

HESSEN



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Guideline for Hessian Film and Media Funding by Hesse Film & Media GmbH

Preamble

I. PUPOSE AND OBJECT OF FUNDING

II. LEGAL FOUNDATION AND PRINCIPLES OF FUNDING

III. FINANCIAL FOUNDATIONS AND FORMS OF FUNDING

IV. PROCEDURE

V. STORY DEVELOPMENT AND PRE-PRODUCTION

V.1. Treatment

V.2. Story Development Funding

V.3. Pre-Production

V.4. Toolbox

V.5. Package Funding

V.6. Talent Package Funding

V.7. Repayment of Story Development and Pre-Production Funding

VI. PRODUCTION

VI.1 Production

VI.2 Success Loan

VI.3 Postproduction

VII. PROMOTION OF YOUNG TALENTS

VII.1 Young Talent Story Development and Pre-Production

VII.2 Young Talent Films

VII.3 University Graduation Films

VIII. DISTRIBUTION AND SALES

IX. CINEMA INVESTMENT

X. FESTIVALS, EVENTS, AND SERIES

XI. MEDIA

XII. OTHER MEASURES

XIII. Effectiveness

PREAMBLE

This guideline regulates film and media funding in Hesse by Hesse Film & Media GmbH ("HF&M"). In accordance with the articles of association of the HF&M, its key objective is the strengthening and promotion of Hesse as a film and media hub. The financial resources of HF&M are provided in accordance with the articles of association. The regulations of this guideline become binding for grant recipients through the private-law funding agreement concluded between the grant recipients and HF&M.

Projects funded according to this guideline are expected to meet standards that make them eligible.

HF&M undertakes to only fund projects and productions that respect human dignity, respect fundamental rights, and promote respect for life.

I. PURPOSE AND OBJECT OF FUNDING

I.1. The funding aims to increase Hesse's attractiveness as a film and media hub by strengthening the development, production, marketing, and exploitation of artistically and culturally high-quality films and series with significant Hessian participation in cinema, TV and VoD of all genres and formats as well as other audio-visual media projects and local film, cinema, and festival culture worthy of promotion.

I.2. The objective of the funding is the development, maintenance, and strengthening of a diverse cultural landscape in Hesse marked by high standards and positioning of the film and media location Hesse in the national and international competition.

The funding thus makes an important contribution to the preservation, safeguarding, and creation of jobs as well as the establishment, development, or settlement of film and media companies in Hesse.

I.3. The funding aims at ensuring diversity, inclusion, and equality of the film and media professionals to an appropriate degree and encouraging fair working conditions according to socially acceptable standards that are subject to the sectoral collective agreement. The recipients of funding are also encouraged to comply with ecological standards. Here, effective measures to secure compliance with ecological sustainability ("Green Film") are to be employed to significantly reduce CO₂ and other polluting emissions.

I.4. The subject of funding are projects that fall under sections V to XII of this guideline.

II. LEGAL FOUNDATION AND PRINCIPLES OF FUNDING

II.1. Funding can only be provided to the extent of capital made available to HF&M by the State of Hesse in the framework of the budget legislation, capital contributed by the Hessian Broadcasting Association according to the Hessian Private

Broadcasting Act (Hessisches Privatrundfunkgesetz) in § 57 (Abs. 3), and by Zweites Deutsches Fernsehen. Other funding sources are not excluded.

II.2. There is no legal entitlement to the funding regulated in this guideline. Furthermore, funding in one of the areas listed in this guideline does not create a legal entitlement to further funding in other areas. In principle, an application set up in the separate funding areas can be followed by an application in a subsequent section.

II.3. Funding is excluded for projects that are likely to be in breach of the German constitution or laws. Industrial, advertising, image films, and similar projects are not eligible for funding either.

II.4. HF&M's funding is based on this funding guideline, any information sheets issued by HFM on this subject, the respective funding commitment, and the funding agreement.

II.5. For projects which receive federal funding and which are thus subject to the provisions of the law on measures promoting German film (Filmförderungsgesetz, FFG), the conditions of the FFG apply in addition to the regulations in this guideline.

II.6. Funding according to this guideline is granted pursuant to the EU General Block Exemption Regulation ("GBER"-EU Commission Regulation no. 651/2014) declaring specific categories of State aid compatible with the internal market in application of articles 107 and 108 of the Treaty on the Functioning of the European Union (EU L 187 of 26 June 2014, p. 1), in particular articles 53 and 54 GBER.

Funding under this guideline may only be cumulated with funding from other funding institutions in accordance with Article 8 of the GBER. In this case, the aid intensity of all subsidies granted to produce audiovisual works shall generally not exceed 50% of the respective total production costs. For cross-border productions financed by more than one EU member state and involving producers from more than one member state, the aid intensity may be up to 60% of the respective total production costs. For difficult audiovisual works and co-productions involving countries on the OECD Development Assistance Committee (DAC) list, the aid intensity may be increased to 100% of eligible costs.

Companies which have not complied with a recovery order issued following a previous EU Commission resolution establishing that provisions are not permitted and incompatible with the internal market may not be granted any funding according to Article 1 (4) (a). Companies in difficulties pursuant to Article 1 (4) (c) in conjunction with Article 2 (18) GBER are also not eligible for funding.

Publication of the approval of projects is made in accordance with Article 9 (1) in conjunction with Annex III GBER.

The aid intensity of measures according to no. IX and no. X of this guideline amounting to less than one million euros for cultural purposes in accordance with Article 53 (2) GBER, in particular for cinemas as institutions to maintain and protect film heritage, events, festivals, and similar cultural activities must not exceed 80% of the eligible costs (Article 53 (8) GBER).

II.7. The costs of the project for which the funding is requested are to be calculated in accordance with standard industry practice and to the basic principles of budgetary rigor.

II.8. Work on the project other than filing the documents required for the application may not have commenced at the time of the submission of the application. If the performance of the project is jeopardized, HF&M may grant an exception upon request. Legal entitlement to funding shall not be substantiated hereby.

II.9. The **implementation** and presentation must indicate an adequate reference regarding the funding by HF&M.

III. FINANCIAL FOUNDATION AND FORMS OF FUNDING

III.1. The funding is appropriated for the purpose of financing the funded project in the form of a grant or conditionally repayable interest-free loan.

For funding up to 5,000 euros the subsidies are granted as a fixed amount or exceeding 5,000 euros by way of proportional funding.

III.2. An exception to III.1 is the funding of festivals listed under point X: in appropriate cases, subsidies can be granted as fixed amount for annually recurring festivals. An appropriate case occurs if a festival is structured in the way of previous editions regarding content, finances, and organization and thus expected not to be subject to planned revenue and expenditure fluctuations.

IV. PROCEDURE

IV.1. Funding is granted upon application. Details on the application documents to be submitted, as well as information on eligible expenses, are regulated in the respective information sheets for each funding area.

IV.2. The application form must be submitted in German. Upon request of HF&M, documents in foreign languages must be handed in in addition to the application as certified translation, if necessary.

IV.3. If expressly stipulated in the information sheet, specific projects can exclusively apply via the HF&M online application management. Each application requires prior consultation with the funding department. Applicants receive a consultation key for their individual user log-in allowing for their application submission on the HF&M online portal.

IV.4. Guidelines on eligibility for applications are regulated in the respective funding areas. For companies, particularly producers, these guidelines target small and medium-sized enterprises as described in the EU recommendation 2001/361. Public-law broadcasters, private broadcasting services, promoters, and their subsidiaries do not qualify for an application if they have acquired a share of more than 25% from these companies.

IV.5. Producers under this guideline are self-employed people and companies who commercially produce films or other projects eligible for funding according to this guideline

IV.6. HF&M decides on the admissibility of the funding application. The applications must be submitted in time and in full. Submissions will be rejected by HF&M if they are obviously unsubstantiated, incomplete, or submitted to HF&M after the according deadline has expired.

IV.7. If a funding application has been rejected, the application for the same project can only be re-submitted one more time.

IV.8. Unless otherwise stipulated in this guideline, a jury decides on the approval of a submitted funding application. The HF&M supervisory board governs the election and composition of the juries in coordination with the Hessian trade associations, whereby the trade representatives make up the majority of the jury members.

IV.9. In case an application is decided by a jury, the dates for submissions will be published on the website www.Hessenfilm.de.

IV.10. A funding agreement and disbursement of the funds can only be concluded upon proof that the necessary rights of use and overall financing for the underlying project can be documented.

IV.11. HF&M can make the funding of individual projects dependent on a significant contribution by the applicant, for which the minimum amount is specified in the currently valid information sheet.

IV.12. The Hesse effect to be rendered is determined and binding in the funding approval respectively funding agreement. The HF&M can waive the Hesse effect wholly or partially if the State of Hesse has a particular interest in the project regarding culture and/or cultural industry.

IV.13. After the approval of funding has been issued, substantial amendments to the project's artistic, technical, or financial parameters, the project's process, or other aspects laid out in the application documents require re-submission and a new decision by the jury.

IV.14. HF&M is entitled to disburse the granted funding amounts progressively depending on the project's progress. Furthermore, HF&M is entitled to limit or prematurely terminate the funding by decision of the managing board if, during the project's production, the success of the incentive measures or the realization chances for the funded project are at risk.

IV.15. Recipients of the funding are obligated to present an audit of the final costs to document the appropriate use of the funding granted by HF&M. To review the evidence of appropriate use, HF&M may engage third parties. The related incurring charges are to be paid by the funding recipients. In principle, the recipients must provide all the supporting documents providing evidence of appropriate use unless HF&M has renounced this explicitly and in writing. In the case of such a renouncement, the submission of numerical evidence (a summary compilation of the

revenue and expenditure in line with the structure of the financing plan) and a list of individual posts alongside the report, which must indicate the date, the receiving and paying person, and purpose and individual amount of each payment, is mandatory. Nevertheless, HF&M may request submission of individual receipts/documents on a random basis. HF&M has final responsibility for all decisions concerning the project funding. In cooperation with other funding institutions, HF&M may agree on a review by one of the institutions involved.

V. STORY DEVELOPMENT AND PRE-PRODUCTION

V.1. Treatment

V.1.1 Funding may be granted for the creation of a film project treatment particularly related to the State of Hesse.

V.1.2 Authors with their main residence in Hesse who have already written an already filmed screenplay or directed a realized feature or documentary film are eligible to apply.

V.1.3 The funding is provided in the form of a grant up to a maximum of 10,000 euros.

V.1.4 The decision to fund a treatment - unless granted as part of toolbox - is up to the HF&M managing board. Applications may be submitted at any time.

V2. Story Development

V.2.1 Eligible for funding is the creation of screenplays for feature films or series (tv show bible plus a script for at least one pilot).

V.2.2 Also eligible are other story developments for film projects.

V.2.3 Entitled to apply are authors with main residence in Hesse or producers with office, branch office, or operating facility in Hesse and already working with authors at the time of application.

V.2.4 The story development funding can be granted up to a maximum of 30,000 euros.

V.2.5 In exceptional cases, where a revision of the story is additional funding for further script development up to a maximum of 15,000 euros may also be granted.

V.2.6 Funding is granted in the form of a conditionally repayable, interest-free loan.

V.3. Pre-Production

V.3.1 The pre-production of films or series is eligible for funding.

V.3.2 Producers with residence, branch office, or operating facility in Hesse are eligible for application.

V.3.3 The funding is granted in the form of a conditionally repayable, interest-free loan of up to 50,000 euros max.

V.4. Toolbox

V.4.1 In this area, the funding of a project is made up of two or three of the following elements, which may be mutually and simultaneously combined:

- treatment
- story development
- pre-production

Developments of feature film and series projects are eligible for funding.

V.4.2 Producers with residence, branch office, or operating facility in Hesse and already working with authors at the time of application are entitled to apply.

V.4.3 The funding is granted in the form of a conditionally repayable, interest-free loan of up to 80,000 euros max.

V.4.4 The funded elements within the Toolbox may not be combined with additional independent funding for treatment, story development, and pre-production.

V.5. Package Funding

V.5.1 The story development and pre-production for the development of three to five feature film, media, or series projects may be granted as a package funding.

V.5.2 Producers qualifying as micro-enterprises or small enterprises under the EU recommendation 2003/361 with office, branch office, or operating facility in Hesse are entitled to apply.

V.5.3 Production companies eligible for talent package funding pursuant to point V.6 or which have received talent package funding before for which the last installment has not been paid out yet, are not eligible to apply.

V.5.4 The funding is granted in the form of a conditionally repayable, interest-free loan of up to 150,000 euros max.

V.6. Talent Package Funding

V.6.1 Producers qualifying as micro-enterprises under the EU recommendation 2003/361 with office, branch office, or operating facility in Hesse may apply for talent package funding as long as no more than five years have passed since the business was established and they have realized at least one feature film, documentary, or one season of a series as a producer at the time of application.

V.6.2 Funding is granted for a package comprising business costs, costs for the story development, and pre-production of three to five media, film, or series productions.

V.6.3 The submission of an outline, treatment, pitch decks, or other stages of development for the project to be funded, a financing plan, and a business development plan are the requirements for an application.

V.6.4 The funding of the company development is granted in the form of a grant and is to be spent in Hesse. The story development and pre-production funding is granted in the form of a conditionally repayable, interest-free loan of up to 150,000 euros max.

V.7. Repayment of the funding for screenplay development and pre-production

In case the rights of use for the results of a story development, pre-production, or (talent) package funding are sold to a third party, or the screenplay - adapted or unadapted - is filmed, the received funding amount must be repaid to the HF&M in full within six months after the sale or following the commencement of filming. If these results are contributed to a co-production group, the start of shooting and not the time of sale must be considered. The obligation to repay the loan ceases five years after the conclusion of the contract with the HF&M.

VI PRODUCTION FUNDING

VI.1. Production

VI.1.1 Films and series for cinema, TV and VoD of any length, genre, and format with fictional or documentary content, which appear to be suitable to promote the cultural standard and economy of the film and media production in Germany and Hesse, are eligible for funding. The funded projects should be expected to generate a backflow of the granted funding due to the expected economic exploitation success.

VI.1.2 A condition for funding is a voluntary commitment of the applicants to comply with the criteria for the "Ökologische Mindeststandards für Filmproduktionen" (Ecological Minimum Standard for German film productions) pursuant to the according information sheet published by the HF&M currently valid on the date of submission.

VI.1.3 Producers are eligible to apply.

VI.1.4 The funding is granted in the form of a conditionally repayable, interest-free loan. For projects with production costs of less than 1.5 million, the funding may be granted as a grant if the project is not expected to generate the desired success but is considered worthy of support, nonetheless.

VI.1.5 For TV productions or other audio-visual projects which are not designated for cinema release, it must be ensured that agreements with the respective exploiters provide balanced terms of agreement, and a fair division of the rights of use and revenue.

VI.1.6 Feature films for cinemas may be granted up to 1 million euros max.; Other films, TV productions, series, and experimental films may receive up to 500,000 euros max. and short films 50,000 euros max.

VI.1.7 In principle, at least 125% of the granted funding amount is to be spent in Hesse ("Hesse-Effekt"). For projects with calculated production costs of less than 1.5 million euros, the Hesse-Effekt can be reduced to 100% of the funding amount. The expenditure in Hesse should be made in film-related areas.

VI.1.8 Funded cinema films with more than 1.5 million euros production costs must be submitted to the Deutsche Film- und Medienbewertung (FBW) (German Film and Media Review) for a one-time evaluation. The costs involved may be charged as Hesse-Effekt.

VI.1.9. Repayment of the loan must be made from the total net revenues achieved by the funding recipients in domestic and foreign markets. After primary repayment of the applicant's contribution approved by the HF&M, and after any costs which are revenue-related copyright remunerations gained from commercial use owed by the funding recipients, 50% of the revenues received by the recipients are to be used to repay the loan. If several funding institutions have a stake in funding the film, repayment can be agreed on a pro rata pari passu on a proportionate basis. The particulars are set out in the funding agreement. The obligation to repay the conditionally repayable, interest-free loan expires after five years following the release of the film in cinemas, the first broadcast or publishing.

VI.2. Success Loan

Funding recipients who repay a production loan granted according to this guideline may apply for a new loan - to be used for story development, pre-production, or production (success loan) - equaling the repaid capital gain within three years following the repayment of the first installment. The success loan may be granted if the new project meets the requirements of this guideline and the according currently valid information sheets. The success loan is to be spent in full in Hesse. The HF&M management makes the decision to grant the success loan. The success loan may be cumulated with other funding types of this guideline.

VI.3. Post-Production

VI.3.1 Post-Production measures are eligible for funding. The funding is granted in the form of a grant. The maximum funding amount is 30,000 euros.

VI.3.2 Producers with a registered office, branch office, or operating facility in Hesse are eligible to apply.

VI.3.3 Applications are only eligible if the project has not yet received public domestic or foreign production funding and filming has been completed at the time of application.

VI.3.4 The funded post-production measures are to be implemented in Hesse, and the demonstrable Hesse-Effect must at least amount to 100% of the received funding amount.

VII. PROMOTION OF YOUNG TALENTS

The first and second screenplay for a feature film by an author intended for commercial or festival exploitation is defined as a young talent project.

First talent films are the first to third film of feature length realized by a director or producer intended for commercial or festival exploitation.

If the first film of feature length was realized as a graduation film at a university and has been exploited commercially or at festivals, it may be considered part of the first three young talent films.

Applications for short films, series, or other projects that do not have feature length may only be granted if applicants have not realized more than two projects in the respective area at the time of application.

VII.1. Young talent Story Development and Pre-Production

Deviating from chapters V.2 and V.3, the story development and pre-production funding in the young talent section may be granted as a grant. All further funding conditions can be taken from the respective chapters.

VII.2. Young Talent Films

VII.2.1 The production funding for a young talent film with production costs up to 1.5 million euros may normally be granted as a grant. The conditions in chapter VI apply entirely to projects with more than 1.5 million euros production costs.

VII.2.2 Directors with principal residence in Hesse and producers qualifying as micro-enterprises under the EU recommendation 2003/361 with office, office branch, or operating facilities in Hesse may apply.

VII.2.3 Young talent productions of feature films for cinemas and series may be granted with up to 50,000 euros max.

VII.2.4 A Hesse-Effect for young talent films must not be provided.

VII.3. University Graduation Films

VII.3.1 The productions of university graduation films of the following universities in Hesse may be granted subsidies: Darmstadt University of Applied Sciences, RheinMain University of Applied Sciences, Hochschule für Gestaltung Offenbach, and the University Kassel / School of Art and Design.

Students at the abovementioned universities in programs with examinations of artistic competence may apply upon specific recommendation by their lecturers.

The projects must work towards the achievement of a diploma, bachelor's, master's, or other degrees of equal artistic status. In this way, each university may apply for a cumulated amount of up to 25,000 euros in total. The respective lecturers govern the distribution of the funds for individual applications.

V.3.2 In addition to this, students at the abovementioned Hesse universities may apply for production funding for graduation films deemed particularly deserving of promotion (Excellence Promotion). One project per university may apply for Excellence Promotion for each submission deadline. The amount of funding is 20,000 euros max. An application through the university is not eligible.

VII.3.3A Hesse-Effekt for graduation films must not be provided.

VIII. DISTRIBUTION AND MARKETING

VIII.1. Funding is provided for the distribution and marketing costs of films, which contribute to the development of the European film culture with a particular interest in Hesse's film culture and/or economy in the department of distribution and sales. This is particularly the case for film productions funded by the Land of Hesse.

VIII.2. Self-employed people, companies, and entities (e.g., registered associations) commercially involved in the marketing of films, series, or other audio-visual content, and in exceptional cases also producers, are entitled to apply.

VIII.3. The funding may amount to a maximum of 40,000 euros. At least 100% of the granted funding amount is to be spent in Hesse ("Hesse-Effekt"). The funding is granted in the form of a conditionally repayable, interest-free loan. In justified individual cases, the funding of distributions may be granted as a grant if the project is not expected to generate the desired commercial success to repay the loan but is deemed worthy of funding, nonetheless.

VIII.4 The loans granted must be repaid from the exploitation proceeds of the film to which the applicants are entitled after covering the preliminary costs or sales costs not financed from subsidies and distribution and sales guarantees shown in the funding agreement. The repayment obligation ceases five years after the cinema premiere.

IX. CINEMA INVESTMENTS

IX.1. Measures of modernization and improvement of economic efficiency for cinemas in Hesse with a focus on sustainability are eligible for funding.

IX.2. Self-employed people, companies, and entities (e.g., registered associations) that operate cinemas or other screening venues in Hesse and would otherwise be unable to undertake the necessary investments are eligible to apply. Venues must have been operated for at least two years at the time of application and demonstrate regular performance. The prosperity clause is applicable upon approval of the application.

IX.3. Funding may be granted for investments amounting up to 1.5 million euros. If the overall costs (construction measures, cinema-related technical appliances, and furnishings) exceed the limit of 1.5 million euros, only investments in cinema-related appliances or furnishings are eligible as costs for the funding. The project is not eligible for funding if the investment costs for cinema-related technical devices and furnishings exceed 1.5 million euros.

IX.4. Funding is granted in the form of a grant up to a maximum of 150,000 of the eligible costs.

X. FESTIVALS, EVENTS, AND SERIES

X.1. The organization of film festivals, film events, and film series are eligible for funding.

X.2. Self-employed people, companies, and entities (e.g., registered associations) qualifying as micro-enterprises or small enterprises under the EU recommendation 2003/361 that operate cinemas or other screening venues in Hesse or organize film festivals, film events, and film series in Hesse.

X.3. The funding is granted in the form of a grant. Film festivals may be granted up to a maximum of 300,000 euros, other film events and series up to a maximum of 40,000 euros.

X.4. Due to the specific aspects of the implementation of a film festival, film event, or film series, the exclusion applies that a funding application may be eligible if the activity has already started, provided that the application for the funding has been filed prior to the festival opening or start of the event. This does not result in any legal entitlement to funding.

XI. MEDIA

XI.1. Digital or audio-visual projects with an artistic approach and providing cultural Hesse-Effect are eligible for funding. These include virtual and augmented reality content, 360° films, media installations, web applications, and games, among others. The projects must appear eligible for funding in the cultural field and/or demonstrate market potential.

XI.2. Self-employed people and companies qualifying as micro-enterprises or small enterprises under the EU recommendation 2003/361 with office, office branch, or operating facilities in Hesse are eligible to apply.

XI.3. Funding for project development can amount up to a maximum of 10,000 euros and is granted by the HF&M management. Applications can be submitted on an ongoing basis.

XI.4. The funding for a project or production of a prototype can amount up to a maximum of 50,000 euros and is granted by a jury.

XI.5. The funding is granted in the form of a grant. The demonstrable Hesse-Effect must make up at least 100% of the funding amount.

XII. OTHER MEASURES

The HF&M management decides on the allocation of the funding under the terms defined by the Supervisory Board. Applications can be submitted any time.

The funding is granted in the form of a grant.

1. Other measures: funding for other measures may be granted if they meet the funding objectives (section I), support or usefully supplement the funding objectives, and enrich the film and media hub Hesse.
2. STEP: with the STEP program, the HFM promotes the mediation of practical training content in the film sector and on set through specific industry qualification measures. Furthermore, the HFM awards scholarships accompanied by mentors to authors and promotes other training measures.

XIII. COMMENCEMENT

This guideline is in effect from 1 January 2022 and remain valid subject to a renewal of the exemption pursuant to the respectively current version of the GBER until December 31, 2024.

For reasons of EU aid legality, the terms of this guideline are limited to the date on which the GBER expires (31 December 2024). Should a new version replace the term of the GBER, or should relevant changes be made to the current GBER before it expires, new Directives that comply with the exemption provisions that then apply will come into force until at least 31 December 2024.

The German version of the above guideline is binding.