

Film Tampere

General terms and conditions for the production incentive for audio-visual production

1 Purpose and application criteria

Film Tampere is part of the economic policy agenda managed by **the Tampere region economic development agency, Business Tampere**, with the purpose of developing audio-visual 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 costs from *audio-visual work* production incurred or to be realized in the Tampere region. Tampere region includes Tampere, Nokia, Lempäälä, Pirkkala, Nokia, 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 audio-visual work.

The production must be an independent artistic work (such as a film or other audio-visual 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 shall:

- 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 acquisition of pre- and post-production services).

The amount of the production incentive is a maximum of 10% of the part of the production's budget which is used in the above mentioned ways to develop audio-visual production in the Tampere region and to cover costs incurred in Tampere region (such as: services bought from the Tampere region). The production may also receive 0-5% additional support for publicity and visibility for the Tampere region. The additional support shall be applied for in connection with the funding application. The granting of the additional support shall be considered on a case-by-case basis together with the party responsible for the marketing.

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

If the applicant is a foreign company, the production must also include a Finnish producer who will also have intellectual property rights for the completed production. The beneficiary shall name a responsible manager to implement the production who is in a service relationship with the beneficiary. The responsible manager is to supervise the implementation of the production mentioned in the funding decision.

2 Funding information

After sending 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 shall inform that the City of Tampere has funded the project. The beneficiary shall also add the logos of the City of Tampere and Film Tampere in the end credits and/or mention that the City of Tampere has funded the project.

The beneficiary shall arrange their accounting so that the costs from the production 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, sponsors, 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 costs which have arisen from producing audio-visual products in the Tampere region, including pre- and postproduction.

Costs which are not eligible for funding are those which are not directly connected to the

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production, such as financing costs and productions made for companies' own use.

Funding can only be granted for operations which are implemented after the funding application has been sent. The cost estimate attached to the funding decision defines the maximum amount for eligible costs.

The costs shall be paid, be visible in accounting and marked in net value before they are audited and paid forward. The beneficiary shall, 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 implement 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 entity applying for the funding shall provide appropriate documents to proof the permanent address of the individuals who have participated in the production in connection with issuing the reports or final accounts. At most 30% of paid salaries can be accepted as statutory ancillary salary costs.

Outsourced services can be accepted according to the plan and invoicing. If the services are purchased from an external service provider, such party shall provide the service itself. The external service provider may not use subcontractors to provide the service in question, and the beneficiary may not own, in whole or in part, directly or indirectly, the external service provider. Eligible costs are costs incurred in the Tampere region from purchase of goods or services, costs from transport and accommodation within the Tampere region as well as rental costs of locations and equipment for the production. Costs of procurement of personal equipment or items cannot be included in the purchases. Bought services are to be specified on a separate cost breakdown. All purchase costs from goods and services shall be itemised free from VAT.

Other costs (flat rates)

At most 20% of eligible production and salary costs can be accepted as other costs. Other costs include for instance travel expenses to Tampere,

general expenses, and remuneration for the producer. These expenses are not reported, and they do not have to be included in the beneficiary's project accounting.

4 Reporting and auditing

The responsible manager of the beneficiary shall report on the progress of the project. As an attachment to the accounting information, a cost itemisation and auditor's report shall be provided. Unless otherwise specifically agreed, the cost itemisation and auditor's report are to be submitted by the end of each calendar year. When requested, the beneficiary will report about the services connected to using the funding for three (3) years after the project has been completed.

All costs connected to the production shall be reported at latest in the final financial statement.

The beneficiary shall send an auditor's report with each invoice where it shall be confirmed that the production costs meet the terms set out for the eligible costs. The auditor does not have to comment on other costs. The costs for the auditor's report for the project can be accepted as a direct cost of the project.

The beneficiary shall give the financier correct and sufficient information to oversee that the conditions of the funding decision are followed, and 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 saved for at least ten (10) years.

The beneficiary shall assist during the inspection and give the necessary information to the examiner without compensation. The examiner has the rights to take possession of the material connected to the inspection.

5 Paying the funding

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

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The right to the granted funding or part of it may cease if the beneficiary does not produce reports or provide additional information by the date stated in the application decision or otherwise set out.

6 Changes in production and the beneficiary's status

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

The beneficiary shall inform in advance if it implements significant business changes or arrangements during the project.

7 Suspension and recovery of the funding

The payment of funding can be suspended if i) the beneficiary does not provide the requested, correct or sufficient information, or does not use the funding according to the funding decision, ii) the grounds for the funding have significantly changed or iii) the beneficiary's financial status significantly reduces, iv) the company has tax debts, v) the conditions for funding have not been met, vi) the beneficiary does not comply with these terms, applicable legislation, including labour laws or ethical guidelines applicable to the industry.

Funding that has already been paid or a part of it can be ordered to be recovered according to annex 1 (claim for recovery).

The beneficiary shall 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.

ANNEX 1 Recovery and returning funds

The paying of funds can be ceased, and the paid funding can be recovered if the beneficiary has:

1. not returned funding or a part of it, which shall be returned based on these conditions; or
2. used the funding for materially different purposes than which it has been granted for; or
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. not met the conditions of the funding: or
5. materially breached the terms and conditions set out for using the funding in a way comparable to items 1-4 above.

The funding can be suspended and previously paid funding or a part of it can be recovered if:

1. false or misleading information has been given connected to inspection or paying the funding, information has been concealed or it has not been given, or requested information has not been provided by the due date; or
2. funding has not been used in accordance to the funding decision; or
3. the beneficiary has refused to assist in auditing the project; or
4. the beneficiary has ceased the project receiving funding or has significantly changed it or transferred the project to someone else: or
5. the beneficiary is subject to foreclosure, liquidation, bankruptcy or reorganisation: or
6. The European Union legislation requires that funding is to be recovered: or
7. the beneficiary acts in other manner comparable to items 1-5 above.

The beneficiary shall 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 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 of the Treaty on Functioning of the European Union. The funding is granted as a support programme to promote audio-visual productions in accordance with Article 54 of 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 a 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.