



ANNOUNCEMENT OF INTERVENTION ENVISIONED BY THE TUSCANY REGIONAL CINEMA & AUDIO VISUAL FUND

1. Subject

Announcement for the support of audiovisual cinema, film and fiction productions and original screenplays and film scripts, instituted by Article 6 of Regional Law n. 69 dated 24th December 2008 and governed by Regulation n. 42/R dated 29th July 2009.

2. Definitions

The following definitions apply for the purposes of this announcement:

- a) a full length or feature film is understood to have a length of over seventy-five minutes;
- b) a short film is understood to have duration of less than seventy-five minutes;
- c) assimilated audiovisual works are understood as works created for television, having the characteristics of a scripted work for a television film or fiction;
- d) a first work is understood as the first full-length work realised by a specific director;
- e) a second work is understood as any work realised by a director who is no longer making his debut, who has already produced his first work, even if it is a short film;
- f) the cost of production is understood as the cost of production up to realisation of the sample copy, including general expenses, financial charges relative to financing and remuneration for the production;
- g) a co-production is understood as participation in defraying the costs of production;
- h) rights for economic use are understood as the rights indicated in Article 5, paragraph 10 of the Minister of Cultural Assets & Activities' Decree, dated 12th April 2007.

3. Type of Intervention Eligible

Film Scripts

1. The application for financing must have as its subject an original and unpublished film script and must be presented by a debuting author who is a communitarian citizen.
2. The script must deal with subjects that valorise the regional identity, with reference to the historical and cultural patrimony, landscape and environment, socio-economic characteristics, literature or anthropological patrimony of Tuscany.
3. Up to six film scripts per year may be financed.

Production of First Works

1. The application for financing must have as its subject a first work that deals with themes that valorise the regional identity, with reference to the historical and cultural patrimony, landscape and environment, socio-economic characteristics, literature or anthropological patrimony of Tuscany, at least 50 percent of whose external shooting was done in Tuscany.

The application must be submitted by a small or medium sized Italian or communitarian company, legally established as a company and having fully deposited capital and a net worth of no less than 40,000.00 euros.

2. The beneficiary company receiving the grant must make a commitment to spend a sum of no less than 100 percent of the grant received in Tuscany.
3. Up to six first works per year may be financed.

Production of Second Works for Cinema and Assimilated Audiovisual Works. (*)

1. The application for financing must have as its subject a second cinema or assimilated audiovisual work that deals with themes that valorise the regional identity, with reference to the historical and cultural patrimony, landscape and environment, socio-economic characteristics, literature or anthropological patrimony of Tuscany, at least 50 percent of whose external shooting was done in Tuscany.
2. The application must be submitted by a small or medium sized Italian or communitarian company, legally established as a company and having fully deposited capital and a net worth of no less than 40,000.00 euros.
3. The producer must have already produced at least two other full-length films that have been distributed during the previous five years, directly or through his partners, or through the chosen executive producer.
4. The beneficiary must make a commitment to spend a sum of no less than 150 percent of the grant received from the Regional Administration in Tuscany.
5. Up to six projects per year may be implemented for second cinema works.
6. The Region's intervention in support of assimilated audiovisual works is only a possibility and the provisions of Article 6, paragraph 4 of Regulation n. 42/R dated 29th July 2009 relative to the limit of €450,000.00 euros may be dispensed with, while the limit of 10% of the cost of production remains valid.
7. Full length animated works and animated audiovisual works are in any case considered assimilated audiovisual works.

() This line of intervention will be implemented with a successive provision, taking into account the results of the examination of the line by the European Commission.*

Documentaries

1. The application for financing must have as its subject a documentary that deals with themes related to the history, landscape and/or traditions and current events of the Region of Tuscany.
2. The application must be submitted by a small or medium sized Italian or communitarian company, legally established as a company and having fully deposited capital and a net worth of no less than €10,000.00 euros.
3. The producer must demonstrate that he has experience in the field of production, gained directly or through his associates, and be in possession of the technical means necessary for realisation of the work.
4. Up to three projects for documentaries per year may be implemented.

4. Application for Participation in the Fund and Attachments

The application for implementation of the projects financed with the fund may be submitted on any day of the year at the Tuscany Region Film Commission, Via San Gallo, 25 – 50219 Florence.

System of implementation: "desk"-type organisation – namely with the possibility to submit applications any day of the year.

Three sessions are envisioned during the course of the year, on 31st March, 30th June and 30th November (unless variations are made, which will be posted on the Multi-Media Library Foundation Website) and a

ranking list will be produced for each session. Applications submitted within the term of 60 days prior to the date of the session will be examined in each of the three sessions.

Only one session is envisioned for 2009 alone, which will expire on 31st December 2009; the Commission will meet within the following 20th of January, to examine the applications received within the expiration date of 31st December 2009.

Only one application for participation in the competition may be submitted by each producer during the solar year. No additional applications may be presented directly or indirectly or through companies controlled by and/or connected to the producer.

Two copies of the attachments must be provided with the application for participation, which are necessary to demonstrate that the requirements for participation in the competition have been met, taking into account the type of intervention and the information specified in the special forms provided for each type of intervention, including:

1. Submission of works realised within the last 5 years by the proponent company or delegated referent producer;
2. Specific declaration concerning the existence of the requirements for recognition of Italian nationality, in accordance with norms in force;
3. Subject of the work, type of treatment and in cases where it already exists, a copy of the film script for the work;
4. Curriculum vitae of the director, main actors and primary components of the Technical Cast (with audiovisual material relative to the previous work by the director);
5. Declaration of the proponent company that it owns the rights for use and exploitation of the subject and/or treatment, as well as any film scripts presented, including the relative deeds of sale transcribed in the Public Registry of Cinema and that the same has defined suitable and at least optional agreements with the most important actors;
6. Declaration that the work is intended for the public of cinemas as a priority (only if the application refers to cinema works);
7. Work plan indicating filming locations, sets for poses, internal and external filming sets, specifically indicating the shooting to be performed in Tuscany;
8. Analytical estimate of production costs for the work, showing in detail expenditures to be sustained in Tuscany;
9. Financial plan attesting to coverage for the analytical estimate of production and distribution costs, including the plan for investments in promotion and advertising (forecast or final) and a description of the relative activities;
10. Economic and financial plan and relative time schedule for 5 accounting periods, starting from the date of production start up, detailing revenues envisioned for each channel of distribution (at least for: theatre, home video, free TV, pay TV and pay to view) and indicating any minimum guarantees or possible agreements for "product placement";
11. Copies of letters of intent, preliminary or final contracts, with other Italian or foreign SME, for co-production;
12. Copies of letters of intent, preliminary or final contracts, with other Italian or foreign SME, for distribution of the work;

5. Procedure for Application

1. Submission of the application for participation to the Film Commission, together with the attachments foreseen and deemed opportune by the SME;
2. Cataloguing of applications for participation received, in chronological order of receipt;
3. Verification of satisfaction of the subjective and objective requirements and completeness of the documentation required;
4. Examination relative to the possibility to apply one of the forms of intervention foreseen in the announcement to the project and definition, together with the proponent, for second works, of a hypothesis of agreement for participation of the Fund in the form of a purchase or share of the property rights, or preliminary purchase of the rights;

5. Inclusion of the applications that possess the requirements, which have been received within the term for submission, complete with the results of the examination performed and, for second works, of the hypothesis of agreement discussed with the proponent in the periodical meetings of the Commission;
6. Selection of the projects deemed suitable by the Commission and ranking of the relative list of projects admitted for intervention and those awarded, according to the listing;
7. Communication of the listing to the Tuscan Region;
8. Formal approval of the ranking list with an act signed by regional directors and publication in the regional data bank and on BURT;
9. Communication of the admission to receive financing to each beneficiary;
10. Disbursement of the grant, according to the states of advancement of the works.

6. Composition and Functioning of the Commission

The Commission is made up of 5 (five) standing members, designated by the Regional Administration.

The members of the Commission hold office for a three-year period.

The Commission meets when convoked by its President and is validly constituted with the presence of at least four components. The Commission decides by majority vote of the members present.

Participation of the Fund in the production will be recognised, for each of the three annual sessions of the Commission, in the first 2 films or second fiction works in the listing, in the first 2 films or first work films, the first documentary and the first two film scripts. These limits will not be applicable to the single session of 2009.

The Commission evaluates the following requirements in making its decision:

1. The quality of the cinema/audiovisual project submitted;
2. Valorisation of themes related to the history and/or landscape and/or traditions and/or current events and/or identity of the Tuscan Region;
3. The stage of development and effective feasibility of the project submitted, including the presence of international co-producers, the direct participation of the proponent in financing the work and adequate financial coverage of the production and distribution in Italy, as well as, in the case of applications for second cinema or assimilated audiovisual works, the Fund's offer for purchase of shares of ownership or preliminary purchase of rights, of important prospects for full recovery of the investment and adequate remuneration of the risks accepted;
4. Economic spin-off in the regional territory, in terms of services, employment and local professionals.

The parameters of evaluation indicated above entail the assignment of the following points to be expressed by each of the 5 components of the Commission:

For requirement sub a): 9.0 points, with a maximum of $9.0 \times 5 = 45.0$ points

For requirement sub b): 6.0 points, with a maximum of $6.0 \times 5 = 30.0$ points

For requirement sub c): 3.0 points, with a maximum of $3.0 \times 5 = 15.0$ points

For requirement sub d): 2.0 points, with a maximum of $2.0 \times 5 = 10.0$ points

or a maximum total of 100 points

The parameters of evaluation indicated above entail the assignment of the following points to be expressed by each of the 4 components of the Commission:

For requirement sub a): 11.25 points, with a maximum of $11.25 \times 4 = 45.0$ points

For requirement sub b): 7.50 points, with a maximum of $7.50 \times 4 = 30.0$ points

For requirement sub c): 3.75 points, with a maximum of $3.75 \times 4 = 15.0$ points

For requirement sub d): 2.50 points, with a maximum of $2.50 \times 4 = 10.0$ points

or a maximum total of 100 points

Projects taken into consideration by the Commission that have obtained at least 50% of the maximum points for each of the requirements (a, b, c and d) will be included in the listing and grants will be awarded to those that have obtained the highest number of points. The extent of the Fund's intervention must take into account the listing that has been drawn up, in the sense that priority in ranking will also confer priority in the award or limitation of the maximum intervention possible.

Projects not awarded but included in the ranking may be resubmitted starting from the meeting of the Commission successive to the one in which the listing was formed, on the strength of which they were not awarded a grant.

Projects not included in the listing may be resubmitted starting from the third meeting of the Commission following the one in which the listing was drawn up on the basis of which they were not included in the listing, following modification of the project and proposal of participation in the Fund.

7. Forms of Intervention

1. Applications regarding film scripts, first works and documentaries are financed through the disbursement of a capital account grant, within the limits of EC regulation n. 1998/2006 emanated by the Commission on 15th December 2006, relative to the application of Articles 87 and 88 of the Treaty on Aid for less than the "de minimis" amount.
2. Applications regarding second works and assimilated audiovisual works are assisted through the stipulation of contracts for the purchase of rights, a share of the property of the work or preliminary purchase of individual rights for utilisation or for shares thereof. The manner of disbursement and participation of the Region in the revenues is specified in the contracts. Disbursements for second works are subordinate to the presentation of a bank guarantee in favour of the Tuscan Region, issued by the subjects enumerated in Article 107 of Legislative Decree n. 385 of 1st September 1993 (Unified text of laws on the banking and credit system) to guarantee realisation of the productions financed.

8. Level of Financing and Term for Disbursement

Disbursements will normally take place according to the following typical schedule, while the possibility remains for the beneficiary to refrain from requesting advances and payments for states of advancement and to proceed directly with the request for the balance upon presentation of the final accounting report.

For Film Scripts:

The maximum amount of financing for film scripts is € 15,000.00 euros to be disbursed in a single payment upon delivery of the final report.

For First Works

The grant for first works may not exceed 50% of the cost of production and, in any case, cannot exceed the amount of € 200,000.00 euros per work.

- 40% = prior to start up of shooting, as an advance, upon presentation of a guarantee in favour of the Tuscan Region, issued by the institutions indicated in Article 107 of Legislative Decree n. 385 dated 1st September 1993 (Unified Text of Laws on the Banking and Credit System), to guarantee realisation of the productions financed.
- 40% = when half of the shooting has taken place, on the basis of a report on the state of advancement of the work;
- 20% = upon granting of the censorship visa following submission of the accounting report.

For Second Cinema or Audiovisual Works:

Intervention in support of second works may cover up to 10 percent of the cost of production and, in any case, may not exceed € 450,000.00 euros per work. For international co-productions, the cost of production to be evaluated for application of the limit of 10% is not limited to the share of the Italian co-producer.

The following two manners of intervention are possible:

- a) Purchase of a share of the ownership of the entire film;
- b) Preliminary purchase of individual rights or shares thereof (for example: theatrical, home video, free TV, pay TV and pay per view, near video on demand and video on demand, internet). In the case of intervention for films that have already obtained the fund of state support, the preliminary purchase of individual rights will respect the relative norms;
- c) Specifications:
 - For second cinema or audiovisual works, the ownership of the share of participation and/or rights subject to preliminary purchase will be made out to the Tuscany Region Multi-Media Library Film Commission, on behalf of the Region.
 - The percentage of purchase of shares cannot be less than the intervention deliberated by the Commission.
 - The estimated and final costs of production will be certified by an auditing company that has been registered with the roll for at least five years. The certification will take place at the expense of the applicant;
 - Payments will be made on the basis of the State of Advancement of the Works (SAW) submitted by the applicant, which will be certified by him and is subject to verification;
 - Returns on participations in capital will be integrated with all the forms of profits conferred to the co-producers, except for the MIBAC for financing on the Guarantee Fund, with respect to sale as a guarantee even for the 50% of the producer, following the term established by Law. From the time the contract for participation of the fund in a production is signed, any sale of rights that has not already been transcribed on the PRC or which is not already indicated in the contract itself, will be considered profit in favour of integrated returns of the Fund.
 - One hundred percent or the share of preliminary purchase of specific rights must exclude conflicts with any state financing granted.

For documentaries

The grant for documentaries may not exceed 70% of the cost of production and, in any case, cannot exceed the amount of € 50,000.00 euros per documentary.

- 50% = prior to start up of shooting, as an advance, upon presentation of a guarantee in favour of the Tuscan Region, issued by the institutions indicated in Article 107 of Legislative Decree n. 385 dated 1st September 1993 (Unified Text of Laws on the Banking and Credit System), to guarantee realisation of the productions financed.
- 50% = upon submission of the accounting report.

9. The Beneficiary's Obligations

1. The awardee SME is required to enter the following statement in the opening and closing credits of the production, on a separate card and with the same graphics as the card relative to the producers, as well as in all promotional and/or publicity material: "Produced with the participation

of the Tuscany Regional Government and the Tuscan Film Commission”, or any other statement required by the managing agency.

2. In the case of film scripts, the statement will be “Film script developed with the participation of the Tuscany Regional Government and the Tuscan Film Commission”, or any other statement required by the managing agency.
3. These publicity obligations must be included, as a specific obligation, in all contracts with distributors, purchasers and exporters of the film, documentary and/or of the film script.
4. The awardee SME will be required for first works as well as second works, independently of the form of intervention of the Fund, to grant the Region of Tuscany a non-exclusive licence for the dissemination of the work in circuits of shows and festivals and for the cinema archives, and to inform the Region in advance if the work is disseminated in show and festival circuits, to permit the region to participate in an appropriate manner.

Additionally, the beneficiary is obliged:

1. To transmit the documentation relative to the accounting for the work to the Tuscany Region Multi-media Library Film Commission, within 20 days of expiration of the term for completion of the intervention financed;
2. To advise the Tuscany Region Multi-media Library Film Commission immediately in the event they intend to forego intervention of the fund or make variations with respect to the ownership of the companies themselves. In this case, the new owner will be required to make a commitment to uphold the obligations made by the company that was originally admitted to financing, for the duration of the repayment plan;
3. To conserve the administrative and accounting documentation relative to the intervention, keeping it separate or separable by appropriate codification, from other general administrative documentation/acts. This archive must be accessible without limitations for purposes of control, by the persons and organisms that normally have the right to perform controls, and must be held in the archives for the three years successive to conclusion of the intervention.
4. To respect to the norms on environmental protection, safety and health in the workplace, the norms on equal male-female opportunities and respect of dispositions on collection national labour contracts;
5. To fulfil any other dispositions established by the Regional Council following approval of this announcement of competition.

10. Revocation of Grants

Grants may be revoked in the following cases:

1. Renunciation by the beneficiary;
2. In the case of grants made on the basis of false, inexact or incomplete data, information or declarations;
3. In the event lack of fulfilment should emerge with respect to the beneficiary's obligations envisioned in this announcement, upon examination of the documentation produced, on occasion of inspections and controls performed and in all other cases foreseen by the reference norms.

11. Procedure for Revocation

1. The act of revocation entails the right, by the Region of Tuscany, to demand the immediate return of the assistance granted.
2. Upon receipt of information relative to circumstances that could result in revocation, the Film Commission will advise the Region of Tuscany, which will advise the interested party of the procedure for revocation, with indications relative to: the reason for the proceedings; the office and person responsible for the proceedings; the office where the relative documents may be

- viewed) and will assign to the addressees of the communication a term of thirty days from receipt thereof, to submit their recourse and the relative argumentations.
3. Within said term of thirty days from receipt of the communication of the proceedings for revocation, the addressees may submit written defence to the Tuscany Region, drawn up on non-legalised paper, as well as any other documentation deemed appropriate, and delivered or posted through the postal service by registered mail with a return receipt. The postmark will be considered acceptable proof of dispatch within the established term.
 4. After examining any written defence proposed and acquiring any additional elements for judgement, if opportune, the Tuscany Region offices will formulate their conclusions.
 5. After examining the evidence, the Tuscany Region will dismiss the case if the reasons that led to initiation of the proceedings are not considered founded, and will advise the parties involved accordingly. If the Tuscany Region considers the reasons that led to initiation of the proceedings to be founded, on the other hand, the provision for revocation and recovery of the grant, plus interest calculated at the official prime rate in force, will consequently be emanated.
 6. In the case of disbursements already made, the sums unduly received will be recovered, together with the interest applied, at the official prime rate in force.
 7. The Tuscany Region will file suit through the established official channels to recover the amounts due if the addressees do not provide for payment within thirty days of receipt of the communication of the provision of revocation.

12. Respect of Communitarian Norms

Any prescriptions of the European Commission that modify the provisions of this announcement within the term for dispatch of the applications for contribution, will be acknowledged by the Regional Council through a special act to modify the announcement itself, which will be published on the BURT and will be effective retroactively from date of publication of the announcement.

13. Treatment of Personal Data and Party Responsible

1. In accordance with Law 675/96, personal data collected will be treated with information technology instruments and other means and will be utilised within the ambit of the procedures indicated in this announcement. The owner of the treatment is the Tuscany Regional Multi-Media Library Film Commission.
2. The party responsible for the treatment is Stefania Ippoliti, Director of the Tuscany Regional Multi-Media Library Film Commission.
3. The party responsible for the proceedings is the Director of the Tuscany Region Multi-Media Library Film Commission: Stefania Ippoliti. The right of access established by Article 22 of Law 241/90 may be exercised upon submission of a written request specifying the reasons, addressed to the Tuscany Region Film Commission, Via San Gallo, 25, 50129 Florence, with the procedures established in Article 25 of the cited law.

14. Transitory Norms

Interventions which, in the interim between publication of Regional Law n. 69 dated 24th December 2008 and the issue of this announcement, have already been realised, are eligible for submission, providing they respect all of the requirements envisioned in the announcement and limited to expenses sustained starting from 10th January 2009.