

Regulations on financial incentives for the production of international films and series in Norway

Determined by the Ministry of Culture on December 16th 2015

Effective as of January 1st 2016

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This is an unofficial translation of the Norwegian version of the Forskrift om insentivordning for film- og serieproduksjoner and is provided for information purposes only. Legal authenticity remains with the Norwegian version as published in Norsk Lovtidend. In the event of any inconsistency, the Norwegian version shall prevail.

Section 1 Purpose

The purpose of the incentive scheme is to increase the number of international films and series produced in Norway to promote Norwegian culture, history and nature. The scheme is also designed to improve the experience and skills of the Norwegian film industry, stimulate growth, promote a sustainable Norwegian film industry and support international cooperation.

Section 2 Scope

The incentive scheme gives grants in support of the production of films, drama series and documentary series produced entirely or partly in Norway and intended for broad public distribution.

Production of content as advertising, news reporting, reality and entertainment programmes and sporting events, as well as material intended solely for broadcast via closed proprietary distribution systems, fall outside the scope of these regulations.

Grants given under the incentive scheme may not be combined with production grants from the Norwegian Film Institute.

Section 3 Who may apply

The main production company, or any person authorised by it, may apply for a grant pursuant to these regulations.

The main producer must have produced at least one film, drama series or documentary series in the previous five years. This production must have been screened publicly through at least one of the following channels: cinema distribution, wide television broadcast or correspondingly wide distribution via other platforms.

Section 4 Who may receive grants

The grant recipient must be an audio-visual production company registered in the Norwegian Register of Business Enterprises as a limited liability company, or a company

from within the European Economic Area (EEA) with a branch registered in the Norwegian Register of Business Enterprises.

The company must be established specifically for the production to which the grant application relates. The company will bear financial responsibility for the production in Norway. The costs on the basis of which a grant is sought must be recorded in the accounts of this company.

The company cannot be organized in a manner where one or more participants have an unlimited responsibility for the debt of the business.

Section 5 Application requirements

Grant applications must be submitted to the Norwegian Film Institute before the start of the production in Norway.

The application must contain basic information about the production and all information required to process the application. The application shall as a minimum requirement contain the following information:

- a) name of applicant responsible for the production,
- b) documentation of film rights` agreements,
- c) description of plot, content and genre for the production for which a refund is sought
- d) total production budget,
- e) budget for shootings in Norway,
- f) financing plan specifying all the production`s private and public funding,
- g) production plan for shootings in Norway with date for start and termination,
- h) list of all artistical and technical staff connected to the production in Norway, and
- i) self-assessment of the qualification test according to section 6, second paragraph.

The Norwegian Film Institute shall issue separate guidelines on application requirements.

Section 6 Grant conditions

To qualify for a grant under the incentive scheme, a production must meet the following conditions:

- a) The production will be produced entirely or partly in Norway.
- b) The production will have a total production budget of at least NOK 25 million for feature films, NOK 10 million for documentary films, NOK 10 million per episode in the case of drama series or NOK 5 million per episode in the case of documentary series.
- c) The production must have a budget showing a minimum consumption of approved costs in Norway of NOK 4 million.
- d) The production must have a documented financing plan that includes at least 30 %

international financing at the time of the submission of the application.

- e) The production must be able to verify that it has concluded an international distribution agreement. The Norwegian Film Institute may also accept a letter of intent regarding international distribution following individual consideration.

To qualify for a grant under the incentive scheme, the production must achieve the minimum required score in the qualification test, cf. appendix 1.

In the evaluation of and assignment of priority among applications which have passed the qualification test, the Norwegian Film Institute must give emphasis to the purpose of the incentive scheme.

Section 7 Grant amount

The grant may total up to 25 % of the approved production costs relating to the production in Norway.

If more than 80 % of the total approved production costs for the production will arise in Norway, the grant amount will be calculated based on the total production costs in the EEA. The grant will under such circumstances be calculated based on the total approved production costs in Norway and the EEA.

Grants pursuant to these regulations will be calculated based on the production accounts, i.e. the final size of the grant will be determined based on the final accounts verifying production costs spent in Norway cf. section 8, fifth paragraph.

Section 8 Approved costs

The calculation of the grant will be based on costs arising in Norway and paid to taxpayers in Norway.

If more than 80 % of the total approved production costs for the production will arise in Norway, the grant amount will be calculated based on the total production costs in the EEA; see section 7, second paragraph.

Such costs may not exceed market prices.

Costs which arise before the Norwegian Film Institute confirms receipt of the application will not be qualify as approved costs.

The final accounts must be confirmed and approved by a *statsautorisert revisor* (certified auditor). The auditor must also confirm that the accounts comply with the provisions of these regulations.

In the event of any doubt as to whether costs meet the requirements of these regulations, the grant recipient will be responsible for documenting that the conditions are

met.

Section 9 Administration

The incentive scheme is administered by the Norwegian Film Institute, which also makes decisions on framework grants pursuant to these regulations.

Decisions made pursuant to these regulations may be appealed to the relevant ministry in accordance with chapter VI of the Act of 10 February 1967 relating to procedure in cases concerning the public administration (the Public Administration Act) chapter VI.

Section 10 Validity period

Grant decisions are valid for 12 months. An extension may be applied for before the end of the 12-month period if the applicant can document that production can realistically be expected to begin during the following 12 months. An extension may only be granted once, making the maximum total grant decision validity period two years.

Section 11 Decision letter

A decision to make a framework grant must be confirmed by means of a decision letter from the Norwegian Film Institute; see chapter 6.3.3 of the Provisions on Financial Management in Central Government.¹

Section 12 Disbursement

The applicant must send a written disbursement request to the Norwegian Film Institute. The disbursement request must be submitted within six months of the end of production in Norway. A request made after this date will normally be refused.

Disbursement is conditional upon production in Norway having been completed and the production having no unpaid direct or indirect tax liabilities to the Norwegian authorities.

Section 13 Application deadlines

The Norwegian Film Institute may set application deadlines where necessary for the purpose of assigning priority among grants.

Section 14 Disclosure duty

The applicant has a duty to provide the Norwegian Film Institute with all information it requires to process the application and evaluate the basis for the grant cf. section 5 second paragraph.

Once a decision to give a grant has been made, the grant recipient must on its own

initiative notify any changes to the terms on which the grant is based. The grant recipient may not make material changes to the production or measure in question without submitting these to the Norwegian Film Institute in writing and obtaining its written approval.

Section 15 Crediting of the Norwegian Film Institute

If a production which has received a grant pursuant to these regulations results in a completed film, drama series or documentary series, the Norwegian Film Institute must be credited in the end credits and other materials on the same basis as other investors and providers of production grants.

Section 16 Reporting and checks

The Norwegian Film Institute will arrange necessary checks of the use of grant funds.

The Ministry and the Office of the Auditor General of Norway may conduct checks to ensure that funds are used as envisaged; see section 15 of the Regulation on Financial Management in Central Government and section 12, third paragraph, of the Act relating to the Auditor General of Norway. In relevant cases, control measures may be implemented; see section 10, second paragraph, of the Norwegian Public State Finance Regulations.²

The main producer has a duty to store the final accounts cf. section 8 fifth paragraph for five years, and during this period must be able to present the accounts upon request by the Norwegian Film Institute, the Ministry or the Office of the Auditor General of Norway.

Section 17 Sanctions

The Norwegian Film Institute may withhold grant sums or require repayment of disbursed grant sums if:

- a) the grant recipient breaches the disclosure duty
- b) the grant is not used as specified in the conditions set out in the decision letter; or
- c) the grant recipient otherwise materially breaches the provisions of these regulations or provisions/conditions adopted by the Norwegian Film Institute pursuant to these regulations.

If a repayment claim is made, interest may also be claimed on the amount to be repaid under the Act of 17 December 1976 No. 100 relating to Interest on Overdue Payments, etc.

If withdrawn funds are not repaid, the main production company may be excluded from the incentive scheme and from all other grant schemes administered by the Norwegian Film Institute for up to three years. This also applies in the case of repeated breaches of the rules or conditions as mentioned in the first paragraph above.

Adopted sanctions must be reasonable and proportionate to the breach of the rules or other prerequisites.

Notes:

1. https://www.regjeringen.no/globalassets/upload/fin/vedlegg/okstyring/reglement_for_ekonomistyring_i_staten.pdf
2. https://lovdata.no/dokument/STV/forskrift/2005-05-26-876#KAPITTEL_4