

## **The Regulations of Viru Film Fund**

### **I. General Provisions**

1. These Regulations set the conditions and procedures for the allocation of the financial support given by Viru Film Fund.
2. The object of Viru Film Fund is to promote the production of professional audio-visual works in the county of Ida-Virumaa, bring in new investments, and advertise the county in Estonia as well as abroad.
3. The activities of Viru Film Fund are managed by SA Ida-Viru Ettevõtluskeskus (hereinafter referred to as IVEK). IVEK handles the submissions (incl. publishing the information and the application materials on the website), forwards the applications to the Committee of Experts, supports the work of the Council, concludes the co-financing agreements, examines the reports, and makes payments.
4. Terms used in these Regulations:
  - 4.1 An Applicant is a legal entity, which:
    - 4.1.1 has prior experience in professional film production;
    - 4.1.2 has no existing tax debts in Estonia;
    - 4.1.3 has, at the moment of submission of the application, confirmed at least 50% of the funding of the total cost of the film (the exact percentage is to be specified in the film financing plan);
    - 4.1.4 plans to complete the film project in 2013 and to deliver the report on the film project's expenditure by March 31, 2014.
  - 4.2 Eligible expenses – expenses that are co-financeable within the framework of the Regulations;
  - 4.3 Ineligible expenses – expenses that are not co-financeable within the framework of the Regulations.
  - 4.4 The Beneficiary – applicant that the fund has signed the co-financing agreement with.
  - 4.5 The Committee of Experts – the body evaluating the applications, who presents the projects to the Council for financing decisions. Has up to 3 members.
  - 4.6 The Council – the body deciding the allocation and usage of the funding. The staff of the Council is appointed by the partners who have signed the co-operation contract of Viru Film Fund and made a corresponding contribution.
5. The film projects that have finished shooting by the day of submission are not eligible for the co-financing.
6. To access the allocated support, the recipient shall conclude a financing agreement with Viru Film Fund.
7. Co-financing is not allocated to film projects that incite religious hatred and racism, reflect motiveless violence and/or contain propaganda that degrades human dignity.
8. There are no application rounds for projects, the submissions are accepted on a rolling basis until September 30, 2013.

### **II. Call for Projects**

9. The partners of IVEK and Viru Film Fund publish information via their information channels, on the website [www.filmestonia.eu](http://www.filmestonia.eu), Estonian Film Institute's mailing lists and other information channels.
10. The Regulations are available on the website of IVEK.

### **III. Eligible and ineligible expenses**

11. The eligible expenditure is incurred from the date of the submission of the application for co-financing. Eligible costs include:
  - 11.1 hotels and other accommodation services (e. g. apartment rental);
  - 11.2 film equipment rental;
  - 11.3 transport services;
  - 11.4 catering (by service provider);
  - 11.5 construction services necessary for the preparation and production of the film;
  - 11.6 security services;
  - 11.7 utility services and public services;
  - 11.8 location rental;
  - 11.9 various goods (e. g. props);
  - 11.10 services related to film production;
  - 11.11 creative services (services provided by authors or groups);
  - 11.12 other services (e. g. translation and interpretation, photography, make-up, services related to the creation of stage design, special effects, etc.);
  - 11.13 administrative services (office services, legal and accounting services, personnel management, etc.);
  - 11.14 the commission (production) fee of the project executor up to 7% of the total eligible expenditure;
  - 11.15 the remuneration of cast members and extras;
  - 11.16 the salaries, including taxes, of the crew;
12. The providers (entrepreneurs) of services that are eligible for support must implement the services for the film project within the county of Ida-Virumaa. The Council may make an exception and deem eligible the expenses made elsewhere if these expenses are pertinent to the objectives of Viru Film Fund.
13. Ineligible expenses include:
  - 13.1 producer's fee in excess of 7% of the total eligible expenditure;
  - 13.2 bank service charges;
  - 13.3 small expenses incurred in shops (up to 10 EUR);
  - 13.4 expenses not related to the project implementation;
  - 13.5 other costs that are deemed ineligible by the Council, which are not related to the project implementation.
14. If it becomes evident in the application or reports that the products or services purchased are used for personal purposes, the co-financing is not allocated.

### **IV. Submission of the Applications**

15. There are no rounds of calls for projects. Applications can be submitted between March 15, 2013 and September 30, 2013 (including). The application is submitted in electronic form to the e-mail address of IVEK.
16. The application shall include the following documents:
  - 16.1 a signed application letter with the following attachments:
    - 16.1.1 synopsis;
    - 16.1.2 screenplay or an extended treatment;
    - 16.1.3 schedule of production;
    - 16.1.4 crew list along with the CVs of key crew (creative members);
    - 16.1.5 distribution plan;

- 16.1.6 overview and schedule of the activities implemented in the county of Ida-Virumaa;
  - 16.1.7 company profile, including filmography;
  - 16.1.8 budget and financing plan;
  - 16.1.9 agreements or letters of intent confirming the financing in place;
  - 16.1.10 any additional information that the Applicant deems necessary to include.
- 16.2. The breakdown of the estimated expenditure to be incurred in the county of Ida-Virumaa in compliance with the eligible expenses listed in these Regulations; the estimate may change in the course of the project implementation, but shall not exceed the approved amount of co-financing.
17. The application and the supporting documents can be submitted in Estonian, Russian, or English language; the application must be signed by the authorised signatory of the production company.
18. In matters of confidentiality regarding the application or its parts, the Applicant must indicate it in the application.

## **V. Evaluation of the Applications and Announcement of the Results**

19. The Council appoints the Committee of Experts of Viru Film Fund.
20. The evaluation is carried out in three stages by the Committee of Experts:
- 20.1. during the first stage the compliance of the application with the requirements is assessed, proposals can be made to amend or supplement the application;
  - 20.2. during the second stage the compliance of the application with the objectives of Viru Film Fund is assessed.
  - 20.3 during the third stage the overall conclusions are made and a recommendation to the Council for the maximum amount of co-financing
21. The financing decisions are made by the Council. The Council determines its own rules of procedure. The decisions are taken by open vote during the Council meetings. A simple majority vote is required to adopt the decision.
22. During evaluation process the Committee has the right to:
- 22.1 invite the Applicant to pitch the project and answer questions;
  - 22.2 invite experts and other specialists to provide their opinion in an advisory capacity.
23. The Committee decides on the application not later than 30 work days after the submission of the whole application (incl. later amendments and supplements).
24. The Committee presents their proposal for the Council to confirm.
25. The Council makes a separate decision of approval or rejection on each application on the basis on the evaluation results.
26. The Council's decision of approval indicates the maximum amount of co-financing by Viru Film Fund.
27. Before signing the co-financing agreement, the Council reserves the right:
- 27.1 to request additional information from the Applicant;
  - 27.2 to reassess the estimated expenditure by changing the qualification of expenses as eligible or ineligible;
  - 27.3 on the basis of the motivated request made by the Applicant, to reposition the estimated expenditure without changing the amount of the allocated co-financing.
28. After ratification, the Committee's decisions are posted on the website of IVEK.

29. The co-financing agreement is not signed if it is disclosed that the Applicant has deliberately submitted false information or tried to obtain confidential information during the evaluation process or tried to influence the decision-making process.

## **VI. The Co-Financing Agreement**

30. IVEK signs a co-financing agreement with the Applicant after the fulfilment of all the established requirements. Prior to the signing of the agreement the approval decision is not binding for Viru Film Fund and IVEK.
31. The co-financing agreement is signed on the condition that the Viru Film Fund has sufficient funds on its bank account to cover the amount of co-financing. Prior to the signing, Viru Film Fund reserves the right to reduce the amount of planned co-financing in accordance with the amount of the financial resources available.
32. If the financing applied for exceeds the Fund's resources, priority is given to the Applicant whose local spend in the county of Ida-Virumaa is the largest.
33. The approval decision on the co-financing is in force for six months after confirmation from partners. During this period the co-financing agreement must be signed. The indicated period may be extended if the Applicant submits a motivated request to IVEK that is approved by the Council.
34. The co-financing agreement sets the schedule of the project, which does not extend beyond December 31, 2013, as well as the estimated expenditure in the county of Ida-Virumaa, the maximum amount of the co-financing and other provisions, which are binding during the project implementation.

## **VII. Allocation of the Co-financing**

35. The co-financing is allocated in accordance with the co-financing agreement after the Beneficiary has completed the film project and submitted the financial report with the copies of expense documents to IVEK, but not later than March 31, 2014.
36. IVEK will review the implementation report, the financial report, and the report on the film project's expenditure in the county of Ida-Virumaa within 14 working days from the submission of the reports by the Beneficiary. IVEK has the right to call in external expertise. The review shall establish whether the implementation, use of finances, and the expenditure in the county of Ida-Virumaa are in compliance with the co-financing agreement. The reports are submitted to the Council for approval. The Council decides upon the approval of the reports within 14 work days.
37. In case of the Council approves the reports, IVEK will calculate the amount of the co-financing to be reimbursed to the Beneficiary according to the application.
38. IVEK has the right to request additional information and documentary evidence certifying the expenses incurred during the film project implementation.
39. Documentary evidence of the expenses are the copies of:
  - 39.1 bank approved payment orders for the payment of invoices;
  - 39.2 receipts;
  - 39.3 checks of electronic cash registers (ECR);
  - 39.4 other accounting documents.
40. The co-financing is paid within 14 work days from the date the Council has made the decision about the compliance of the implemented film project and the payment of the co-financing.
41. The Council reserves the right to reduce the amount of the co-financing to be paid if:

- 41.1 the costs entered in the documentary evidence of the expenses submitted by the Beneficiary unreasonably exceed fair market value;
- 41.2 the Beneficiary has failed to submit the implementation report by indicated deadline without justification or prior warning.
- 42. The Council reserves the right not to allocate the co-financing if the Beneficiary:
  - 42.1 has in any way misled the Council, IVEK or Viru Film Fund;
  - 42.2 has failed to submit all the required documents by set deadlines;
  - 42.3 has failed to submit the documentary evidence of the expenses or other required documents;
  - 42.4 has used the allocated financial resources for other purposes than that stated in the application.

### **VIII. Rights and Obligations of the Applicant**

- 43. The Applicant has a right to withdraw the submitted application.
- 44. The Applicant has an obligation to ensure the integrity of the information submitted in the application. In case of false information being submitted, the application will not be approved and the already reimbursed co-financing may be reclaimed.
- 45. The Applicant has an obligation to abide by these Regulations and the conditions of the co-financing agreement.

### **IX. Verification**

- 46. IVEK reserves the right to invite experts during the film project implementation to verify the correspondence between the eligible costs incurred during the project implementation and the current market prices.

### **X. Final Provisions**

- 47. After signing the co-financing agreement with Viru Film Fund, the Beneficiary undertakes to include the information on the IVEK co-financing (and the IVEK logo) in the final credits of the completed film, as well as in the publicity and promotional materials related to the film.
- 48. The Beneficiary has an obligation to submit three digital copies of the film to IVEK upon the completion of the film project.
- 49. By signing the co-financing agreement the Beneficiary gives IVEK and Viru Film Fund a non-exclusive licence to use the supported works non-commercially for their marketing activities.