of the paid admissions) <b>Deadline: 29/04/2016</b>	Presentation of reinvestment projects <b>Deadline: 01/08/2017</b>
<b>Agency</b>	- Calculation of the potential fund generated - Notification of approval (or rejection) of the available potential fund	- Acceptance/Rejection of the reinvestment project - Signature of the grant agreement/decision between the Agency and the beneficiary
<b>Legal commitment and payment of a Union Financial Contribution</b>	No	Yes

#### 14.5 Award decision

Only after completion of the procedure mentioned above, is the selection process finalised and the award decision adopted by the Agency.

Applicants will be informed of the results of the selection within two weeks of the date of adoption of the award decision.

Unsuccessful applicants will receive a letter stating the reasons why their application was not selected.

Once applicants are informed the list of selected proposals will be published on the websites of the Agency: [http://eacea.ec.europa.eu/creative-europe/selection-results\\_en](http://eacea.ec.europa.eu/creative-europe/selection-results_en)

The award of a grant will be conditional upon the acceptance by the Agency of the re-investment project, within the limit of the available budget.

#### **14.6 Rules applicable**

Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union (OJ L 298, 26.10.2012, p.1).

Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union (OJ L 362, 31.12.2012, p.1).

Regulation (EU, Euratom) No 1295/2013 of the European Parliament and of the Council of 11 December 2013 establishing the Creative Europe Programme (2014 to 2020) concerning the implementation of a support Programme for the European creative sector (Creative Europe) (OJ L 347/221, 20 December 2013) and its corrigendum of 27/06/2014 (OJ L 189/260).

#### **14.7 Contacts**

For any further information please contact your Creative Europe desk:

[http://ec.europa.eu/culture/tools/creative-desks\\_en.htm](http://ec.europa.eu/culture/tools/creative-desks_en.htm)

Contact within the Agency:

[EACEA-DISTRIBUTION-AUTOMATIC@ec.europa.eu](mailto:EACEA-DISTRIBUTION-AUTOMATIC@ec.europa.eu)

If you encounter a technical problem in relation to the e-Form, please ensure that you contact the HelpDesk well in advance of the deadline for submission: [eacea-helpdesk@ec.europa.eu](mailto:eacea-helpdesk@ec.europa.eu).

**Annex 1 – Summary table for the generation stage**

Country of distribution	Amount per eligible admission according to the origin of the films and the number of admissions								
	Films originating from France and United Kingdom			Films originating from Germany, Spain and Italy			Other eligible countries		
Germany, Spain, France, Italy	Up to 75.000 admissions	Between 75.001 and 300.000 admissions	Between 300.001 and 600.000 admissions	Up to 75.000 admissions	Between 75.001 and 300.000 admissions	Between 300.001 and 600.000 admissions	Up to 75.000 admissions	Between 75.001 and 300.000 admissions	Between 300.001 and 600.000 admissions
	0.38€	0.25€	0.09€	0.60€	0.40€	0.14€	1.35€	0.90€	0.32€
Austria, Belgium, Switzerland, The Netherlands, Poland, United Kingdom	Up to 25.000 admissions	Between 25.001 and 100.000 admissions	Between 100.001 and 200.000 admissions	Up to 25.000 admissions	Between 25.001 and 100.000 admissions	Between 100.001 and 200.000 admissions	Up to 25.000 admissions	Between 25.001 and 100.000 admissions	Between 100.001 and 200.000 admissions
	0.60€	0.40€	0.14€	0.83€	0.55€	0.19€	1.35€	0.90€	0.32€
Czech Republic, Denmark, Finland, Greece, Hungary, Norway, Portugal, Sweden	Up to 18.000 admissions	Between 18.001 and 75.000 admissions	Between 75.001 and 150.000 admissions	Up to 18.000 admissions	Between 18.001 and 75.000 admissions	Between 75.001 and 150.000 admissions	Up to 18.000 admissions	Between 18.001 and 75.000 admissions	Between 75.001 and 150.000 admissions
	0.90€	0.60€	0.21€	1.05€	0.70€	0.25€	1.35€	0.90€	0.32€
Bosnia & Herzegovina, Bulgaria, Croatia, Cyprus, Estonia, Iceland, Ireland, Latvia, Lithuania, Luxemburg, Malta, Romania, Slovakia, Slovenia and any other new country participating to the programme	Up to 4.000 admissions	Between 4.001 and 16.000 admissions	Between 16.001 and 32.000 admissions	Up to 4.000 admissions	Between 4.001 and 16.000 admissions	Between 16.001 and 32.000 admissions	Up to 4.000 admissions	Between 4.001 and 16.000 admissions	Between 16.001 and 32.000 admissions
	1.05€	0.70€	0.25€	1.28€	0.85€	0.30€	1.35€	0.90€	0.32€