

**Guidance Note for Film Producers and Promoters on
The certification of qualifying films
Under “Section 481” – Tax relief incentive
For investment in film**

This Note does not have the force of law and does not affect any person's right of appeal. Nor is it, in all instances, a full statement of the law as it applies, or has applied, to Section 481 investment schemes. Film Producers and Promoters should refer to the law as appropriate. Unless stated to the contrary, all statutory references are to the Taxes Consolidation Act 1997, as amended.

December 2004

1. Introduction

Section 481 of the Taxes Consolidation Act 1997 provides tax relief for investments in qualifying films. A qualifying film is a film for which the Revenue Commissioners have issued a Certificate under Section 481. Further provisions are included in Regulations made by the Revenue Commissioners, with the consent of the Ministers for Finance and Arts, Sport and Tourism on 20th December 2004.

The purpose of this Guidance Note is to outline how to apply for a Certificate, the information required, and the evaluation criteria to be applied.

A Certificate is issued by the Revenue Commissioners but both the Minister for Arts, Sport and Tourism and the Revenue Commissioners have specific responsibilities in relation to the certification process. These are outlined at Sections 3 and 4 respectively below.

The Minister has responsibility to ensure that it is appropriate for the Revenue Commissioners to consider the issue of a Certificate for a film, having regard to -

- The categories of film eligible for certification and
- The contribution a film will make to either or both the development of the film industry in the State and the promotion and expression of Irish culture.

The Revenue Commissioners have responsibility to ensure that all other aspects of the project, including the financial aspects, have the potential to satisfy the requirements of the law. The Revenue Commissioners will not issue a Certificate unless they have received an authorisation from the Minister for Arts, Sport and Tourism and they are satisfied with the other aspects of the proposal. Notwithstanding the dual roles, there is a simplified application procedure so that the producer/promoter has to deal with only one body.

The Application Form (attached) incorporates both the requirements of the Minister and the Revenue Commissioners. Consequently, application need be made only to the Revenue Commissioners. The Revenue Commissioners will consult with the Minister as required.

A Certificate is issued on the basis of the information supplied during the application process. Any material change in the information supplied that may arise as the project progresses must be notified to and agreed by the Revenue Commissioners. If the information on which the Certificate is based is not correct, is misleading or incomplete, or the Revenue Commissioners are not notified of material changes, the Certificate may be revoked.

Each Certificate contains an expiry date and Certificates not used by the expiry date should be returned to the Revenue Commissioners.

If the Revenue Commissioners refuse to issue a certificate the applicant has a right of appeal to the Appeal Commissioners and to the Courts.

This Guidance Note applies in respect of applications received on or after 1st January 2005.

2. The Application Process

An application for a Certificate must be made in writing, in the form prescribed by the Revenue Commissioners, and contain such information as may be prescribed in Regulations made under Section 481 (2E). These requirements are incorporated in the Application Form and supporting documentation, as listed at Appendix C of the Application Form.

It may be the case that not all agreements will have been signed at the time the application is being made. In the absence of completed documentation the application for certification should include a full explanation of the scheme. In particular, Revenue will require -

- i. A diagram showing all the players, their responsibilities and the flow of funds between them;
- ii. An outline of the various agreements proposed, the parties involved and purpose of the agreement;
- iii. Letters of intent in relation to the non-Section 481 funds; and
- iv. Any issues that might impact on the conditions for Section 481 relief.

Where a completion bond is not available, at the time of application, Revenue would be satisfied with an outline view of arrangements. When a signed, dated and witnessed copy of the completion bond becomes available, it should, as with other finalised agreements, be forwarded to Revenue. Any deviation from information previously submitted should be noted and explained. (See paragraph 4.7.2 below for further information about completion bonds).

The Certificate will be based on the information submitted and on the understanding that the proposals will not contravene any of the conditions for relief. This puts a certain onus on the producers and it would be wise for them to consult with Revenue about any unusual aspects as the various agreements are being finalised.

The applicant must be a qualifying Company i.e. a company which:

- a) is incorporated and resident in the State,

or

is carrying on a trade in the State through a branch or agency;
- b) exists solely for the purposes of the production and distribution of only one qualifying film; and

- c) does not contain in its name the words “Ireland”, “Irish”, “Éireann”, “Éire” or “National”, where the company name in question is either -

registered under either or both the Companies Acts, 1963 to 1999, and the Registration of Business Names Act, 1963,

or

registered under the law of the territory in which it is incorporated.

The Revenue Commissioners, following consultation with the Minister, will issue a notice in writing to the applicant company within 7 days of the receipt of a properly completed application form and required supporting documentation. **Receipt of this notice is necessary before:**

- (1) **Principal photography, first animation drawings or first model movement (as the case may be) commences.** A Certificate will not be issued if such activities commence before an application for the Certificate is made.
- (2) **An investment qualifying for tax relief under Section 481 is made** (otherwise the investment will not qualify for relief)

The issue of such a notice in writing by the Revenue Commissioners is no guarantee that a Certificate will subsequently issue or that questions will not arise when the application is processed.

Applicants should allow at least 30 working days for the processing of an application by the Revenue Commissioners in consultation with the Minister. It is expected that a Certificate will issue within this time period in the vast majority of cases. In exceptional instances delays could arise due to unresolved issues.

The application form should be addressed to:

Office of the Revenue Commissioners
Direct Taxes: Business Incentives
Stamping Building
Dublin Castle
Dublin 2.

The following Sections 3 and 4 highlight the main issues to be considered before a Certificate is issued.

3. Specific Requirements of the Minister for Arts, Sport and Tourism

3.1 The Revenue Commissioners may not issue a Certificate in respect of a film unless they have received authorisation from the Minister for Arts, Sport and Tourism.

The Minister, in considering whether to give the Revenue Commissioners an authorisation in relation to a film, will have regard to:

- The categories of film eligible for certification; and
- The contribution a film will make to either or both the development of the film industry in the State and the promotion and expression of Irish culture

Accordingly, the Minister will:

- Consider the case made by the promoter in relation to the contribution the project will make to, for example, the promotion and expression of Irish culture;
- Examine the professional capability (creative and technical) of the promoters/producers and creative collaborators;
- Examine the anticipated net contribution that the Section 481 Scheme and other State aid schemes will make to the project;
- Examine the contribution to be made by the project to the expression of creativity and culture in the State through the development of production capability and skills in the media of film and television;
- Give special consideration to Irish language productions; and
- Consider those opportunities provided by the project for quality employment and training. **A minimum of two trainees for each €1.27M of Section 481 monies raised, up to a maximum of 8 trainees, must be employed on the project.**

3.2 The following types of film - produced on a commercial basis with a view to the realisation of profit and produced wholly or principally for exhibition to the public in cinemas or through television broadcasting - are eligible for certification:

- Feature film
- Television drama
- Animation (whether computer generated or otherwise, but excluding computer games)
- Creative Documentary, where the project:
 - Is based on an original theme, preferably demonstrated by a script or treatment the design and style of which bear the undeniable stamp of creative originality and personal perspective;

- Contains a certain “timeless” element so that there is no loss of interest when the event with which it may be linked has passed;
- Involves production arrangements which give evidence of, in particular, a substantial period of preparation and a significant period devoted to post-production;
- Contains significant original filming; and does not merely report information.

The following types of film are not eligible for certification:

- Films made for exhibition as an advertising programme or as a commercial
- Films comprising or substantially based on:
 - Public/special performance(s) staged for filming or otherwise;
 - Sporting event(s);
 - Games/competitions;
 - Current affairs/talk shows;
 - Demonstration programmes for tasks, hobbies or projects;
 - Review/magazine-style/lifestyle programmes;
 - Unscripted or “reality”-type programmes;
 - Product produced in-house by a broadcaster or for domestic consumption in one country.

3.3 Producer Criteria: The Minister has certain requirements in respect of the producer. These are:

- (a) A full producer of the project, credited in the main titles of the film must be based in Ireland and a producer company participating in the production must be registered in Ireland or have a permanent agency or branch operating in Ireland until all compliance terms and conditions as set out in the Section 481 Certificate have been met in full. The Irish-based producer shall be responsible for compliance reporting and shall be a director of the aforesaid company.
- (b) The Irish Producer must be credited in the opening and/or main titles of the film and this credit should be not less than that of ‘producer’/‘co-producer’/‘executive producer’.
- (c) The condition in the Section 481 Certificate referring to this requirement will read as follows: -

“The Irish Producer’s name is to appear in the opening credits reflecting accurately the producer’s role, or exceptionally, in the main titles, as dictated by the dramatic requirements of the film”.

4. Specific Requirements of the Revenue Commissioners

4.1 General:

The Revenue Commissioners' responsibility centres around the potential of the project, as presented, to comply with the requirements of the law. In considering this, the Revenue Commissioners will examine the financial aspects of the proposal with regard to the legal, commercial and corporate arrangements for the production of the film. In particular, they will be concerned that the appropriate level of non-Section 481 funding is provided and that the budget and financial structures are appropriate for the proposed project. All aspects of the company's application will be examined including the required supporting documentation (as listed at Appendix C of the Application Form). In examining the application, the Revenue Commissioners may consult with any expert they consider appropriate.

To consider an application Revenue will need a clear understanding of the proposal, who the main players are and the contractual relationships between them. Sufficient detail should be given in the budget or explanatory documentation to show how any significant budgeted amounts will be spent, the recipients of the payments and the purpose for which they are paid. The producer or promoter can ensure that processing is not delayed unnecessarily and that queries are kept to a minimum by giving an appropriate level of information and by explaining any unusual feature or issues that are likely to give rise to queries. For example, the amount under a particular heading on the budget may be out of line with the industry norm for a particular reason. Giving the explanation up-front will minimise the need for correspondence on the issue.

The Revenue Commissioners may consult with any person, agency or body of persons and may disclose any detail in the company's application.

4.2 Definitions:

Reference is made in the following pages to various definitions contained in Section 481 or in the Regulations, as well as in this Guidance Note. These are:

Eligible Expenditure:

The term eligible expenditure is used extensively throughout this Guidance Note and is to be understood as meaning collectively both "eligible goods, services and facilities" (as defined in the Regulations) AND "eligible individual" as defined in Section 481 of the Act.

Eligible Goods, Services and Facilities:

As defined in the Regulations, "Eligible goods, services and facilities " means goods, services and facilities where they are used or consumed in the State in the production of a qualifying film and they are provided within the State by a relevant person (as defined) directly or indirectly to a qualifying company.

Put simply, the definition encompasses expenditure on goods, services and facilities purchased from a business in circumstances where:

- The business operates from a fixed place of business **in the State**
- The activities of the business are carried on **in the State** by employees of the business, or, in the case of a sole trader by that person himself, and
- Any goods supplied or used are supplied from normal trading stock, and any equipment or facilities used are part of the assets normally employed in the business. In such circumstances the goods supplied or the equipment used would be part of the business' own resources

Note: Detailed examples of acceptable eligible expenditure are given in The Guidance Note on Post-Certification requirements of Auditors in terms of the Compliance Report to be certified by them.

As defined in the Regulations, “relevant person” means a person carrying on a business in the State from a fixed place of business.

As defined in the Regulations, “provided in the State” means

- (a)(i) in the case of goods which are dispatched or transported, that
the dispatch or transportation to the person to whom they are
provided begins in the State, and
- (ii) in the case of goods which are not dispatched or transported,
that the goods are located in the State at the time they are
provided;
- (b) in the case of facilities, that the facilities are located in the
State;
- (c) in the case of transport, that the transportation takes place
within the State, or, where transportation takes place across
borders, that the journey begins or ends in the State;
- (d) in the case of a service, that the activities constituting such a
service are carried on in the State and that any goods, facilities
or transport associated with such service satisfy the conditions
of paragraph (a), (b) or (c) of this definition, as the case may
be.

Eligible Individual:

As defined in the Act, “Eligible individual” means an individual who is a citizen of Ireland or of another Member State of the European Communities, or an individual domiciled, resident or ordinarily resident in the State or in another Member State of the European Communities.

Where an eligible individual is employed in the production of a qualifying film, it is sufficient that the employment be exercised in the State. Expenditure in respect of a self-employed individual, who provides only labour and who comes within the residency or citizenship requirements, outlined above, will also be eligible expenditure, in relation to activities performed in the State. Where, however, any other person provides goods services or facilities, the other person must operate from a fixed place of business, in the State.

Total Cost of Production:

This term is relevant for the purposes of calculating the amount of Section 481 investment a company is permitted to raise. This particular amount is related to the percentage of the total cost of production by reference to the percentages set out at paragraph 4.3.3.

The total cost of production includes all expenditure necessary to produce the film from the development phase and including post-production and the cost of providing an archive print. The following would not be included:

- Costs associated with the distribution or promotion of the film;
- Costs arising after delivery of the materials contracted for with the relevant distributor or broadcaster;
- Legal, accountancy and other costs of raising relevant investments;
- Costs of organising or providing pre-sales monies including those connected with facilitating a return for investors;
- Costs of acquiring rights other than those necessary for the production of the film;
- Expenditure on capital assets used in the production of a film which are not used up in that process;
- Amounts that are paid out of, or are dependent on, or arise from rights in, the receipts, earnings or profits of the film; or
- Fees or other payments deferred unless the payment of such sums is made no later than four months after the first occasion on which the completed film is delivered to any financier or distributor thereof.

4.3 Funding of the Project:

The amounts raised under Section 481 should be invested and made available to the production company from the outset i.e. before commencement of principal photography / first animation drawings / first model movement, as the case may be, or where this is not possible, at the latest before 25% of the total production budget has been incurred. The Revenue Commissioners are prepared to consider waiving this requirement in exceptional circumstances. Promoters/Producers seeking a waiver should submit a detailed explanation of the exceptional circumstances that give rise to the delay in investing the funds. It is stressed that any waiver will be considered only in exceptional cases and that applications for special treatment should be a rare occurrence.

Relief will not be given for replacement capital i.e. investments to be used in the production of a film by a company which has sufficient funding without the investment. For example, some commissioning companies agree to provide all of the funds for the film as part of the commissioning agreement. Such films are not appropriate for Section 481 funding. This requirement would not rule out the repayment of temporary loan facilities granted in the development phase pending receipt of the Section 481 investment.

4.3.1 The non-Section 481 funding:

Letters of undertaking from those contributing the non-Section 481 funding must be provided, with the application for a certificate. These letters must indicate the amount of each contribution and when the funding will be made available to the production company. The funding must be made available to the company on terms whereby it will not be repaid until film has been delivered. The non-Section 481 money must be made available by way of a cash contribution, for example by way of a loan or subscription for shares or other cash investment. It is not acceptable to provide the non-Section 481 amounts in non-cash form by, for example, deferring fees.

4.3.2 Co-productions:

If the co-production is an official co-production, evidence of application for approval from each of the national competent authorities should be submitted with the application. The actual letters of approval from each of the national competent authorities should be submitted once these become available.

4.3.3 The Section 481 funding:

The applicant must state the amount of Section 481 funding it is proposed to raise. That amount cannot exceed the lower of

- (1) Eligible expenditure (as defined above); or
- (2) An amount determined as follows:
 - Where the total cost of production does not exceed €5,080,000 – 66 per cent of the cost;

- Where the total cost of production is between €5,080,000 and €6,350,000 - the appropriate percentage of the cost is determined by the formula –

$$[66 - \frac{(11 \times E)}{€1,270,000}]$$

where E is the excess of the total cost of production of the film over €5,080,000;

- Where the total cost of production exceeds €6,350,000 – 55 per cent of the cost.

In no case may the total amount raised under Section 481 exceed €15,000,000.

4.3.4 The cumulation of State Aid shall not exceed 50%* of the production budget of the film. State Aid includes direct aid from any EU state and any input from any State-funded agency including the Irish Film Board.

(* This limit may not apply to films classified as "difficult or low budget").

4.4 Budget:

The budget for the film should be submitted in "Universal" format or similar. Both the top sheet (summary budget) and the detailed budget are required. In addition, a breakdown of the total cost of production as between eligible expenditure (as defined at paragraph 4.2) and non-eligible expenditure should be given. In the case of a co-production, details should be given of the particular items of expenditure to be funded by each co-producer.

It is important not to overestimate the level of eligible expenditure as this will impact on the investor's entitlement to the relief should the outturn not reach the level estimated.

Applicants will be aware of items in the budget that might give rise to queries because of their unusual nature or apparent high cost. Unnecessary queries on these items can be avoided if an explanation is given in the application.

Where the film is co-financed by the Irish Film Board, or where a Completion Bond exists, evidence of this should be submitted with the application. In evaluating the budget Revenue will have regard to any independent evaluation, for example, by the Irish Film Board or by a recognised Completion Bond Company.

The law permits the Revenue Commissioners to refuse to issue a certificate if they are not satisfied with any aspect of the Company's proposal. In relation to the budget a certificate may be refused if the Revenue Commissioners have reason to believe that the budget or any particular item of proposed expenditure in the budget is inflated.

4.5 Financial Arrangements with Countries other than EU/Treaty Countries:

The legislation provides that a company shall not be a qualifying company if the financial arrangements that the company enters into in relation to the qualifying film are -

(i) Financial arrangements of any type with a person resident, registered or operating in a territory other than:

(I) a Member State of the European Communities, or

(II) a territory with the government of which, arrangements having the force of law by virtue of Section 826(1)(a), have been made,

OR

(ii) Financial arrangements under which funds are channelled, directly or indirectly, to, or through, a territory other than a territory referred to in clause (I) or (II) of subparagraph (i).

4.6 How the project is structured:

Simple structures provide the most transparent mechanism for the delivery of the project. Complicated structures involving a large number of companies or other entities for the production, financing or distribution of a film can cause difficulties for both the investors and the Revenue Commissioners in understanding the financial aspects of the project. In examining structures of this nature, the Revenue Commissioners will have to be satisfied as to the commercial rationale for the structure. The applicant will also have to demonstrate that the structure will not hinder the Revenue Commissioners in verifying compliance with the conditions for granting relief as set out in the law.

4.7 Requirement that the investment be at the risk of the investor:

Section 481(18) of the Taxes Consolidation Act 1997 provides that relief will not be given in respect of a relevant investment unless that investment -

- Has been made for bona fide commercial reasons and not as part of a scheme or arrangement the main purpose or one of the main purposes of which is the avoidance of tax;
- Is made at the risk of the allowable investor company or the qualifying individual, as the case may be.

No provision may be made, therefore, to protect an investor from the normal commercial risk of the investment in relation to:

- Budget overruns in the production of the film which arise from any fraud, neglect or failure on behalf of the qualifying company;

- Fraud or other misapplication of monies allocated or invested for the production of the film;
- Failure of the film to meet contracted standards of production, content and execution;
- The full payment of lawful creditors, including persons employed in the production of the film;
- Failure of commercial exploitation of the film to recoup to the production company its investment in the production of the film;
- 3rd party litigation against the production company.

In deciding if the investors are bearing the commercial risks, all aspects of the investment scheme must be evaluated. However, certain key issues have been considered in the past and these are commented on below.

4.7.1 Pre-Sales Agreements:

Pre-sales agreements are a feature of the film industry and provided the agreements are genuine commercial transactions they are unlikely to contravene the risk provisions. The Revenue Commissioners will seek to distinguish between genuine commercial transactions and contrived arrangements designed to secure a return to the investors. The return to the investors must arise from the on-sale of the fully completed film, or rights to the fully completed film, to independent third parties and not to connected or “captive” distribution companies.

The features of a commercial arrangement would include -

- The purchaser is a genuine film distribution company and not a “captive” or intermediary company the main purpose of which is to secure the return to investors. In some instances, artificial arrangements are set up using what are, in effect, conduit companies through which the pre-sales return is passed to the Section 481 Company. These companies operate only as distributors of films promoted by the same promoter with the main purpose of ensuring the investors’ return.
- The purchaser is clearly an independent third party not directly, or indirectly, under the influence of any of the parties involved in the investment scheme including the investors, banks providing loans to the investors, investment scheme promoters/producers, persons involved in supplying services in connection with the film or the producer. However, the fact that the only connection the purchaser has with the project is the provision of the non-Section 481 finance would not breach the independence rule.
- The decision on whether to accept or reject the film rests with the independent third party alone.
- The purchaser does not exercise day-to-day control over the production of the film or over the administration of the budget. This would not preclude a purchaser, who is also the non Section 481 investor, approving key elements of the production, for

example, choosing the producer, crew etc. but the day-to-day control must rest with the Section 481 Company.

- The pre-sales amounts must not be paid to the Section 481 company prior to the delivery and acceptance of the film. In cases where a Section 481 company is involved in a co-production with another company, the pre-sales amount must be payable only on delivery and acceptance of a fully completed film even where the Section 481 company has been responsible only for part of the production.
- Pre-sale monies should not be “ring-fenced” – i.e. they should be payable into the production company’s bank account following delivery and acceptance of the completed film and must be available to the production company for use in paying creditors, if any remain, following completion of the film. The investors (or their nominee) should not be a party to any pre-sale agreement, nor should they have any say in relation to payment of the money due under the pre-sale agreement.
- Where the pre-sales money is held in an escrow account, the escrow agreement must clearly provide for its return to the person or entity that provided it if the film is not delivered and accepted. Similar criteria must apply where the pre-sale money is held in an account under a defeasance arrangement.

4.7.2 Completion Bonds:

Completion bonds taken out on behalf of the production company from recognised insurers are acceptable. Bonds taken out by or on behalf of the investors to secure a return of the investment if the film is not completed would not be acceptable.

The bond should provide for the completion of the film but without a requirement to meet the standard acceptable to the purchaser under the pre-sales agreement. The bond should not provide for a cash payment to the investors as an alternative to the completion of the film nor should it insure against budget overruns arising from the fraud or neglect of the production company. Bonds that provide for a cash payment to the Section 481 production company in the event of abandonment would be acceptable provided there are no arrangements in place to allow investors access to these funds in priority to any other party having a claim on the company’s assets. The nominee company referred to at paragraph 4.7.4 should not be a beneficiary of the bond except to the extent that the company would have the authority to call on the bond company to complete the film for the Section 481 company.

4.7.3 Bank Loans To Investors:

Most Section 481 investment schemes offer loan facilities to investors. The risk provisions would be breached if there are any agreements, arrangements or understandings by which the lender would be reimbursed other than by recourse to the Section 481 investors. Examples would include arrangements by persons other than the investors to give a charge or other security to the bank in connection with the loan or to place amounts on deposit with the bank in circumstances where the deposit might not be returnable.

4.7.4 Nominee Companies:

The legislation requires the Section 481 investors to hold the shares directly in the production company. This does not prevent a situation where shares beneficially owned directly by an individual investor are recorded on the share register in the name of a nominee. The nominee is usually a specific company incorporated for the purposes of Section 481 investments.

4.7.5 Put/Call Options:

Options to purchase the shares in the Section 481 company granted to the nominee company or any company funded by, or with links to, the producer, Production Company and/or the lending bank will not be acceptable.

**APPLICATION FORM
FOR CERTIFICATION OF A FILM PROJECT
UNDER SECTION 481
OF THE TAXES CONSOLIDATION ACT 1997
AS AMENDED**

Please Note:

Applicants who wish to apply to have a Film Project certified for Section 481 purposes must complete this Form, and then, together with the required supporting documentation, send it by registered post or deliver to:

Office of the Revenue Commissioners

Direct Taxes: Business Incentives

Stamping Building

Dublin Castle

Dublin 2.

A Guidance Note for the information of film promoters - on the operation of the tax relief incentive scheme for investment in film - has been published by the Revenue Commissioners. The Guidance Note should be read before completing this application form.

PRODUCTION INFORMATION:

1. Name and address of Qualifying Company*:

* If a co-production, full details must be provided regarding the country of origin and amount of funding each co-producer will contribute to the production – *See also sections 8 and 9 below.*

.....
.....

Required Enclosures:

Tab A: - Covering letter stating, inter alia, the contribution which the project would make to the creation of an indigenous film industry and to the promotion, development and enhancement of the national culture through the medium of film.

Tab B: -

Memorandum and Articles of Association of the qualifying company – one of the Objects contained in the Memorandum of Association must be that the company “exists solely for the purposes of the production and distribution of only one qualifying film” as defined in Section 481(1) of the Taxes Consolidation Act, 1997 (as amended).

Tab C: -

Certificate of Incorporation of the Qualifying Company

2. Name, Address and Nationality of each Director of Production Company

.....
.....

3. Name, Address and Nationality of Producer(s), Director, Writer(s)

Producer(s).....

Director.....

Writer(s)

Enclosures

Tab D: - Track record/CVs for Producer(s), Director and Writer(s)

Tab E: - Synopsis of Film (**Max. 1 sheet A4**)

Tab F: - Completed Screenplay, Sample Television Scripts or Storyboard

Tab G: - Production Schedule

4. Underlying Rights:

Enclosure

Tab H: - Documentary evidence of ownership of rights to include each of the following:

- (a) Screenplay/Writer's Agreement(s)
- (b) Option agreement(s)

5. Production Details:

Date of commencement of principal photography / first animation drawings / first model movement:

____/____/____
DD/MMM/YYYY

6. Names, Address and Nationality of all Parties contracted in connection with the Production and Financing of the film:

.....
.....

Required Enclosure:

Tab I: - Production, Financing and Distribution (PFD) Agreement(s), outlining and defining the role of the qualifying company in terms of creative input, production management, financial and legal structures, participation in the project and nominated producer for the project; Agreements with any other parties to the production outlining their specific role in relation to the production and financing of the film.

FINANCIAL INFORMATION:

7. Production Budget (Total Amount): € _____

Required Enclosures:

Tab J : - Detailed, itemised separate Production Budgets (Top Copy and breakdown) for

- a) Global expenditure
- And
- b) Eligible expenditure in the State.

Tab K : - Confirmation that no agreements, arrangements or understandings exist or are proposed that would impact on investor risk.

Tab L : - Complete the Form at **Appendix A** in respect of Total Fees in Budget.

8. Amount for which Section 481 certification is sought:

€ _____ (_____ % Of Total Budget)

9. Amount and Sources of non-Section 481 Funding:

Source	Amount €	Date when available to production company DD/MMM/YYYY	In what Form

Required Enclosure:

Tab M: - Letters of intent/commitment from all sources of non-Section 481 funding, indicating

- (i) Total production budget approved
- (ii) Amount of non-S.481 funding
- (iii) Their role in the project and benefits accrued.

10. Pre-Sales and Distribution:

Required Enclosure:

Tab N: - Letters of intent/commitment in respect of Pre-Sales and Distribution Agreements.

11. Eligible Expenditure in the State:

Total expenditure in the State on employment of eligible individuals:

Total expenditure in the State on goods, services and facilities:

Amount €	% of total budget?

12. Completion Bond:

Will there be a Completion Bond for the project? (Y/N) _____

If yes, please state amount € _____

Required Enclosure

Tab O: - Letter of intent/commitment from the Completion Bond providers, including confirmation of total production budget approved.

13. Contingency

Is there an allowance for Contingency? _____

If yes, please state amount € _____

14. Details of other EU/State Aids (other than S481 funding) including details of any Irish Film Board funding applied towards the cost of production of the film:

.....
.....
.....
.....

EMPLOYMENT INFORMATION:

Tab P: - Person / Hours Schedule:

Please complete the Person Hours Schedule at Appendix B. The details in the Person Hours Schedule should relate **directly** to the Production Budget.

15. Details of Crew and Cast:

Number(s)	Domiciled, resident or ordinarily resident in the State?	Domiciled, resident or ordinarily resident in the EU?	Domiciled, resident or ordinarily resident outside EU?	Total
Crew				
Main Cast				
Support Cast				
Extras				

N.B. - PLEASE STATE TOTAL NUMBER OF ELIGIBLE INDIVIDUALS EMPLOYED ON THE PROJECT IN THE STATE: _____

(See definition of the term “eligible individual” in the Guidance Note)

16. Full List of Heads of Departments

Required Enclosure:

Tab Q: - Full List of Heads of Departments stating Name, Position and Nationality

17. Trainees

Number of Trainees to be employed on the project: _____

Area(s) of employment: _____

Note: A schedule of trainees should be attached, cross-referenced to relevant Budget Line.

18. Other relevant documentation:

Required Enclosure:

Tab R: - Any other material, including information on contracts or agreements under discussion but not yet concluded, which has a material bearing on the project/application should be included.

Tab S: - A diagram detailing all the parties involved, their respective responsibilities and the flow of funds between them

Tab T: - Details of any issues that might impact on the conditions for the relief under Section 481 of Act

Tab U: - Where any agreements, requested above, are unavailable at the time of application, an outline of the proposed agreements, including details of the purpose of each agreement.

Tab V: - Confirmation that no financial arrangements of a type referred to in section 481(2C)(b) of the Act exist or are proposed.

19. Declaration

I confirm that all of the information provided in this application form, or by way of support to this application, is, to the best of my knowledge and belief, accurate and correct.

Signed: _____ Witness: _____

Position: _____ Profession: _____

Date: _____ Date: _____

Appendix A - Schedule of Fees

AREA	RELEVANT BUDGET LINE	TOTAL FEES IN BUDGET €
RIGHTS		
SCRIPTING		
DIRECTOR(S)		
PRODUCER(S)		
EXECUTIVE PRODUCER(S)		
ASSOCIATE PRODUCER(S)		
PRODUCTION COMPANY/ CORPORATE FEES		

Appendix B - PERSON HOURS SCHEDULE

[illegible]

Appendix C – Documentation (page 1 of 2)
**Documentation to accompany an application made for a certificate
under section 481(2A) of the Act**

1. Tab A Covering letter of application.
2. Tab B Memorandum and Articles of Association of the Qualifying Company.
3. Tab C Certificate of Incorporation of the Qualifying Company.
4. Tab D Track record and CVs for Producer; Director; Writer(s).
5. Tab E Synopsis of Film.
6. Tab F Completed Screenplay, Sample Television Scripts or Storyboard.
7. Tab G Production Schedule.
8. Tab H Screenplay and Writers' Agreements and Option agreement.
9. Tab I Production, Financing and Distribution Agreement.
10. Tab J Production Budget.
11. Tab K Confirmation that no agreements, arrangements or understandings exist or are proposed that would impact on investor risk.
12. Tab L Appendix A – Schedule of Fees.
13. Tab M Letters of intent and, if applicable, letters of commitment from sources of funding other than relevant investments.
14. Tab N Pre-Sales and Distribution Agreements.
15. Tab O Completion Bond Contract, if applicable.
16. Tab P Appendix B – Person Hours Schedule.
17. Tab Q Full List of Heads of Departments.
18. Tab R Other relevant agreements and documentation.
19. Tab S A diagram detailing all the parties involved, their respective responsibilities and the flow of funds between them.

Appendix C – Documentation: continued overleaf

Appendix C – Documentation (page 2 of 2)

- 20.** Tab T Details of any issues that might impact on the conditions for relief under section 481 of the Act.
- 21.** Tab U Where any agreements, requested above, are unavailable at the time of application, an outline of the proposed agreements, including details of the purpose of each agreement.
- 22.** Tab V Confirmation that no financial arrangements of a type referred to in section 481(2C)(b) of the Act exist or are proposed.