



MFG
BADEN-WÜRTTEMBERG

MFG Baden-Württemberg
Film Funding

Funding Policy



1. The subject and objectives of the funding

1.1

The MFG's film funding division finances the pre-production, production and distribution of fictional films, documentaries and series for the cinema, TV and VoD segment. Backing to make series is usually limited to initial funding for the first season of a series. Films and series with innovative, digital narrative formats (e.g. 360-degree films, virtual and augmented reality applications and web series) are eligible for funding. Separate provisions govern funding of digital games und innovative, interactive media projects with gaming characteristics.

1.2

Funding can include the following areas in particular:

- Screenplay development and pre-production
- Production
- Distribution, sales and advertising
- Cinemas
- Other funding options

1.3

The funding's key objective is to develop, maintain and empower film culture and, therefore, to develop and shore up the film industry in Baden-Württemberg and showcase Baden-Württemberg as a film hub at home and abroad. Furthermore, the purpose of the funding is also to help strengthen the cultural and commercial audio-visual sector in Europe.

1.4

In all the projects it funds, the MFG endeavours to provide equal opportunities to women and men in terms of the people involved in making the films. It also aims to ensure that the films are made based on ecologically and socially sustainable principles.

2. General conditions for funding

2.1

Only projects that meet the cultural and commercial funding objectives are eligible.

Some of the cultural quality criteria include the material's suitability in terms of its content, history, contemporary nature, creative, social or societal relevance, the narrative and linguistic quality of the screenplay, treatment and dialogue, the screenplay in terms of content, the expected creative and visual implementation of the project, as well as the skill set of the team involved in the film, particularly concerning the screenplay, directing, acting, animation, (virtual) image design, editing, scenography, equipment and music.

No funding can be provided for projects that are likely to be in breach of the German constitution or laws. Industrial, advertising or image films etc. are not eligible for funding either.

2.2

When applying for funding, the recipient of the funding must own or co-own rights, in the magnitude required, to the project. In order to capitalise on the funded projects, the recipient of the funding must retain appropriate exploitation rights.

2.3

Funding can only be provided based on the capital that the MFG has for this purpose. There is no legal entitlement to funding. Furthermore, funding for one of the areas listed below does not constitute a legal entitlement to further funding in other areas.

2.4

Unless otherwise stipulated in this Funding Policy, the MFG's panels of judges responsible in each case decide on whether to approve funding applications. These panels of judges make funding recommendations to the MFG board, which then puts these recommendations into practice. The MFG reserves the right to reject any funding projects submitted that clearly do not meet the funding objectives without presenting these projects to the panel of judges concerned.



2.5

The project must not yet have commenced when the application is made. If a preliminary application has at least been submitted, the MFG can make exceptions in justified cases. This application must include the following details at least: The name and size of the company, an outline of the project detailing its start and completion date, the location of the project, the costs of the project, the type of funding applied for (a subsidy or conditionally repayable, interest-free loan) and the amount of public funding required for the project.

2.6

The costs of the project for which funding is requested must be calculated based on standard industry practice and economical management principles.

2.7

A funding agreement can only be concluded and the funding issued upon proof that the underlying project is fully financed.

2.8

The provisions of the EU General Block Exemption Regulation (Commission Regulation no. 651/2014 of 17 June 2014 declaring certain categories of state aid compatible with the internal market pursuant to Articles 107 and 108 of the Treaty on the Functioning of the European Union) (EU OJ L 187/1 of 26 June 2014, p. 1) in its current version, in particular the provisions of Article 54 of the GBER, apply to funding under clauses 3 to 6 and the provisions of Article 53 of the GBER apply to funding under clause 6. The provisions of the de minimis regulation (the Commission's regulation no. 1407/2013 of 18 December 2013 on the application of articles 107 and 108 of the Treaty on the Functioning of the European Union) (EU-OJ L 187, 26 June 2014, page 1) in its current version or, another legally sound basis that applies to state aid, will apply to funding covered in clauses 6.3 and 7.

Businesses or sectors listed in Article 1, sections 2 to 5 of the GBER cannot apply for funding.

Funding must not be granted to businesses in difficulties, unless the GBER, the de minimis regulation, or other legal regulations allow exceptions to this rule. A business, which has not complied with a recovery order issued following a previous Commission resolution establishing that state aid granted by the same member state is not permitted and is incompatible with the internal market, may not be granted any funding under this Funding Policy unless the GBER, the de minimis regulation or other legal provisions explicitly permit exceptions.



2.9

Funding granted under this Funding Policy may be accumulated with other state aid, as long as these different types of funding apply to diverse, identifiable costs that qualify for state funding, as well as other state funding for the same eligible costs that partly or fully overlap with the costs for which funding has been granted under this Funding Policy. However, this is only possible if the total of this accumulated state funding does not exceed the maximum sum allowed under the GBER for these types of state funding, or the maximum amount applicable to these types of state funding under the GBER.

2.10

If the GBER (or the de minimis regulation, or another sound legal basis in terms of state aid regarding the funding listed in clauses 6.3 and 7), this Funding Policy and the information sheets issued by MFG do not include separate provisions, the provisions of the Film Funding Act (FFG) in the version applicable at the time and the guidelines of the German Federal Film Board issued on the basis of the FFG will apply to cinema film projects.

2.11

It should be noted that information on any funding in excess of 500,000 euros will be published on a detailed state-funding website.

3. Screenplay development and pre-production funding

3.1 Screenplay development for fictional films

3.1.1

A conditionally repayable, interest-free loan can be awarded for the creation or revision of screenplays for fictional films. Writers and producers are entitled to apply. The loan is to be used for costs incurred in the state of Baden-Württemberg.

3.1.2

The loan for a screenplay must not exceed 30,000 euros, or 50,000 euros in the case of experienced writers and/or where expenditure is particularly high, due to research, consultation of experts, or dramaturgy. Appropriate costs for dramaturgical advice are eligible for funding. When producers apply for funding, the funding must also not exceed 75% of the total eligible costs, or 75% of the German funding share in the case of international co-productions.

3.1.3

Accumulating the funding with state screenplay development funding from other organisations is permitted to a level of up to 100% of the total eligible costs.

3.1.4

A treatment with at least one full scene of dialogue from the film must be included with the application. The current version of the screenplay must be attached to applications for funding the revision of a screenplay.

3.1.5

The second instalment will be paid once the screenplay is ready to be filmed, has been presented and accepted.

3.1.6

If the funded screenplay is filmed by the recipient of the funding, the loan must be repaid in full once filming starts. If the recipient of the funding sells the rights to the screenplay, 50% of the revenues achieved through the sale, but no more than the funding total, must be repaid. Recipients of the funding may not prioritise repayment of their own contributions used to finance the project concerned. If the MFG grants funding to produce the film on which the screenplay is based, the MFG can offset the sum that is to be repaid with the new funding. The obligation to repay the loan ceases 5 years after the last loan instalment has been paid out.



3.2 **Screenplay development for documentaries**

3.2.1

A conditionally repayable, interest-free loan can be granted for the creation of screenplays that are ready for filming documentaries. Producers are entitled to apply. The loan is to be used for costs incurred in the state of Baden-Württemberg.

3.2.2

The loan for a screenplay must not exceed 15,000 euros, or 25,000 euros in the case of experienced writers and/or where expenditure is particularly high, due to research or consultation of experts. The funding must also not exceed 75% of the total eligible costs, or 75% of the German funding share in the case of international co-productions.

3.2.3

An outline and a concept about how the film will be made must be included with the application.

3.2.4

The second instalment will be paid out once the screenplays that are ready to be filmed and required research results are presented and accepted.

3.2.5

The provisions in clauses 3.1.3 and 3.1.6 apply accordingly.



3.3

Screenplay development for fictional and documentary series

3.3.1

A conditionally repayable, interest-free loan can be granted for screenplay development of fictional and documentary series of at least six episodes. Producers are entitled to apply. The loan is to be used for costs incurred in the state of Baden-Württemberg.

3.3.2

The loan for a screenplay of a fictional series must not exceed 30,000 euros, or 50,000 euros in the case of experienced writers and/or where expenditure is particularly high, due to research, consultation of experts, or dramaturgy. Appropriate costs for dramaturgical advice are eligible for funding. A loan for a documentary series must not exceed 15,000 euros, or 25,000 euros in the case of experienced writers and/or where expenditure has been exceptionally high. The funding must also not exceed 75% of the total eligible costs, or 75% of the German funding share in the case of international co-productions.

3.3.3

A concept for the series and, in the case of fictional series, a treatment of the first episode and a completed scene of dialogue must be included with the application.

3.3.4

In the case of fictional series, the screenplay which is ready to be filmed of the first episode, as well as outlines for all the remaining episodes, must be presented before the second instalment is paid out. In the case of documentary series, a screenplay that is ready to be filmed plus research results must be presented for the first and further episodes.

3.3.5

The provisions in clauses 3.1.3 and 3.1.6 apply accordingly.



3.4 **Pre-production of fictional and documentary films and series**

3.4.1

A conditionally repayable, interest-free loan can be granted for pre-production of fictional and documentary films and series. Producers are entitled to apply. The loan is to be used for costs incurred in the state of Baden-Württemberg.

3.4.2

The funding must not exceed 80% of the total eligible costs, or 80% of the German funding share in the case of international co-productions. In the case of fictional films and series, the loan must not exceed 150,000 euros and in the case of documentary films or series 75,000 euros.

3.4.3

In addition to a calculation of the pre-production costs and a planning concept, the application must include as follows:

- In the case of fictional films, a screenplay
- In the case of fictional series, a concept for the series, a screenplay of the first episode and outlines of the remaining episodes
- In the case of documentary films and series, a screenplay of the film or the first and other episodes.

3.4.4

The second instalment will be paid out based on the progress of the project and the third instalment once the final report has been examined.

3.4.5

The provisions in clauses 3.1.3 and 3.1.6 apply accordingly.



3.5 Incentive funding

3.5.1

A subsidy can be granted for screenplay development (outlines or treatments) of several fictional and documentary films and series in exceptional cases. In the case of a series, the treatment applies to the first episode including the arc for the first season. The funding can be requested as of at least three subprojects. Independent producers, particularly those who are based in Baden-Württemberg, can apply for funding once. Independent producers are, for instance, producers who have no direct or indirect financial interest in a TV station or VoD platform.

3.5.2

Applications can be submitted on an ongoing basis.

3.5.3

The funding can be for up to 90% of the total eligible costs. The subsidy for each outline must not exceed 5,000 euros or 10,000 euros for each treatment. The total subsidy for all subprojects is limited to 150,000 euros max.

3.5.4

A panel of judges appointed by the MFG decides on the basic funding parameters (number of outlines or treatments and total funding). A description of the production company's market positioning and development strategy is required in order for the panel of judges to make this decision. Pursuant to clause 3.5.6, the completed project applications for at least a quarter of the outlines or treatments must be included with this application. The decision on whether to grant funding for these applications is taken together with the panel of judges' decision on funding parameters.

3.5.5

The remaining outlines or treatments for the full project applications listed in clause 3.5.6 can be submitted following the decision of the panel of judges within 24 months. The MFG's board will make decisions on funding these projects.

3.5.6

In addition to a precise description of the planned outline or treatment, a letter of intent by the writer, a calculation of the total eligible costs customary in the industry, plus a project plan (where the costs can be spent in Baden-Württemberg) and a relevant financing plan are required at least.



3.5.7

As far as possible, the funding granted must be spent in Baden-Württemberg. If the writer is not based in Baden-Württemberg, it is sufficient that the registered office, premises or branch of the production company submitting the application is located in Baden-Württemberg.

3.5.8

Funding can only be provided based on the capital that the MFG has for this purpose. There is no legal entitlement to funding.

3.5.9

Furthermore, clauses 3.1 to 3.4 apply accordingly.

4. Production funding

4.1 Production of fictional and documentary films and series

4.1.1



A conditionally repayable, interest-free loan can be granted for production of fictional and documentary films and series. Producers are entitled to apply.

4.1.2

The funding must not exceed one million euros.

4.1.3

A loan must not exceed as follows:

-  a) In the case of cinema films 50%
-  b) In the case of TV/VoD films or series 30%

of the total eligible costs or of the German financing share in the case of international co-productions. Higher funding rates are possible for junior professionals, but the regulations set out in clause 4.1.5 must be complied with.

4.1.4

A condition for funding is a voluntary commitment to comply with the Ökologische Mindeststandards für deutsche Kino-, TV- und Online-/VoD-Produktionen [*Ecological Minimum Standards for German Cinema, TV and Online/VoD Productions*] in the version that applies on the submission date and can be downloaded from the MFG website.

4.1.5

The total state aid and subsidies granted by various organisations for the production of a film or a series may not exceed 50% of the total eligible costs. This limit can be up to 60% of the total eligible costs in the case of cross-border productions financed by more than one European Union member state and in which producers from more than one member state are involved. No limits apply to difficult audiovisual projects (e.g. short films, first and second films by directors, documentaries, projects with low production costs, or any other projects that are not very commercial), as well as to co-productions involving countries on the OECD Development Assistance Committee list.



4.1.6

The producer must make an appropriate personal contribution to the financing of the project. In the cases of smaller projects, this share is not to exceed 5% of the total eligible costs, or 5% of the German share of the funding in the case of international co-productions. Exceptions to this rule can be made, in particular, for projects involving junior professionals.

4.1.7

At least 120% of the loan granted is to be spent in Baden-Württemberg in areas relevant to film (local impact on Baden-Württemberg). If a sum is specified in the application that will have a greater financial impact on Baden-Württemberg, this sum must actually be provided.

4.1.8

The screenplay(s), staff and cast list, a calculation of the total production costs and the actual financial impact on Baden-Württemberg, a financing plan with supporting documents and evidence of rights must be enclosed with the application. Furthermore, the application must include an outline of how a socially and ecologically sustainable production method, fair pay and compliance with social standards will be achieved.

4.1.9

Any commitment to provide funding will usually be voided if full financing is not demonstrated within 12 months after the funding commitment has been issued in writing. The MFG board can allow exceptions for good reasons.

4.1.10

A cinema film that has received funding may not be commercially exploited before the embargoes specified in the funding agreement have expired. The MFG board will decide if any exceptions are to be made. If the FFA (German Film Funding Organisation) agrees to shorten the embargo, the MFG will follow this decision.

4.1.11

The loan is to be repaid from the revenues achieved by the funded film or series in domestic and foreign markets. After priority has been given to repaying sums provided by producers who have a recognised priority, 50% of the revenues received by the recipient of the funding are normally to be used to repay the loan. The priority specified in the funding agreement applies.

If German funding organisations have a stake in the funding, repayment can be agreed on a pro rata basis. The obligation to repay the loan expires once it has been fully repaid, but 5 years following the release of the film, or the first time it is shown commercially in Germany at the latest.



4.1.12

In accordance with this Funding Policy, producers can apply for the repaid amounts in the form of a performance-based loan in order to start pre-production or production of a new film or series project within a period specified in the funding agreement. The MFG board will decide whether to award a performance-based loan.

4.1.13

Before the last loan instalment is paid out, the Federal Archive must be given a free copy of a cinema film that has received funding. The MFG must be issued with two DVDs or Blu-rays free of charge of all films and series it has granted funding for. The films' or series' opening or closing credits must include a clear reference that the MFG has provided funding.

4.1.14

The premiere of a cinema film funded by the MFG is to take place in a cinema in Baden-Württemberg. Exceptions can be made if funding of the cinema film from other states is more than the funding granted by the MFG.



4.2 **Line producer funding**

4.2.1

A subsidy can be awarded for the production of fictional and documentary films and series, which are fully or primarily animated, or feature virtual filming or visual effects to a large degree. The relevant line producer (e.g. service producer, animation or VFX studio) is entitled to apply.

4.2.2

Funding must not exceed one million euros and 20% of the eligible costs incurred in Baden-Württemberg and for which the line producer is responsible. These costs are to be applied as the basis for an application by a line producer instead of the total eligible costs.

4.2.3

The provisions in clauses 4.1.4, 4.1.5 and 4.1.9 apply accordingly. Clause 2.2 does not apply.

4.3 **Post-production**

4.3.1

In justified cases, exceptions can be made and producers granted an interest-free loan repayable on the basis of revenues for post-production of films, or series that have not previously received financial support from any domestic funding organisations, or domestic TV or VoD providers. A subsidy can also be granted if good reasons are given in an application.

4.3.2

Filming must have been completed before the application is made.

4.3.3

When submitting the application, the producer must, in particular, submit the screenplay(s), or the screenplay that is ready to be filmed in the case of documentaries, as well as viewing material of the film, a calculation of both the total eligible costs and the project for which funding has been applied and financing plans.

4.3.4

The funding is contingent upon its ability to have a commercial impact on Baden-Württemberg that is at least equal to the funding granted.

5. Distribution, sales and advertising funding

5.1

The costs of distribution and sales of fictional and documentary films, in particular cinema films, are eligible for funding.

5.1.1

Distribution and sales companies, and in exceptional cases producers, are entitled to apply.

5.1.2

Funding is usually granted in the form of a conditionally repayable interest-free loan. The funding can usually be for up to 50% of the total eligible costs, but not exceed 150,000 euros. The loan is usually repaid from all revenues following deduction of the priority items specified in the funding agreement. If other German funding organisations have contributed to the financing of the film, repayment can be agreed on a pro rata basis. The obligation to repay the loan ceases 5 years after the film has been commercially exploited for the first time at the latest.

5.1.3

The recipient of the funding can apply for the amounts repaid to be granted as a performance-based loan within a period specified in the funding agreement in order to distribute or sell a new project based on the provisions in this Funding Policy. The MFG board will decide whether to award a performance-based loan.

5.1.4

At least 120% of the loan granted is to be spent in Baden-Württemberg in film-related areas (local financial impact on Baden-Württemberg). If a sum is specified in the application that will have a greater financial impact on Baden-Württemberg, this sum must actually be provided.

5.2

If good reasons are given, the MFG can also grant funding for prints and presentations at festivals, regional premieres, or other PR or advertising promotions for fictional and documentary films it has provided production funding for.

Producers are entitled to apply for funding specified in clause 5.2. The funding is provided in the form of a subsidy. The funding provided is to be spent in Baden-Württemberg.

The MFG's board will make the funding decisions in this area.

5.3

The provisions in clause 4.1.5 apply accordingly.

6. Cinema funding

6.1 Funding of local art-house cinemas

6.1.1

Funding for art-house cinemas (called Kommunale Kinos in German) in Baden-Württemberg comes from institutional funding by non-profit sponsors to the tune of 250,000 euros maximum in individual cases per annum and 50% max. of the subsidy from the municipality or district. certificate must be provided to prove the amount of the subsidy from the municipality or district.

Funding can only be provided to a maximum of the total annual budget available for this category. There is no entitlement to funding.

6.1.2

The following criteria must be met:

- a) The recipient of the funding must operate as an independent non-profit organisation and proof of non-profit status must be furnished.
- b) The recipient of the funding must have operated the local art-house cinema, for which the funding is being applied for, for at least two years.
- c) There must be a requirement for a subsidy and this must be demonstrated in a budget that compares expenditure and revenue.
- d) The level of the funding from all state aid and other subsidies (from the MFG, towns, municipalities, districts etc.)

included in the financing of the local art-house cinema is usually limited to 80% max. of the total eligible costs.

- e) A range of good quality films with an appropriate proportion of films funded by other European countries, Germany, Baden-Württemberg and the MFG must be offered.
- f) In addition to screenings, the local art-house cinemas are also to offer additional events such as educational seminars, discussions and talks by writers.
- g) The local art-house cinemas are also to network with other organisations such as adult education centres, art associations and churches etc.
- h) The cinemas must demonstrate that rental costs for their premises are customary for the area. Confirmation of this fact must be provided by the local authority real estate office, if the municipality or district is the direct or indirect landlord or lessor.

6.1.3

Applications for the current calendar year must be submitted by 31 December of the previous calendar year at the latest.

6.1.4

In exceptional cases, commercial cinemas can be granted funding for cultural reasons based on the provisions specified for local art-house cinemas in clauses 6.1.2 c) to h).



6.2

Investment funding for commercial cinemas

6.2.1

Funding can be granted to commercial cinema operators to modernise their equipment or remodel their premises. Funding can also be provided for relocating existing premises, or building new ones. Priority can be given to funding to increase ecologically sustainable operation of a cinema (for example by boosting energy efficiency).

6.2.2

The funding is granted in the form of a subsidy. The subsidy is limited to a maximum of 30% of the total eligible costs and to a maximum of 50,000 euros in individual cases and can be awarded once a year to each cinema.

6.2.3

The level of the funding from all state aid and other subsidies included in the financing is, pursuant to Article 53 of the GBER, usually limited to 80% max. of the total eligible costs.

6.2.4

Recipients of the funding must use an appropriate amount of their own funds or other third-party funds.

6.2.5

Cinema operators' own contributions do not count as eligible costs.

6.2.6

Applications for cinemas that have received an award for their programmes, a certificate, or another film programme award within the three calendar years preceding the application can be given funding priority.

6.2.7

In order to promote the cinema as a cultural venue, grants can be awarded in exceptional cases for marketing, customer loyalty activities and for special film-related events. Commercial cinema operators are entitled to apply. The funding is limited to 10,000 euros max. in each case and can be awarded once a year. The subsidy is to be used for costs incurred in Baden-Württemberg. Clauses 6.2.3 to 6.2.6 apply accordingly.



6.3

Cinema prizes and awards for commercial cinemas

Cinema prizes worth money and symbolic awards may be given to commercial cinemas in Baden-Württemberg that have presented an exceptionally high-quality programme of films with an appropriate proportion of German and children's films (including short films) over the past year.

When deciding on where the accolades will go, exemplary management of a cinema, including ecological and social sustainability aspects, can also be taken into account.

The awards can be presented to operators based on the de minimis regulation specifications, or another sound legal basis in terms of state aid.

Commercial cinemas are entitled to apply.

7. Other funding options

The MFG board can award funding for other high-quality measures taken to cultivate Baden-Württemberg as a film- and media-industry hub. The funding awarded is to be spent in Baden-Württemberg. Funding of this type is granted pursuant to the de minimis regulation specifications, or another sound legal basis in terms of state aid.

8. Exemptions

The MFG panels of judges or board are permitted to make exemptions from these provisions outlined in this Funding Policy.

9. Term

This Funding Policy comes into force from 3 February 2022. The term of this Funding Policy is limited to the date on which the GBER expires plus a transition period of six months, in other words, until 30 June 2024. Should the term of the GBER be extended without any major changes to the state aid scheme, this Funding Policy will be extended accordingly, but not beyond 21 December 2025. Should the GBER not be extended and replaced by a new GBER, or should relevant changes be made to the current GBER, a new funding policy that complies with the exemption provisions that then apply will come into force until at least 21 December 2025.

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