

Film Tampere

General terms and conditions for the production incentive for the audiovisual production

1 Purpose and application criteria

Film Tampere is a business policy program managed by **the Tampere region economic development agency, Business Tampere**, with the purpose of developing audiovisual production in the Tampere region and increasing business in the field's different areas. The City of Tampere grants Film Tampere a production incentive (later referred to as funding) to cover actual costs from *audiovisual work* production incurred in the Tampere region, covering the area of Tampere, Nokia, Lempäälä, Pirkkala, Kangasala, Orivesi, Ylöjärvi and Vesilahti. Production aid can be applied for by a company or other entity as well as a private entrepreneur working as the responsible producer of an audiovisual production.

The production must be an independent artistic work (such as a film or other audiovisual production), which is based on cultural values, and which contains artistic or creative work or is a part of such independent artistic work. The production must have a distribution plan and a contract for distribution.

The production must:

- i) use the Tampere region as a location (such as landscape or architecture); or
- ii) use artistic or other creative expertise acquired from the Tampere region (such as: storytelling, directing, acting, production design, storyboarding, effects, colour grading, animation design, composing/music/sound design, product design/costumes, AR/VR elements or procurement of pre-production and post-production units).

The amount of the production incentive is ten per cent (10 %) of the part of the production's budget which is used in the abovementioned ways to develop audiovisual production in the Tampere region and to cover the actual costs incurred in Tampere region (such as: services bought from the Tampere region). The production may also be eligible for additional funding amounting to maximum of five per cent (5 %) for publicity and visibility the production brings to the Tampere region.

The financing decision may be conditional when the production applying for the funding has gathered fifty per cent (50 %) of the total budget. In this case, the funding decision will come into effect only when all the conditions to the conditionally made decision have been fulfilled.

If the applicant is a non-Finnish company or other foreign entity or entrepreneur, the production shall involve a Finnish co-producer or a production services provider with a Finnish business ID. A Finnish co-producer or provider of production services designated by a foreign applicant shall be in a service or other business relationship with the beneficiary. The beneficiary shall oblige the Finnish co-producer/production services provider to oversee the execution of the production and to keep project accounts of the actual production costs incurred in the Tampere region and to submit auditor's reports on the above costs. The foreign applicant accepts that Film Tampere will submit all documents concerning the funding decision to the designated Finnish co-producer or production services provider.

In addition, all applicants – both Finnish and non-Finnish applicants – are required to ensure that the accounts of the production are kept in Finland in accordance with Finnish laws and accounting principles. All applicants must also appoint a responsible director on their application, who, in the case of a foreign applicant, is the above-mentioned Finnish co-producer or the provider of production services.

2 Funding information

After submitting the application, the applicant's name and a short description of the project applying for funding as well as the registration number of the application will be public information.

When sharing information about the project, the beneficiary must inform that the City of Tampere has funded the project. The beneficiary must also include the logos of the City of Tampere and Film Tampere in the end credits of the production.

If requested, the beneficiary shall provide Film Tampere and the City of Tampere with the finished

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material or part of the finished material of the production mentioned in the funding decision for presentation and marketing purposes (such as a showreel). The beneficiary shall provide the material without delay, while considering the production dissemination and presentation schedule. The beneficiary shall ensure that Film Tampere and the City of Tampere have the necessary rights to the material, taking into account the intended use of the material, and inform Film Tampere and City of Tampere about possible restrictions on the use of the material.

The beneficiary must arrange their accounting in Finland so that the production costs can be identified and their connection to the accounts and purchase invoices can be verified. The beneficiary is also responsible for making all trade register notifications required by law. The financier may acquire information from other financiers and authorities for the purposes of making the payments and overseeing the funding without restrictions arising from any confidentiality obligations.

3 Eligible costs

Eligible for funding are the actual costs from producing audiovisual products incurred in the Tampere region, including pre- and post-production.

Costs which are not eligible for funding are those which are not directly connected to the production, such as financing costs and productions made for the companies' own use.

Funding may only be granted for operations which are carried out after the funding application has been submitted. The cost estimate attached to the funding decision defines the maximum amount for eligible costs.

The costs must be paid, visible in accounting and marked in net value before they are audited and paid forward. The beneficiary must, upon request, provide information in order to enable the financier to monitor the costs of the project.

Eligible salary costs are those which are paid for work done in the Tampere region to carry out the

production. The salaries for the people who have participated in the production will be compensated, provided that the person lives in the Tampere region permanently so that it is evident from the person's information in the Population Data Services Agency that their permanent address is in the Tampere region. If so requested by the financier, the applicant shall provide appropriate documents to prove the permanent address of the individuals who have participated in the production in connection with submitting the final reports or final accounts. The maximum of fifty per cent (50 %) of paid salaries may be accepted as statutory ancillary salary costs.

Outsourced services may be accepted according to the project plan and invoicing. Eligible costs are costs incurred in the Tampere region from the purchase of goods or services, costs from transportation and accommodation within the Tampere region as well as rental costs of premises and equipment for the production. Costs of procurement of personal equipment or items cannot be included in the purchases. Purchased services are to be specified on a separate cost itemisation. All purchase costs from goods and services shall be itemised free from VAT.

Other costs (flat rates)

Maximum of twenty per cent (20 %) of the eligible production and salary costs may be accepted as other costs. In this regard, statutory ancillary salary costs are not taken into account. Other expenses include, for instance, travel expenses to Tampere region, general expenses, and the producer's remuneration. These expenses are not reported, and they do not have to be included in the beneficiary's project accounts.

4 Reporting and auditing

The responsible director of the beneficiary shall report on the progress of the project. A cost itemisation and auditor's report shall be attached to the accounting information. Unless otherwise specifically agreed, the production's cost itemisation and the auditor's report shall be submitted every calendar year by the end of December at the latest. If the last day of December is a public holiday in Finland, the cost itemisation

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and the auditor's report shall be submitted on the next business day. When requested, the beneficiary must report about the services connected to using the funding for three (3) years after the project has been completed.

All production costs must be reported at latest in the final financial statement.

With each account, the beneficiary shall submit auditor's report which confirms that the production meets the terms set out for funding for the costs reported. The auditor does not have to comment on other costs. The costs of the auditor's report for the project may be accepted as a direct cost of the project.

The beneficiary must provide the financier with correct and sufficient information to oversee that the conditions of the funding decision are followed and that the project is implemented. Inspections on this can also be carried out by an official authority or an auditor. The right of inspection is valid for ten (10) years after the last payment of the project. Project documents and other materials necessary for the overseeing and monitoring of the project must be preserved for at least ten (10) years.

The beneficiary must assist during the inspection and give the necessary information to the examiner without compensation. The inspector has the right to take possession of the material being inspected.

5 Payment the funding

The City of Tampere pays the funding to the bank account stated on the funding application based on the eligible costs and cost invoices. At minimum ten per cent (10 %) of the granted funding is paid only after the final report has been accepted.

6 Changes in production and the beneficiary's status

The beneficiary must apply for permission from the financier in advance if the production process differs from the plan. The beneficiary must immediately inform the financier of other significant changes, for instance if there are changes in the key personnel of the production.

The beneficiary must inform in advance if it implements significant changes to its business or mergers or acquisitions during the project.

7 Suspension and recovery of the funding

The payment of funding may be temporarily suspended if

- i) the beneficiary does not provide the requested, correct or sufficient information by the due date set by the financier, or if the financier has reason to suspect that the beneficiary does not use the funding according to the funding decision;
- ii) the grounds for the funding have significantly changed or the financier has a reason to suspect that the conditions for funding have not been met by the beneficiary;
- iii) the beneficiary's financial status significantly reduces;
- iv) the beneficiary has unpaid tax liabilities;
- v) the financier has a reason to suspect that the beneficiary does not comply with these conditions, applicable legislation for example employment law, or ethical guidelines applicable in the industry; or
- vi) the legislation of the European Union requires the payment of funding to be suspended.

If the beneficiary does not correct the cause of the suspension to the satisfaction of the financier or provide financial reports within the specified time limit, the financier shall have the right to terminate the payment of the funding and demand the funding or part of it to be recovered in accordance with Annex 1.

Funding can be terminated and the funding that has already been paid or a part of it can also be ordered to be recovered according to other criteria under Annex 1.

The beneficiary must immediately return the funding or part of it, which has been paid mistakenly, excessively, or clearly without reason or which has been ordered to be recovered.

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ANNEX 1 Recovery and returning funding

The payment of funding may be ceased, and the paid funding may be recovered if the beneficiary has:

1. not returned funding or part of it, which must be returned based on these conditions;
2. used the funding for materially different purposes than which it has been granted for or otherwise contrary to the funding decision;
3. concealed or given false or misleading information about a fact which has essentially affected the granting of the funding or its amount or conditions; or
4. refused to assist in auditing the project or provide requested information; or
5. not provided the requested information by the due date;
6. not met the conditions of the funding;
7. become subject to foreclosure, liquidation, bankruptcy, or reorganisation;
8. ceased the project receiving funding or has significantly changed it or transferred the project to someone else; or
9. materially breached the terms and conditions set out for using the funding in a way comparable to items 1-8 above.

The funding may be terminated, as well as the funding already paid or part of it to be recovered, if the legislation of the European Union requires the funding to be recovered.

The beneficiary must pay interest to the sum ordered to be returned or recovered. The interest accrues starting from the day of payment of the funding. The interest is calculated as an annual interest, to which 3% is added. The annual interest rate is defined according to the Interest Act.

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ANNEX 2 Definition of the funding

The funding programme of City of Tampere is considered as a state aid as defined under Article 107 (1) of the Treaty on Functioning of the European Union. The funding is granted as a support programme to promote audiovisual productions in accordance with Article 54 of the the Commission Regulation (EU) No 651/2014 (General Block Exception Regulation).

Business Tampere ensures that the beneficiary has not received a recovery decision based on the European Commission's earlier decision where the funding would have been deemed to have been granted not in compliance with the European Union's state aid rules or incompatible to internal markets, and the beneficiary is not an undertaking in difficulty according to the General Block Exception Regulation.

The funding programme also meets the other conditions of common provisions under Chapter I of the General Block Exception Regulation.

City of Tampere will make an electronic post-notification of the funding in accordance with Annex II of the General Block Exception Regulation to the European Commission via Ministry of Economic Affairs and Employment.