



Film Distribution Grants Programme

Guidelines for Applicants

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INTRODUCTION

As part of the Government's strategy that aids and fosters the local film industry and as part of Malta's internationalisation strategy for the cultural and creative sectors; the Malta Film Commission (MFC) together with Arts Council Malta (ACM) is launching a match funding grant programme for Film Distribution. This funding programme will be administered by the Malta Film Commission.

The objective of this grant will be to aid local film makers to distribute completed Maltese feature films. Distribution support is essential to raise the international profile and to advance and foster a wider international distribution of Maltese Films.

We welcome applications for the following eligible qualifying productions aimed for local and international distribution:

- **Feature Films (fiction or animation) of a total duration of minimum 80 minutes that are already in receipt of Malta Film Fund production funding.**

Applications must be made by the producer and through an Independent Audiovisual registered company that has audiovisual production as its main purpose in Malta/Europe, having at least one director or a major shareholder of the company who is a Maltese/European citizen. In the case of more than one producer, the application must be represented by one company. The producers participating in the co-production must reach an agreement on this point and include a joint declaration in the application.

This grant is designed to assist local film makers who intend to self-distribute and/or seek sales agents or distributors to distribute and reach out to international audiences with their feature film. The match funding grant shall not exceed 50% of the total projected costs, up to a maximum contribution of €10,000. The Fund Administrator reserves the right to grant a recipient a smaller amount of funding than applied for; subject to the number of projects recommended for support and the quality of the applications received in terms of the distribution strategy, prospects for the film and the budget provided. Eligibility and compliance with award criteria alone does not guarantee receipt of funding if demand for funding exceeds available resources or if the proposed projects do not reach the required level in terms of the fund criteria. The Fund Administrator is not required to make any minimum number of awards.

The eligible direct costs/activities are identifiable as specific costs directly linked to the distribution of the feature film for which a grant is being sort, namely:

- Production of Trailer (as required by sales agent or distributor).
- Sub-titling.
- Cost of Virtual Print Fee (VPF).
- Costs relating to censorship – rating.
- DCP despatch/tracking costs.
- Creative and production costs of marketing material (i.e. posters, adverts).
- Media costs (TV, press, radio, print, online).
- Costs relating to attending film festival screenings (where film is being screened). Travel and accommodation costs is limited to one producer and the director (economy flights and economy accommodation).
- Costs including accreditation fees and stand fees relating to taking the feature film for which a benefit is being sort to film markets or trade fairs dedicated to the film industry which attract press,

general public and film buyers. Travel and accommodation costs is limited to one producer and the director (economy flights and economy accommodation).

- Costs relating to the rental of a screening room and equipment to organise dedicated exhibitor screenings to potential sales agents, distributors, film critics/reviewers/ and the press. Travel and accommodation costs is limited to one producer and the director (economy flights and economy accommodation).

Ineligible

1. Purchase of equipment of any kind
2. VAT and other taxes and charges
3. Contributions in kind
4. Interest owed and doubtful debts
5. Any costs paid outside the eligible period of the operation, including costs paid prior to the official date of approval for assistance through the programme unless otherwise agreed to specifically and for justified reasons with the fund administrator
6. Any costs which have been claimed under a previous grant and/or any other public funding programme.
7. Service charges arising on leases, hire purchase agreements, depreciation, loan charges, debit interest, charges for financial transactions, foreign exchange commissions and losses, fines, financial penalties and expenses of litigation, bad debts and other purely financial expenses
8. The purchase of land and real estate
9. Fuel Expenses
10. Office overheads

The period of eligibility of costs begins from the date of the result notification and ends 12 months after the signing of contract.

All costs eligible for funding must be necessary and reasonable for distribution support and consistent with the principles of sound financial management and accounting practices.

AWARD CRITERIA

The Film Distribution Grants Programme is a competitive process and applications will be assessed on the following criteria:

- 1. The experience of the Team and their potential to undertake and manage the proposed project. (15 points)**
When allocating points for the above criterion, the evaluation team shall take into account the following elements:
 - *Evidence of the Team's ability to manage the distribution of the film responsibly and successfully.*
- 2. The Artistic Merit of the film. (10 points)**
When allocating points for the above criterion, the evaluation team shall take into account the following elements:
 - *The Artistic merit of the film as a cultural product having international appeal and the potential to achieve international theatrical release.*

3. The potential for local and international distribution, as well as the potential to stimulate interest from sales agents, distributors and/or broadcasters. (60 points)

When allocating points for the above criterion, the evaluation team shall take into account the following elements:

- *The Audience Research and Strategy clearly targeting an appropriate audience and showing a well-conceived planned approach (i.e. displays awareness of the market and prospects of reaching audiences)*
- *The Screening, Festival and Market Strategy clearly show a well-conceived and planned approach for attendance at proposed markets and Festivals.*
- *Marketing/Publicity Strategy .*

4. The quality, viability and professional, industry standard treatment of the proposed budget, the financing plan and implementation plan. (15 points)

When allocating points for the above criterion, the evaluation team shall take into account the following elements:

- *Overall quality and viability of the Financing plan*
- *Realistic budget*
- *Realistic Implementation Plan*
- *Any letter(s) of interest for distribution or distribution/sales agreements, if available.*

APPLICATION

Applicants should submit, in a sealed envelope, the following:

- Application Form
- Annex 1 – Completed and signed 'DeMinimis' Declaration Form
- Annex 2 – Financial Details Form
- Annex 3 – Chain of title Declaration
- List of Team members involved in the distribution process (together with Bio's/CV's – detailing previous experience and previous works in the role listed for this application).
- Company Industry Profile and track record
- Synopsis (One Page)
- Distribution Strategy (local and international) including:
 - Audience Research and Strategy
 - Screening, Festival and Market Strategy
 - Marketing/Publicity Strategy
- Finance Plan, Budget and Implementation Plan
- Any letter(s) of interest for distribution or distribution/sales agreements, if available.
- USB/DVD – digital copy of the above.

PROCESSING THE APPLICATION AND THE EVALUATION PROCESS

Applications will be reviewed by the Fund Administrator for completeness and eligibility.

Eligible applications will be assessed by an evaluation team. The Fund Administrator in collaboration with Arts Council Malta will select evaluators on the basis of their independent and professional experience. The evaluators shall examine all eligible applications and rate them according to the specified award criteria with a final score calculated. The evaluators will present an assessment on each of the proposed projects indicating the relevant rating awarded.

All information received through the applications shall be kept confidential. Evaluators are obliged to withdraw from the evaluation process if they have personal or professional association with any of the submitted projects or key personnel that might compromise their ability to make objective and reasonable judgements and/or might provide grounds for conflict of interest.

Successful and unsuccessful applications will be informed in writing. The decision on whether support is given or not given to your project is final. Costs incurred by you prior to any award being made will not be supported by the fund.

If successful the Fund Administrator will issue a Letter of Intent. You will then be required to enter into an agreement which will set out the terms and conditions of your funding.

The Fund Administrator will publicize information on the number of awards made. This information will include the name of the successful applicant, award amount, project name and project details.

ELIGIBLE QUALIFYING PRODUCTIONS

Feature Films (fiction or animation) of a total duration of minimum 80 minutes that are already in receipt of Malta Film Fund production funding.

RIGHTS

The applicant must be the originator of the script and have majority rights relating to the project for which support is being requested. The applicant is ensure that a complete chain of title (i.e. signed agreement/s covering all the rights necessary to make the film e.g. producer's agreement, writer's agreement, director's agreement, agreement with publisher etc.) is in place.

BUDGET

Financial support will be granted on the basis of a budget that reflects realistic costs. The budget estimates provided must present the most comprehensive representation of expected costs, in line with market prices. Costs incurred must be fair, reasonable and represent value for money. The budget presented must be as detailed as possible to enable the Evaluators to understand and assess the underlying calculations.

The evaluation panel reserves the right to check the feasibility of the budget presented and may ask the applicant for additional documents or require financial securities.

The Fund Administrator reserve the right to negotiate amendments to the budget as a condition of funding.

Approved budgets on projects awarded grants cannot by changed. Any changes to the budget prior to signing of the contract, and after signature, will only be considered in exceptional circumstances, and have

to be fully substantiated and justified. Approval of such changes is at the discretion of the evaluation panel and the Fund Administrator.

PAYMENT PROCEDURES

The grant will be advanced at the following stages and on the receipt of all the required documents specified in the agreement:

- 30% on execution of the agreement.
- 30% on proof of 50% of deliverables (in accordance with schedule and implementation plan).
- 40% receipt on the final reports; and on receipt and acceptance of the final costs which will be sent for verification and audited by the Fund Administrator.

The Fund Administrator may require a successful applicant to provide a guarantee of the match-funding beforehand in order to limit financial risks linked to pre-financing payment. If the eligible costs actually incurred by the beneficiary during the action are lower than anticipated in the provisional budget, the amount given shall reflect this decrease.

OBLIGATIONS

Once the agreement on support has been made, the beneficiary may not make substantial changes to the project unless these are presented in writing and accepted by the Fund Administrator.

The beneficiary is expected to take full responsibility for the preparation of the film for theatrical release and for its physical distribution. Meaningful consultation with the Fund Administrator is required through all stages of the release in accordance with the Distribution Strategy and Implementation Schedule.

The beneficiary is obliged to provide detailed updates and periodical summary reports throughout the project which will consist of short reports on outcomes following attendance to Markets, Festivals, and Screening events. Reports are to be sent on return from each activity and to include a detailed meeting plan of who was met.

Before the final payment is granted, the beneficiary must present the following:

- Final EPK
- Publicity material (including proof and copies of Media exposure obtained)
- Submit an evaluation report of the distribution process outlining festivals, markets and screening events attended (including copies of any accreditation passes and boarding passes) in addition highlighting the work carried out and the achievements of the project.
- Final accounts related to the Project, together with full budget and supporting material, prepared and certified by a chartered accountant or auditor, which must be submitted not later than four (4) months from the Original Deadline; and
- Relevant invoices/receipts are to be submitted in original, for every eligible item approved for the grant. In all cases, all submitted invoices and receipts are to be presented with the VAT element separated. The Fund Administrator cannot issue certification for the payment of items for which no such original receipts are submitted.
- Final payment of the grant to the Beneficiary will only take place once final audits and verification of documentation as described above has been presented and is in accordance with the original provisions.

- The Fund Administrator reserves the right to revoke any grants paid, if any part of the contract is not abided to and the Beneficiary will then be asked to refund any grants paid.
- The Fund Administrator reserves the right not to pay the full amount of the grant if the project is deemed to be incomplete or unsatisfactory. The evaluation given cannot be appealed in this case.
- The Fund Administrator reserves the right to set up a monitoring/evaluation team to evaluate and monitor the project's progress and on completion ensure that the project is of an expected level of quality.

And, such other documents or information as may be requested in order to determine whether expenditure related to the Project was made in accordance with the Proposal, the Guidelines and the other provisions of this Agreement, and to establish the amount of Eligible Costs actually incurred.

MONITORING

The Fund Administrator is responsible for the review of the project. The Fund Administrator and/or the Auditors on its behalf may carry out checks to establish whether public support has been used in accordance to established conditions.

The Fund Administrator, through its auditors, may demand access to the company's financial record and/or annual report of the applicant company as part of its beneficiary screening, review or control procedure. Upon the presentation of the final accounts, the Fund Administrator may perform spot checks.

The beneficiary's accountant shall, without regard to prevailing confidentiality restrictions, at any time communicate to the Fund Administrators or their auditors any information the Fund Administrator demand.

Relevant invoices/receipts are to be submitted to the Fund Administrator, in original, for every eligible item approved for the grant. In all cases, all submitted invoices and receipts are to be presented with the VAT element separated. The Fund Administrator cannot issue certification for the payment of items for which no such original receipts are submitted.

COMBINING THE GRANT WITH OTHER FUNDING

The applicant is to specify if other public support has been received or has been applied for other than through this Fund. Grants awarded under this programme cannot be accumulated with any other government funded programme/schemes for same costs. Should it become apparent that any project has been awarded separate funds for same costs, i.e. double dipping, this will result in funds having to be reimbursed.

STATE AID REGULATIONS CONDITIONS & LIMITS (CUMULATIVE AID AND DOUBLE FINANCING)

DE MINIMIS REGULATION

The Malta Film Fund will be implemented in line with the rules on cumulation in article 5 of the Commission Regulation (EU) No 1407/2013 and any funds granted as de minimis aid will be in line with the parameters and criteria of Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Function of the European Union to de minimis aid (Official Journal of the European Union L352/1, 24/12/2013) (the De Minimis Regulation).

In line with the provisions of the de minimis regulations (The total *de minimis* aid granted to any single undertaking shall not exceed **€200,000** over any period of three fiscal years). The applicant will be

requested to provide a signed declaration confirming the amount of de minimis aid received during the current and two previous fiscal years.

In line with the de minimis State Aid regulation regarding de minimis aid reports shall be maintained for 10 years from the date on which the last individual aid was granted under the scheme.

The Applicant is required to complete and sign the De Minimis Declaration that they (and/or their shareholders) have not received or has not applied for any De Minimis aid which would result in the de minimis ceiling established by the De Minimis Regulation being exceeded, during the current fiscal year and the two previous fiscal years in terms of the De Minimis Regulation, and warrants and represents that it has fully disclosed any de minimis aid received and/or applied for.

STATE AID FOR FILMS AND OTHER AUDIOVISUAL WORKS (2013/C 332/01).

In line with the new rules established under the Communication from the Commission on State aid for films and other audiovisual works (2013/C 332/01). Productions need to be aware of any possible accumulation of several subsidies from different sources.

If any aid is received under any schemes which falls under the de minimis aid Regulation, this will not be cumulated with any state aid approved scheme unless awarded under a scheme that is regulated under 'de minimis aid' and provided any such de minimis aid is not awarded towards the same eligible costs as those supported via that approved state aid scheme. De minimis aid cannot be used to top up awards made under approved State aid schemes, resulting in a circumvention of the aid intensities set out in the rules attached to such schemes. In these cases it can only be awarded towards separate eligible costs.

In line with State Aid regulations, in order to determine whether the maximum aid intensity has been respected, the total amount of public support measures of Member States for the aided activity shall be taken into account, regardless of whether that support is financed from local, regional, national or Union sources. However, funds awarded directly by EU programmes (e.g. CREATIVE EUROPE), without the involvement of Member States in the award decision, are not State resources. Therefore, their assistance does not count for the purposes of respecting the aid ceilings. Any unlawful aid or double dipping considered as being incompatible by a Commission Decision will not be permitted and will result in funds having to be reimbursed with the corresponding recovery interest (this principle applies to Co-Productions). In an international co-production, the amount of state aid in a project is the aggregate of all such funding provided by all the co-producing countries.

The applicant is under obligation to present a full and accurate disclosure of any relevant information relating to state aid received from any party and in any form (i.e. grant, loan, rebate, tax relief) in relation to this production, while the fund administrator will verify that the said threshold is not exceeded both at the stage of receiving the application for funding and prior to making a recommendation on the amount of finance to be granted.

PUBLICITY OBLIGATIONS

The MFC-ACM Film Distribution Grants programme will require acknowledgement of the award on all material, print and communication by the beneficiary with regards to the project, including its website, articles, references, publications, catalogues and end credits, including the inclusion of both entities logos as supplied by the Fund Administrator.

Beneficiaries will be asked to supply stills, photographs, brochures and other material related to the production to be used exclusively for non commercial purposes for the promotion of this programme and/or similar funding schemes.

SUBSTANTIAL CHANGES TO PROJECT

Substantial changes to the Project as described in the Proposal is not allowed unless such changes are, in exceptional circumstances, previously and explicitly consented to in writing.

CANCELLATION PENALTY

If the beneficiary at any point during the duration of the contract should decide to terminate their contract before the full term; a termination liability fee amounting to **10%** of the grant awarded will be imposed and is to be paid by the beneficiary in addition to refunding any initial funds awarded.

KEY DATES

Call for applications	29th December 2016	Evaluation	January-February 2017
Deadline for applications	16th January 2017 (12 noon)	Notification of results/ Signing of contract	February 2017

It is in your interest that when you apply for funds that you only do so when you are thoroughly prepared. **Emphasis will be on quality rather than quantity.** Applications that do not include all the requested material as specified in the guidelines (including signed documentation/declarations) will be considered as ineligible and will not be processed further. Only completed applications will be accepted. If in doubt please do not hesitate to contact us by sending an email to info@mfc.com.mt

If you have doubts about the eligibility or completeness of your application, it is strongly recommended that you contact us before putting in your application.

The Fund Administrator reserves the right to alter time frames and the guidelines with general public notice to all potential applicants duly given via the MFC or ACM website or MFC or ACM facebook page. All inquiries pertaining to this funding programme are to be directed to the Fund Administrator. Applicants are not to direct any questions or comments to the evaluation panel in advance of deadlines or following the evaluation panel's decisions.

FEEDBACK

Formal appeals against the final decision will not be considered. We aim to make the application process as transparent as possible; feedback on unsuccessful projects will be provided at the discretion of the Fund Administrator.

THE APPLICATION

Applications can be downloaded from www.maltafilmcommission.com and www.artscouncilmalta.org or by sending an email to info@mfc.com.mt or fundinfo@artscouncilmalta.org. Applicants are strongly encouraged to begin the application process early to allow for ample time to complete the necessary information. The deadline for applications to be submitted, by hand, is no later than **12.00 noon on Monday, 16th January 2017**. Applications should be addressed as follows: **Film Distribution Grants Programme**, Malta Film Commission, St Rocco Street, Kalkara.

DEFINITIONS

For the scope of this call for proposals the following terms are defined as follows:

Beneficiary: the company legally responsible for the implementation of the action for the selected project and the recipient of the grant.

Eligibility Criteria: the minimum conditions that a proposal must meet if it is to be evaluated. The eligibility criteria relate to submission before the deadline, minimum participation, and completeness of the application form, scope of the company and the type and duration of the eligible qualifying production.

Electronic Press Kit (EPK): which includes photos, footage of behind-the-scenes, clips from the actual shoot, and the trailer.

Feature Film: a non-documentary, of a total duration of minimum 80 minutes that is intended for local and international distribution; aims to promote Maltese storytelling, Maltese stories, Maltese cinema and by doing so improve the structure of the Maltese Indigenous Film Industry.

Fund Administrator: Malta Film Commission

Fund Evaluators: Eligible applications will be assessed by an evaluation team. The Fund Administrator will select evaluators on the basis of their independent and professional experience. The evaluators shall examine all eligible applications and rate them according to the specified award criteria with a final score calculated. The evaluators will present an assessment on each of the proposed projects indicating the relevant rating awarded.

Funding Partners: Malta Film Commission and Arts Council Malta

Maltese/European Independent Audiovisual Company: a production company that has audiovisual production as its main purpose and activity and a company that is duly registered as an audiovisual production company in Malta/Europe, having at least one director or a major shareholder of the company who is a Maltese/European citizen.