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FAQ About Co-Producing with i.p.s. in Germany:

Part I. Accessing the German Federal Film Fund

Part II. Accessing Equity Investment in Germany

Part III. Other Co-Production Related Matters

Part I. Accessing the German Federal Film Fund (DFFF)

Who is i.p.s. and why should they be my Co-Producer ?

Who: *i.p.s. + KB filmography*

Why: *i.p.s. is a Qualified Producer under the DFFF rules*

i.p.s. also has access to private equity top-up investment !

How much can a Qualifying Production obtain from the DFFF ?

In principle a 20% rebate of up to €4million (circa \$5.75million) on all qualifying motion picture production expenditure in Germany. In exceptional cases the Grant can be increased by a decision of the DFFF board up to €10million (circa \$14.4 million)

[Provided production begins before 30 June 2009]

What Qualifies a Production to obtain these Grants from the DFFF ?

Beside a qualifying German Producer and/or Co-Producer

Essentially provided the German Co-Producer is contributing at least 20% (or €5million+) of finance toward the picture's Total Production Cost **AND** at least 25% of the picture's Total Production Cost is German Production Expenditure (threshold lowered as a picture's Total Production Cost increases) **AND** the picture is already demonstrably 75% financed **AND** the application is made and already granted before the commencement of principal photography **AND** the picture is intended for theatrical release in Germany **WITH** a binding distribution agreement already in place before the first disbursement **AND** the picture passes the "Cultural Test" (ie cultural/creative elements content + production content) all with 48 out of 94 points OR is a coproduction being made under the EU Co-Production Convention whose point system would apply instead...

Then in principle and amongst certain other lesser criteria the picture is automatically eligible for the grant, provided sufficient funds remain in the German Federal Film Fund. So beware, it is on a first come first served basis !

When and/or how must any funds obtained be repaid ?

It never has to be repaid ! It is a Non Recourse, Non Recoupable Grant to further develop & encourage the German movie industry.

What will the application for the Grant cost me ?

Nothing until it is time to prepare detailed German budgets and translation costs of the script and required documents (including, as the case may be, a co-production agreement) to be filed with the Board of the DFFF

How do I as a foreigner or my Co-Producer access the DFFF Fund ?

You can't apply, it must be through your Qualified German Co-Producer.

What qualifies my Co-Producer to apply for the DFFF money ?

*To Qualify a German Co-Producer must have produced a theatrical motion picture in Germany or the EU in the last 5 years which was released with at least 30 prints in Germany **AND** also be actively involved in the day to day production of the picture for which the application is made from the gitgo.*

What is the Basis for Calculating the amount of a Grant ?

The grant shall amount to 20% of all Qualified German Production Expenditure (being capped at 80% of Total Production Costs)

What is a picture's Qualified German Production Expenditure ?

In principle all production costs attributable to picture related goods and services provided in Germany by companies (or their employees) having a place of business in Germany, as well as all freelancers and self-employed persons subject to unrestricted or limited German taxes.

N.B. Qualified German Production Expenditure **excludes** the following:-

All development costs incl. location scouting

Underlying rights (incl. music rights)

Legal advice

Insurance costs

Financing costs

Travel & Transport for Actors

Actor's compensation above 15% of Total Production Cost

Nor does it allow any:- Corporate Overhead costs

General expenses of entertainment, representation, gifts etc

Producer's Travel & general expenses, except within context of a specific picture

Qualified German Production Expenditure in relation to non German principal photography at non German location is qualifying only if compelled by exigency of script and/or production budget BUT only to a maximum extent of 30% of the principal photography

How long does it take to get a Notification decision from the Federal Film Fund ?

Between 2 to 4 weeks from the time of submitting all the completed and appropriate Required Documents in German

Part II. Accessing Equity Investment in Germany

Can I and/or my Co-Producer access private Equity Investment in Germany ?

In addition to the usual sources i.p.s. also have access to private equity investment to top up any finance which may be necessary on an industry standard last-in first-out basis... if i.p.s. have decided to co-produce a picture with any foreign entity these funds will generally be made available if required.

Part III. Other Co-Production Related Matters

i.p.s.' experienced personnel have been in the business of financing, producing, co-producing and servicing major international motion pictures and television shows produced or shot in Germany, as well as other parts of the world, for more than 20 years with access to highly experienced professional contacts to help smooth every production. Our team is dedicated to making your filming experience in Germany a pleasure.

Are there any problems importing/re-exporting movie equipment ?

Usually, there is no need to import any movie equipment as the most modern is available from the German rental houses. However, should it be necessary or desirable it is not a problem, this can be handled, usually without delay, from outside the EU via the carnet system; i.p.s. would be pleased to advise and help you on these and any other related questions.

What restrictions are there on bringing foreign cast and crew into Germany ?

None whatsoever, provided the people are classified as a 'resident' of another EU country. Foreign workers not resident in the EU must obtain a work permit in advance of coming to Germany. This too can be arranged through i.p.s..

What is the taxation on the foreign cast and crew's fees, expenses etc.

Generally there is a blanket 25% withholding tax on all income arising from services performed in Germany by any foreigners. Our specialist entertainment industry tax advisers and motion picture accountants are available to help and advise prior to and during the production.

What are the standard motion picture industry working hours in Germany ?

A negotiated 50 hour five day work week with an 11 hour turnaround is the norm for shooting in Germany, though regular 12 hour days negotiated before the picture begins is not uncommon, additional overtime at escalating rates is also possible from day to day.

What facilities are available in Germany ?

German laboratories, both picture and sound, are of a world class standard operating in a similar manner as those in London or Los Angeles. Similarly, our post-production facilities are of equal standing, though not all under one roof as in many other film capitals, the quality of both workers and equipment are excellent, with state of the art specialist Visual, Special and Digital FX facilities available to create a seamless post experience.

**We look forward to working with you on your production.
Any enquiries please e-mail office@ips-berlin.de or phone us on ++49-30-887-2380**

All information provided herein is not intended as an offer to co-produce but is intended as an introductory guide to our company and the motion picture industry related laws and rules in Germany today vis-à-vis accessing the significant grant funds available for shooting international co-productions from the DFFF in Germany. It is to the best of our knowledge and belief accurate as of our last update but it is not intended to offer legal advice and no one should act upon the matters contained herein without taking specific advice.

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