

## **Funding Guideline of HessenFilm and Media GmbH (HessenFilm)**

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## **Preamble**

In the context of this guideline, film and media funding in Hesse is regulated by the HessenFilm und Medien GmbH (HessenFilm). In accordance with the articles of HessenFilm, one of the institutions central tasks is to strengthen and promote film and media culture as well as film and media industry in Hesse. The financial resources of HessenFilm are provided in accordance with the articles of association. The provisions of this guideline are binding for the funding recipient through the conclusion of the funding agreement between the parties.

Projects, which are funded according to this guideline, must be expected to result in a quality project worthy of funding. HessenFilm commits to only fund those projects and productions that respect human dignity, uphold fundamental rights and promote regard for life.

## **General information**

### **1.1. General principles**

#### **1.1.1 Funding objectives**

The object of funding is to contribute to the enhancement of artistic and cultural quality of film, television and media productions as well as to increase cinematic culture and facilitate a diverse cultural landscape. Apart from developing, maintaining and supporting film, media and cultural innovation, a major goal is to present and represent the hessian region as an attractive industry location both at home and abroad.

Furthermore funding is intended to strengthen the hessian film and media industry and, in particular, to improve the local conditions for the film industry with high dynamic growth and innovation potential. In addition, added value shall be achieved for the entire service industry including other economic sectors.

The funding thus makes a significant contribution to preserving, safeguarding and creating jobs and establishing companies and is, at the same time, intended to help strengthening the audio-visual sector in Germany and Europe.

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**Funding support is primarily granted for:**

- Films of different fields and genres, as well as artistically and culturally significant, socially relevant, high-quality film productions and other audio-visual projects that significantly contribute to film culture;
- Film productions and other audio-visual projects that significantly contribute to boosting the film industry in Hessen; and
- Specific measures for supporting emerging talent in film and media;
- Innovative digital content;
- Movie theatres and film festivals

This also includes measures of development and pre-production, as well as exploitation purposes including film exhibition.

The sustainable development of the hessian region as a business location shall be a key factor in all funding decisions.

Funding shall depend upon compliance with minimum standards and collective wages. The budget should be realistic and appropriate to the respective project. If a project can only be made as a low-budget production due to certain artistic or other formalities, or can only be financed by the introduction of reserves and provisions, this should be explained accordingly. Deferred and provided cost items must likewise be listed in the budget and marked correspondingly. The jury is free to reject projects that could only be realised under precarious conditions for the staff and crew.

If the project is to be produced in an environmentally and climate-friendly manner, this should also be stated in the application, allowing the jury to take these aspects into consideration.

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### **1.1.2 Subject of funding**

Funding can be provided for the following areas:

#### **Theatrical and television productions**

- Story development and preproduction
  - Writing of screenplays and treatments
  - Preproduction measures
- Production funding
  - Production of theatrical film and television productions with production costs above €1.5 mill;
  - Production of theatrical film and television productions, short and experimental films, with production costs not exceeding €1.5 mill;
  - Production of other audio-visual projects
  - Postproduction measures
  - Distribution and Sales (including non-commercial)

#### **Funding of emerging filmmakers and young talents**

- Graduation films
- Debut and/or second film
- Slate funding of emerging filmmakers

#### **Media**

- Development of innovative digital, audio-visual projects and immersive content.

#### **Funding of Theatres and Film Presentations**

- Festivals
- Events and film seasons/programs
- Other screening activities
- Theatre investment incentive

#### **Other funding measures**

## **General funding conditions**

### **1.2.1**

Funding is limited by the financial resources made available to HessenFilm by the State of Hessen as per the budget legislation determining funds to be dispensed by Hessischer Rundfunk and pursuant to the Hessian Private Broadcasting Act § 57 (Subsection 3) and by Zweites Deutsches Fernsehen (Second German Television); other funding sources are not excluded. There is no legal claim to funding.

### **1.2.2**

The project must have a cultural or other reference to Hesse or be of economic interest to the State of Hesse (Hessen-Effect). The amount specified in the funding application to be spent within Hesse (Hessen-Effect) must be expended as described. The Hessen-Effect may be partly or wholly ignored if the region has a particular interest in the project. Any subsequent reduction of the regional effect requires the consent of HessenFilm.

### **1.2.3**

The budget of the project must be calculated according to industry norms and the principle of economic financial management. Production costs are decisive for the calculation of maximum funding limits. In the case of international co-productions, the German financing share, or, if higher, the German share of total costs, is to be used as a basis.

### **1.2.4**

The work on the project must not have commenced at time of the application, apart from the documents required for this. If this endangers the realisation of the project, HessenFilm may grant an exception upon request. This, however, does not constitute a legal claim to funding.

### **1.2.5**

The conclusion of an effective funding agreement and the payment of the approved funding require the confirmation that the essential rights and the entire financing of the project have been secured. Further details are stipulated in the corresponding funding agreements.

### **1.2.6**

Projects eligible for funding in accordance with this guideline will be based on the criteria of quality and economic viability. Projects in violation of the constitution or the law are hereby excluded. Nor shall funding be provided for industrial, advertising, or image films, or for projects that are significantly supported by a unilaterally-oriented third party.

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### **1.2.7**

Ineligible to apply under this guideline are public service and private or commercial broadcasters, as well any subsidiaries of such broadcasters with shareholdings exceeding 25%.

### **1.2.8**

Apart from the funding guideline, further information on the individual funding sectors can be found in the fact sheets drawn up by HessenFilm, available at [www.hessenfilm.de](http://www.hessenfilm.de).

### **1.2.9**

HessenFilm funding can be combined with funding from other funding institutions. Insofar as German or European law stipulates maximum limits on cumulative state funding, such limits must also be observed in accordance with this guideline.

### **1.2.10**

Funding under this directive shall be granted in accordance with the EU's General Block Exemption Regulation (GBER) (Regulation EU No. 651/2014; GBER) to determine the compatibility of certain categories of support with the common market in the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union. (EU L 187 of 26.06.2014, p. 1), in particular, Articles 53 and 54 of the GBER.

Subsidies under this directive can only be aggregated with those from other funding institutions in accordance with Art. 8 of the GBER. The maximum aid granted for the production of audio-visual works may not, in principle, exceed 50% of the total production costs. In the case of cross-border productions financed by more than one EU member state and involving producers from more than one-member state, the maximum aid granted shall not exceed 60% of the total production costs, respectively. For difficult or complex audio-visual works and co-productions involving countries on the OECD Development Assistance Committee (DAC) list, the amount of aid may be increased to 100% of eligible costs.

Under Article 1 §4 (a) GBER, companies which have not complied with a reclamation or recovery order based on a prior decision of the European Commission declaring a subsidy illegal and incompatible with the common market are not eligible for support. Likewise, companies in difficulty pursuant to Art.1 §4 c) GBER will not be supported, in connection with Art. 2 §18 GBER.

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Approved projects shall be published in accordance with Article 9 §1 and in conjunction with appendix III GBER. As of July 1<sup>st</sup>, 2016, pursuant to Article 9 §1c) GBER, any individual funding in excess of €500,000 shall be published with the information specified in Appendix III.

#### **1.2.11**

During the realization and when presenting funded projects, appropriate reference must be made to HessenFilm's funding. This should be done in the front and end credits, as well as in all press, advertising and marketing publications as well as on the Internet, social networks and other relevant sites, to the extent that such channels are used.

#### **1.2.12**

The premiere of funded projects in which HessenFilm's share of funding is higher than that of another funding institution shall take place in Hesse. Festival screenings are excluded. Further details are also regulated in the funding agreements.

### **1.3 Financial basis and forms of funding**

#### **1.3.1**

Funding may be provided:

- a) as a grant;**
- b) as conditionally repayable interest-free loan or**
- c) as conditionally-repayable interest-bearing loan**

Usually a conditionally repayable loan is granted. The form of support depends on the specific project, as follows:

In the case of a grant or a conditionally repayable interest-free loan, funding is provided from the funds held in trust by HessenFilm and made available by its shareholders or third parties for funding purposes. In the case of conditionally repayable interest-bearing loans, funding is provided on behalf of the State of Hesse and HessenFilm via a loan concluded between a bank and the funding recipient ("film financing fund"). HessenFilm informs the recipient which bank is commissioned to conclude the loan.

### **1.3.2**

A grant is an earmarked cash benefit that does not have to be repaid, on condition that proof of appropriate use is provided. Further regulations on this will be specified in the funding agreement to be concluded.

### **1.3.3**

A conditionally repayable interest-free loan is a monetary subvention, the repayment of which is linked to the occurrence of a future, uncertain event. The specific event and term of the repayment obligation depends on the project and, like other regulations, is regulated in the following explanations on the types of funding and in the funding agreement to be concluded.

### **1.3.4**

A conditionally repayable interest-bearing loan requires prospects for a return on investment. Regardless of its form of commitment, the state is sharing the corresponding economic risk and success equally with other financiers. The loan is subject to a current interest rate of 1% p.a. for the duration of the term and is paid out at 97%. The loan is granted without any further special collateral. The projects to be financed should differ significantly from smaller projects in terms of volume and structure. Funding from the Film Financing Fund is, thus, generally reserved for projects in accordance with sections 2.2.2 of this guideline.

### **1.3.5**

Project funding up to €5,000 can be provided in the form of fixed-rate financing and, above that amount, in the form of partial financing. This does not apply to the funding of theatres and film presentations (section 5.1)), which is granted in the form of deficit financing. In the case of partial financing, the maximum percentages specified herein shall apply to each type of funding. In the event that no maximum percentage rate is specified, the EU limits for maximum support intensity permissible under section 1.2.10 shall apply. The amount granted to the respective project is to be regulated in the funding agreement.

## **2. Theatrical films, television productions, other audio-visual projects**

### **2.1. Funding of pre-production measures**

#### **2.1.1 General conditions**

Funding for story development (i.a. screenplay and treatment) and pre-production is granted as a conditionally repayable interest-free loan.

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#### **2.1.1.1**

Repayment is to be made in full at the beginning of principal photography or any other exploitation of rights associated with the funded project. The repayment obligation ends five years after payment of the final funding instalment. It shall not end if the funding recipient has failed to repay the grant within this period due to default or for other reasons attributable to the recipient.

#### **2.1.1.1**

Funding for screenplay development and pre-production does not constitute any legal claim to production support.

#### **2.1.1.2**

Should the project be included in a subsequent production for which production support is granted, the conditionally repayable interest-free loan shall be credited against this sum.

### **212 Screenplay funding (feature films, series), or treatment funding (documentary films)**

#### **2.1.2.1**

The writing of a feature film screenplay or a pilot episode, including a season sheet, or the preparation of a project-specific concept for documentary films may be funded with a maximum of **€ 25,000**.

#### **2.1.2.2**

Eligible are producers with a permanent establishment or branch office in Hesse, who are already working with the respective authors at the time of application, or authors resident in Hesse.

#### **2.1.2.3**

If the funding recipient is an author, he/she hereby warrants to offer the script to the producer as cited in the application, or to a producer with a permanent establishment or branch office in Hesse. If possible, production should likewise take place in Hesse.

### **2.1.3 Pre-production funding**

#### **2.1.3.1**

The maximum funding for pre-production of a theatrical film, TV film, or other audio-visual project, is **€40,000**.

#### **2.1.3.2**

Eligible are producers with a permanent establishment or branch in Hessen or directors resident in Hessen. Future production of the project should predominantly take place in Hessen.

### **2.2 Production funding**

#### **General conditions**

##### **2.2.1.1**

Eligible are primarily small and medium-sized companies as defined by the EU as well as independent professionals.

##### **2.2.1.2**

As a rule, HessenFilm's funding commitment lapses if documentation of the project's entire financing is not provided within 12 months of the date the commitment is issued, at the most. It also expires if the criteria under which funding was granted no longer exist. In exceptional cases, an extension can be granted upon written request.

##### **2.2.1.3**

Funds will be disbursed in instalments according to proof of project progress. Further details shall be stipulated in the funding agreement.

##### **2.2.1.4**

In the case of theatrical film funding, the applicant has to ensure that assignment of the corresponding television rights is subject to the current conditions stipulated by the German Federal Film Board (FFA) regarding the reversion of such rights. Exceptions shall require special justification, as well as the express consent of HessenFilm.

##### **2.2.1.5**

In the case of television productions or other audio-visual projects not intended for theatrical release, all agreements with the respective users must ensure balanced contractual terms and a fair distribution of exploitation rights or revenues.

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Such rights or revenues are to be distributed in proportion to the financial contributions made by the contractual parties, whereby grants shall be ascribed to the applicant. The term of initial use shall be determined in each case by the user's financial investment in the production costs and shall, as a rule, run for a maximum of seven years. Costs should be shared equitably by the broadcaster and/or VOD platform. The project is expected to be of a high standard that contributes towards quality programming or long-term production of series, serials, or similar, in Hessen. Refinancing of the funding share must appear feasible on both the domestic and international market.

#### **2.2.1.6**

In the case of television productions, a profit of up to 7.5% can be applied to the sum of production plus overheads. A maximum profit of €500,000 is achievable. No contingency reserve shall be recognised.

#### **2.2.1.7**

The application must be accompanied by a screenplay, a crew and cast list, a budget and a financing plan. This shall include a detailed marketing concept, as well as a clear presentation of returns and recoupment.

### **2.2.2 Theatrical films and TV productions as well as other audio-visual projects with production costs over €1.5 mill. (Film Financing Funds)**

#### **2.2.2.1**

Funding of theatrical films, television productions and other audio-visual projects with production costs exceeding €1.5 mill. shall take the form of a conditionally repayable interest-bearing loan (1.3.4).

Upon consultation with HessenFilm, documentary films with a budget below €1.5 mill. are likewise eligible to apply.

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#### 2.2.2.2

Production funding is only provided:

- a) for projects of a high standard that contribute towards successful quality programming; and
- b) for projects that are expected to be economically successful with solid prospects for a return on investment; and
- c) if the evident Hessen-Effect amounts to at least 150 %.

#### 2.2.2.3

As a rule, the production of **feature-length theatrical films** can be subsidised by up to 50% of the total production costs, up to a maximum of **€1 mill.** A screening time of at least 79 minutes qualifies as full-length, while at least 59 minutes are required for documentary, children's or teen films.

#### 2.2.2.4

Before the expiry of the respective embargo periods as set forth in the German Film Funding Law, a funded motion picture may not be exploited in image media of any kind, including television, neither nationally, nor abroad in a German language version. HessenFilm shall decide on any exceptions. Should an application to curtail an embargo period be approved by the FFA (Federal Film Board), HessenFilm shall concur with this decision.

#### 2.2.2.5

Prior to premiere, funded theatrical films must be submitted to the German Filmbewertungsstelle (FBW – Film Rating Centre) for review. The costs associated with this can be claimed as Hessen-Effect.

#### 2.2.2.6

The production of television and other audio-visual production costs can be subsidised by up to 50% of their total production costs, up to a maximum of **€500,000.**

#### 2.2.2.7

The loan is generally repaid from the funding recipient's net revenues generated by the domestic and foreign exploitation of the subsidised film. After priority recoupment of the producer's own investment as contractually agreed by HessenFilm, 50% of the funding recipient's revenues must be used to repay the loan.

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If other German funding institutions are involved in the film's financing, repayment may be effected in line with the corresponding funding shares. Further details shall be specified in the funding agreement.

#### **2.2.2.8**

The term of the conditionally repayable interest-bearing loan is generally seven years. If the loan is not repaid in full from income generated by the project within this period, it can be extended for a further three years with the aim of repayment from subsequent revenues. Should no further revenues be achieved after this term, the loan shall be deemed unprofitable and thereby non-compliant. Repayment of the residual loan receivable is thus no longer applicable. No interest shall be charged for the duration of any extension to the term of the loan.

#### **2.2.2.9**

Insofar as no special regulations are contained in this guideline, those of the German Film Funding Law (FFG) and the directives issued on the basis of the FFG shall apply to theatrical film funding, providing they are factually relevant.

### **2.2.3 Theatrical films and television productions, shorts and experimental films, as well as other audio-visual projects with production costs not exceeding €1.5 mill.**

#### **2.2.3.1**

Funding for cinema and television productions, shorts and experimental films and other audio-visual projects with production costs of up to €1.5 mill. is generally provided in the form of a conditionally repayable interest-free loan (1.3.3). Should the conditions for granting such a loan not be met and the project is nonetheless to be supported, a grant may be awarded.

#### **2.2.3.2**

Production funding is only provided

- a) for projects of a high cultural standard that contribute towards quality programming;  
and
- b) if the evident Hessen-Effect amounts to at least 100 %.

#### **2.2.3.3**

As a rule, the production of theatrical films, shorts and experimental films can be funded by up to 50% of the total production costs, not exceeding **€500,000**.

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#### **2.2.3.4**

Before the expiry of the respective embargo periods as set forth in the German Film Funding Law, a funded motion picture may not be exploited in image media of any kind, including television, neither nationally, nor abroad in a German language version. HessenFilm shall decide on any exceptions. Should an application to curtail an embargo period be approved by the FFA (Federal Film Board), HessenFilm shall concur with this decision.

#### **2.2.3.5**

Television productions and that of other audio-visual projects can be supported by up to 50% of the total production costs, not exceeding **€250,000**.

#### **2.2.3.6**

The loan is generally repaid from the funding recipient's net revenues generated by the domestic and foreign exploitation of the subsidised film. After priority recoupment of the producer's own investment as contractually agreed by HessenFilm, 50% of the funding recipient's revenues must be used to repay the loan. If other German funding institutions are involved in the film's financing, repayment may be effected in line with the corresponding funding shares. Further details shall be specified in the funding agreement.

#### **2.2.3.7**

The term of the conditionally repayable interest-bearing loan is generally seven years. If the loan is not repaid in full from income generated by the project within this period, it can be extended for a further three years, with the aim of repayment from subsequent revenues. Should no further revenues be achieved after this period, the loan shall be deemed unprofitable and thereby non-compliant. Repayment of the residual loan receivable is thus no longer applicable.

#### **2.2.3.8**

Insofar as no special regulations are contained in these guidelines, those of the German Film Funding Law (FFG) and the directives issued on the basis of the FFG shall apply to theatrical film funding, provided they are factually relevant.

### **2.2.4 Post Production measures**

#### **2.2.4.1**

Funding is provided in the form of a grant up to a maximum of **€25,000**.

#### **2.2.4.2**

Funding is only provided for projects

- a) that have not previously received any public film funding either domestically or internationally; and
- b) where the applicant has a permanent establishment, branch, or residence in Hesse; and
- a) (c) if the post production takes place in Hesse and the evident Hessen-Effect is at least 100%

#### **2.2.4.3**

Application is conditional upon completion of filming. A copy of the film, or other suitable materials must be submitted in addition to the application documents. Reasons must be stated as to why better results can be achieved with the requested support, especially with regard to the film's exploitation.

### **2.3 Funding of Distribution and Sales (including non-commercial)**

#### **2.3.1**

Funding is generally provided in the form of a conditionally repayable interest-free loan. Should the conditions for granting such loan be unfulfilled, yet the project is nevertheless to be funded, a grant not exceeding a maximum of **€40,000** can be awarded.

#### **2.3.2**

Eligible are distribution and world sales companies, including non-commercial exploitation and, in individual cases, producers.

#### **2.3.3**

Funding may be granted for distribution and sales activities for films and further efforts that contribute to the development of European film culture and are of particular cinematographic and/or economic interest to Hesse. This especially applies to film productions that have received funding from Hesse. The evident Hessen-Effect must be at least 100%.

#### **2.3.4**

Repayment of the loan is to be made from the film's net proceeds to which the funding recipient is entitled after covering preliminary distribution or sales costs, or any minimum guarantees, as pursuant to the loan agreement and not financed by subsidies.

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The funding recipient's liability is limited to the exploitation revenues of the funded film. The repayment obligation ends five years following payment of the final loan instalment. Such obligation shall not cease if the funding recipient has failed to make repayment within this period due to default or other reasons attributable to the recipient.

### **3 Funding of emerging filmmakers and young talents**

#### **3.1 Graduation films**

##### **3.1.1**

Grants may be awarded for the production of graduation films by students of Hesse's universities (Darmstadt University of Applied Sciences, Rhine-Main University of Applied Sciences, Offenbach Academy of Art and Design and the University of Kassel Academy of Art and Design).

##### **3.1.2**

Eligible are students of the universities listed in item 3.1.1 above, on recommendation of their relevant instructors. Funding of projects is likewise only available for such students provided the project is produced as part of the student's qualification for a diploma, bachelor's, master's, or equivalent artistic degree. Graduation films need not be feature-length.

##### **3.1.3**

Within the context of this regular funding, application can be made for up to €25,000 per university per annum. The corresponding professors or instructors shall be responsible for the allocation of funds for the individual projects.

##### **3.1.4**

In addition, students at the hessian universities as per §3.1.1 can apply for funding to HessenFilm for graduation films that are particularly worthy of funding. Each university can submit one project for a maximum funding amount of **€20,000**. Application must be accompanied by a statement from the university, whereby the university itself cannot submit an application.

Cumulative funding under items 3.1.3 and 3.1.4 is possible.

##### **3.1.5**

A Hessen-Effect is not mandatory.

## 3.2 Debut and second films

### 3.2.1

Funding for a first and second film is usually awarded as a grant.

### 3.2.2

If the project is expected to be exploited successfully, a conditionally repayable interest-free loan is granted. Repayment of the loan is to be made out of the funding recipient's net exploitation revenues after covering the costs not financed by funds as pursuant to the loan agreement. The repayment obligation ends five years following payment of the final loan instalment. It does not end if the recipient has failed to repay the loan within this period due to default, or for other reasons attributable to the recipient.

### 3.2.3

Eligible are emerging producers with a permanent establishment or branch in Hesse and promising directors who plan to produce the film themselves and are likewise resident in Hesse.

### 3.2.4

The funding is aimed at enabling emerging producers to finance projects with the fewest possible financing components and to give young authors and directors freedom for their artistic-creative development.

### 3.2.5

As a rule, the production of **theatrical films and other audio-visual projects** can be subsidised by up to 50%, or up to **€400,000**, providing the total production costs do not exceed €500,000.

## 3.3 Slate funding of emerging filmmakers

### 3.3.1

This funding category provides special funding of young talent as a start-up aid for emerging production companies in Hesse. The measure involves funding for the company, the screenplay and the costs involved in project development. Subsidies for corporate costs are provided in the form of grants, while those for script and project development as conditionally repayable interest-free loans.

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After priority recoupment of the producer's own investment, as contractually agreed by HessenFilm, such loan is to be repaid from 50% of the recipient's share of net revenues generated by the domestic and foreign exploitation of the subsidised film. If other German funding institutions are involved in the film's financing, repayment may be effected in line with the corresponding funding shares. Further details are specified in the funding agreement. The repayment obligation ends five years following payment of the final loan instalment. It does not end if the recipient has failed to repay the loan within this term due to default, or for other reasons attributable to the recipient.

### 3.3.2

Funding is only provided

- (a) for small and medium-sized production companies whose permanent establishment or branch is located in Hesse; and
- (b) if the company is no less than five years old; and
- (c) if the applicant has already produced and exploited at least one feature film, long documentary film or a comparable (series) project. In exceptional cases and after consultation with HessenFilm, production companies may also be eligible if the company owner has been active in a position similar to that of a producer in one of the above types of project.

### 3.3.3

In exceptional cases, producers who have been on the market for more than five years are also eligible to apply.

### 3.3.4

Three to five full-length theatrical films and/or television productions and/or innovative formats are supported with up to **€150,000**. The budgeted costs per project should not exceed €75,000. Upon consultation, a maximum of one short film can be included in the overall package.

### 3.3.5

A Hessen-Effect here is not mandatory.

### 3.3.6

Subsidies are awarded over a period of 36 months and require at least three projects to be developed to market maturity. The agreed funding will be paid out in four instalments.

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Depending on the project's progress and its emerging chances of realisation, HessenFilm shall then decide whether funding will be continued or terminated prematurely. In certain cases, a project may be aborted due to a lack of realisation prospects and replaced by another, upon consultation with HessenFilm, whereby a maximum of half the submitted projects can be replaced.

### **3.3.7**

As a rule, projects that received slate funding must be submitted for production funding in Hesse once development is complete.

## **4 Media**

### **4.1 Funding of innovative digital or audio-visual content**

#### **4.1.1**

Funding is provided in the form of a grant up to a maximum of **€40,000**

#### **4.1.2**

Eligible are primarily small and medium-sized companies as defined by the EU and private companies with a permanent establishment or branch in Hesse.

#### **4.1.3**

Innovative digital or audio-visual content may be supported. This includes 360° films, media installations, web applications, virtual, immersive and augmented reality content and games. Projects must demonstrate, inter alia, added cultural value, innovation and market potential. The verifiable Hessen-Effect must be at least 100%.

## **5. Theatre and Film Presentation**

### **5.1. Funding of theatres and film presentations**

#### **5.1.1. Festivals, events and film seasons/programs**

##### **5.1.1.1**

Funding is provided in the form of a grant.

##### **5.1.1.2**

Eligible are operators of cinemas and screening venues in Hesse, cinema initiatives, associations and festivals, as well as the organisers of film programs in Hesse.

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### 5.1.1.3

Funding can be granted for:

- Film festivals up to a maximum of **€200,000**;
- Film events and film seasons/programs up to a maximum of **€25,000**;
- Children's and teen film seasons/programs up to a maximum of **€25,000**;
- The screening of qualitatively outstanding film programs or presentations with an adequate share of European, German and Hessian films, up to a maximum of **€10,000**.

### 5.1.1.4

Due to the specific nature of the organisation of film festivals and series, funding may exceptionally be granted, even if the project has already begun. Although a preliminary application is not required, application for funding must be submitted prior to the festival opening. This, however, does not constitute a legal claim to funding.

## 5.1.2 Theatre investment incentive

### 5.1.2.1

Funding for modernising and improving hessian film theatres shall be provided in the form of a grant, amounting to a maximum of **€150,000** of the eligible costs. Detailed explanations and exemptions are provided in the fact sheet.

### 5.1.2.2

Eligible are small and medium-sized companies as well as start-ups (new cinema facilities) based in Hesse. Current cinemas must have existed for at least two years and be able to show regular operations.

### 5.1.2.3

In principle, funding can be granted for investments with costs totalling up to €1.5 mill. Should the total costs (construction, cinematic equipment and installations) exceed this limit, only those costs involved in cinematic equipment and facilities shall be eligible, unless these costs shall also exceed €1.5 mill.

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### **5.1.3 Other screening measures**

#### **5.1.3.1**

The funding is provided in the form of a grant. The maximum funding amount is **€10,000.**

#### **5.1.3.2**

Eligible are operators of hessian cinemas and hessian screening facilities, cinema initiatives, associations and festivals, as well as the organisers of film programs in Hessen.

#### **5.1.3.3**

Funding may be granted for smaller-scale measures involved in modernising and improving cinemas, innovative measures for securing the future, and those relating to digitisation and database development.

## **6 Other funding measures**

### **6.1. Funding of other measures**

Funding is provided in the form of a grant.

#### **6.1.2**

The management of HessenFilm decides on the allocation of funding in accordance with the funding principles defined by its Supervisory Board.

#### **6.1.3**

Subsidised activities must support or meaningfully supplement the funding objectives (item 1.1.1) and enhance Hesse as a film location. This includes, among other things, the promotion of educational and training activities for film-makers and cinema staff, as well as projects that promote cultural film and media education and other audio-visual projects.

## **Further regulations**

### **7.1 Procedure**

#### **7.1.1**

Subsidies are granted upon application. Details of the documents which are to be submitted online to HessenFilm and the corresponding deadlines can be found on: [www.hessenfilm.de](http://www.hessenfilm.de). Applications, complete and in German, must be submitted in a timely manner.

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### **7.1.2**

Incomplete applications, will count as invalid if not completed by the set deadlines.

### **7.1.3**

Applications must be submitted by the respective deadlines announced by HessenFilm and submission also requires prior consultation with HessenFilm's Funding department.

### **7.1.4**

Unless otherwise stipulated in the guideline, HessenFilm shall decide on the applications after consulting a jury, which is generally composed of representatives from the Hessian Ministry of Higher Education, Research, Science and the Arts; the Hessian Ministry of Finance, the Hessian Broadcasting Corporation and a majority of industry representatives proposed by the Film- und Kinobüro Hessen e.V. and the Filmhaus Frankfurt. Jury members are appointed by the Hessen Ministry for Science and Art.

### **7.1.5**

HessenFilm notifies applicants of funding approval in writing.

### **7.1.6**

Proof of use of subsidies and loans granted shall be provided by the recipient to HessenFilm or its appointed trustees, who shall also verify that such funds have been used for their intended purpose. This includes the submission of all receipts. HessenFilm may waive the submission of receipts upon proof of the appropriate use of grants and conditionally-repayable interest-free loans for funding amounts of up to €200,000 if the recipient has already received film funding from the State of Hesse and examination of the previous funding did not reveal any breach or gross violation.

In addition to the accounting report, supporting documents (brief overview of all income and expenses corresponding to the finance plan) and a list of line items, which must clearly show date, payer/payee, purpose and the individual amount of each payment, must also be submitted. HessenFilm will nevertheless randomly require the submission of individual receipts, as it is ultimately responsible for all decisions relating to project funding. In the case of multiple funding, HessenFilm may come to an agreement with the other funding institutions involved for one of them to conduct an audit.

## **7.2 Costs**

Recipients of grants and conditionally-repayable interest-free loans are required to pay an auditing fee, the amount of which shall be determined by HessenFilm and the State of Hessen.

## **7.3 Classification under State Aid law**

Support under this directive constitutes State Aid in line with Article 107(2). §1 of the Treaty on the Functioning of the European Union. It is compatible with the common market if it complies with the maximum threshold for aid as set forth in Article 4(aa) in conjunction with Articles 53 and 54 of the GBER, or if it is granted in accordance and compliance with the provisions of the De Minimis regulation.

## **7.4 Notice**

### **7.4.1**

The information contained in the application and in the supporting documents are subsidy-related in the context of § 264 of the German Criminal Code in conjunction with § 2 of the Subsidy Act of 29<sup>th</sup> July, 1976 (BGBl I p. 2037), as well as § 1 of the Hessian Subsidy Act of 18<sup>th</sup> May, 1977 (GVBl I p. 199)

### **7.4.2**

Funding under these guidelines is disqualified should it be provided by other resources from the State of Hessen, especially on the basis of a Hessen SME credit programme.

## **8. Entry into force**

These directives come into effect retroactively from 1<sup>st</sup> January 2019 and shall apply until 31<sup>st</sup> December 2021.

The German version of the above guideline is binding.