



# Practical guide

## Promoting the distribution of Swiss films and co-productions abroad (export promotion)

Based on Art. 6 to 12 of the Ordinance of the FDHA on the Promotion of the International Presence of Swiss Cinema and MEDIA compensatory measures (IPFiV). Valid from 1 January 2021.

The Federal Office of Culture (FOC) promotes the cinema release and distribution via online platforms of Swiss films abroad to increase exposure to Swiss films in other countries. The foundation SWISS FILMS is responsible for the administrative implementation of this measure.

### 1 Overview

A distinction is made between two types of export promotion:

- 1) Export promotion for distribution or sale in specific countries (details in chapter 2);
- 2) Export promotion for cinema release in a minimum of five countries (details in chapter 3).

	<b>Export to specific countries</b>	<b>Export to a minimum of five countries</b>
<b>Applicant</b>	Production company based in Switzerland	Production company or World Sales company based in Switzerland
<b>Time of application</b>	Up to two months before the start of the exploitation	Up to two months before the first cinema release
<b>Exploitation</b>	Cinema, VoD	Cinema
<b>Assessment</b>	<ul style="list-style-type: none"> <li>- Exploitation strategy</li> <li>- Distribution potential</li> <li>- Consistency</li> <li>- Own assets</li> <li>- Experience</li> </ul>	<ul style="list-style-type: none"> <li>- Consistency</li> <li>- Own assets</li> <li>- Experience</li> </ul> <p>Per target country</p>
<b>Supporting documentation</b>	<ul style="list-style-type: none"> <li>- Sales in relevant target country</li> </ul>	<ul style="list-style-type: none"> <li>- Sales and cinema releases in a minimum of five countries, including one with major production capacity (DE, FR, ES, GB, IT)</li> <li>- Start date in first country must be set</li> </ul>

## 2 Export promotion for distribution or sale in specific countries

### 2.1 Requirements of the applying company

An independent Swiss production company may submit an application, if it:

- is principally involved in film production;
- is entered in a commercial register in Switzerland;
- holds the majority of the rights for the work in question;
- has a contractual agreement with a professional distribution company outside Switzerland for the distribution or sale of its film.

### 2.2 Eligible films

Feature films, documentaries and animation films of at least 60 minutes' duration are eligible,

- their initial cinema release in Switzerland must not have been more than 24 months ago;
- they must have been produced as Swiss films or recognised Swiss-foreign co-productions with Swiss direction and Swiss production rights;
- their first release must be scheduled for the cinema or via digital platform; and
- they must not have access to the European Union's MEDIA programme's distribution measures.

Films co-produced with companies that release films (broadcasters, online platforms, media companies and cinema or distribution companies) or that were co-produced with training and further education institutions, can be promoted, if:

- the film was independently produced artistically and financially; and
- the rights and holdings that remain with the applicant company enable an active release beyond the scope of the exploitation by the co-producing companies or institutions.

TV series are not eligible, nor are films excluded from promotion by the Film Act (commissioned or advertising films, pornography, glorification of violence, racist content, etc.).

### 2.3 Eligible costs

Costs for the following budget items are eligible, provided they are incurred during the three months preceding the application or up to twelve months following submission of the application:

- a) production of promotional material;
- b) purchase of advertising space;
- c) media work in the target country;
- d) further promotion and intermediation activity;
- e) copies or electronic data carriers plus encoding or transcoding;
- f) synchronisation and subtitling.

**Please note:**

- The distribution guarantee costs do not count as distribution costs.
- Only paid costs that can be verified with invoices from external service providers are eligible.
- For distribution via digital download services, the applicable timeframe is the first 12 months of the online release.

## **2.4 Submission of the application**

The completed application form plus all the required enclosures must be submitted electronically **no later than two months before the film's release in the target country (cinema release or start of distribution on an online platform)** to the SWISS FILMS foundation: [support@swissfilms.ch](mailto:support@swissfilms.ch).

In addition, the original and signed application form (not including enclosures) must be sent by post to the following address: SWISS FILMS, Daniela Strika, Neugasse 6, 8005 Zurich (date of postmark no later than two months before the film release).

The application consists of:

- A completed and signed application form, plus the following
- Enclosures:
  - Commercial register extract of the distribution company;
  - List of film titles distributed by the company in the past three years including viewing numbers and number of screens per film;
  - Copy of the dated and signed distribution contract;
  - Certificate of Swiss origin or co-production certificate issued by the Swiss Federal Office of Culture;
  - Completed evaluation form with the estimate of the production company (see 2.5);
  - Screening link of the film (will be used by the commission experts only and treated confidentially).

**Please note:**

- Issue one application per country where a release is scheduled.
- All enclosures must be included with the application form. Incomplete applications will be rejected.
- All enclosures must be in one of the three official Swiss languages (German, French, Italian) or English. Exception: commercial register extract of the distribution or selling company.
- The financial assistance may be up to 50 percent of eligible costs (eligible costs correspond to "Total net distribution costs" on the application form).

## **2.5 Review of the application**

Individual experts with knowledge of the relevant markets in the target country review the application. The application is evaluated according to the promotion criteria listed under 2.6, which are specified in an evaluation form. The production company must submit the evaluation form with a self-assessment for the completion of the promotion criteria when submitting the application.

The FOC will make a decision on the basis of the expert's recommendation. A copy of the decision will be sent to Swiss Films. The decision normally takes three to four weeks following submission of the application.

The application cannot be submitted twice.

## 2.6 Promotion criteria and their weighting

The promotion criteria are weighted as per the following table:

Criteria	Points (maximum: 100)
1 Quality and originality of the promotion and exploitation strategy	30
2 Distribution potential for the film abroad	20
3 Consistency of the budget with the planned exploitation	20
4 Contribution of the distribution company	20
5 Experience of the distribution company	10

Projects receive an extra five points, if:

- a. the cinema release is in a country with which Switzerland has concluded a co-production agreement;
- b. the promotion strategy for the cinema release exploits synergies in conjunction with a festival in the country in question.

Projects that score a minimum of 75 points are eligible for promotion. The applications are reviewed and approved according to the submission date.

## 2.7 Maximum contributions and calculation of financial aid

The financial aid can be up to 50 percent of eligible costs. Eligible costs correspond to "Total net distribution costs" on the application form.

The financial aid may not exceed the maximum amount for the target country set by the FOC. The maximum contributions per country are published in the FOC distribution plan every year.

Maximum contributions per country		
Country group I	Germany, France, United Kingdom, Italy and Spain	CHF 50 000
Country group II	<i>European countries:</i> Austria, Norway, Sweden, Finland, Denmark, the Netherlands, Luxembourg, Belgium, Portugal, Poland <i>Non-European countries:</i> Canada, Mexico, USA, China, Japan, Brazil	CHF 30 000
Country group III	Other countries	CHF 15 000

## 2.8 Payout and retroactive correction

Payment of the financial contributions comprises two instalments of 50% each.

The sums are paid by Swiss Films based on an agreement with the distribution or selling company in the target country. The first instalment is paid when the film release has been secured and remaining financing has been documented.

The second instalment is paid following presentation of the cost breakdown. To qualify for payment of the second tranche, the distribution or selling company must issue Swiss Films with valid documentation for the release by no later than 14 months following the film release (incl. list of all the towns/cities, cinemas, viewing figures, net income from distribution, downloads per online platform for VoD release) plus a breakdown of costs including copies of receipts.

The financial contribution is reduced or waived once it exceeds 50% of the actual eligible costs or once the distribution or sales income plus subsidies exceed the eligible costs (see chapter 4). The promotion is revoked if the film is not given a cinema release in the target country as scheduled. Excess financial contributions must be refunded.

The distribution or selling company undertakes to provide Swiss Films with samples of all the advertising material used for the film (posters, flyers, invitations, etc.) a copy of the national version of the supported film on a physical or electronic data carrier (e.g. DVD) plus reactions in connection with the film release (reviews, press articles, etc.).

## **2.9 Mention of FOC and SWISS FILMS**

The distribution or selling company must mention FOC and Swiss Films as a partner on all relevant advertising and communication media. Swiss Films will provide the necessary material to do that.

## 3 Export promotion for cinema release in a minimum of five countries

### 3.1 Requirements of the applying company

Production and World Sales companies based in Switzerland are eligible to apply, if:

- their main operation is in film production or rights trading;
- they are entered in a commercial register in Switzerland;
- they hold most of the rights for the work in question;
- they have a contractual agreement with a professional distribution company outside Switzerland for the cinema release of their film.

### 3.2 Eligible films

Feature films, documentaries and animation films of at least 60 minutes' duration are eligible,

- their initial cinema release in Switzerland must not have been more than 24 months ago;
- they must have been produced as Swiss films or recognised Swiss-foreign co-productions with Swiss direction and Swiss production rights;
- their first release must be scheduled for the cinema or distribution via digital platform;
- they must not have access to the European Union's MEDIA programme's distribution measures; and
- the rights for the cinema release must have demonstrably been sold in at least five countries, including at least one European country with major production capacity (Germany, France, the UK, Italy, Spain).

Films co-produced with companies that release films (broadcasters, online platforms, media companies and cinema or distribution companies) or with training and further education institutions, can be promoted, if:

- the film was independently produced artistically and financially; and
- the rights and holdings that remain with the company making the application enable an active release beyond the scope of the exploitation by the co-producing companies or institutions.

TV series are not eligible, nor are films excluded from promotion by the Film Act (commissioned or advertising films, pornography, glorification of violence, racist content, etc.).

### 3.3 Eligible costs

Costs for the following budget items are eligible, provided they are incurred during the three months preceding the application or up to twelve months following submission of the application:

- a) production of promotional material;
- b) purchase of advertising space;
- c) media work in the target country;
- d) further promotion and intermediation activity;
- e) copies or electronic data carriers plus encoding or transcoding;
- f) synchronisation and subtitling.

**Please note:**

- The costs for the distribution guarantee do not count as distribution costs.
- Only paid costs that can be verified with invoices from external service providers are eligible.

### **3.4 Submission of applications**

A minimum of five completed application forms plus all the required enclosures must be submitted electronically **no later than two months before the film's initial release in one of the target countries** to the SWISS FILMS foundation: [support@swissfilms.ch](mailto:support@swissfilms.ch).

In addition, the original and signed application forms (not including enclosures) must be sent by post to the following address: SWISS FILMS, Daniela Strika, Neugasse 6, 8005 Zurich (date of postmark no later than two months before the film release).

Each application consists of:

- A completed and signed application form, plus the following
- Enclosures:
  - Commercial register extract of distribution company in the target country;
  - List of film titles distributed by the company in the past three years including viewing numbers and number of screens per film;
  - Copy of the dated and signed distribution contract;
  - Certificate of Swiss origin or co-production certificate issued by the Swiss Federal Office of Culture;
  - Completed evaluation form with the estimate of the production or World Sales company (see 3.6);
  - Screening link of the film (will be used by the commission experts only and treated confidentially).

**Please note:**

- The application must include the film release date in at least one of the countries relevant to the application. The release dates for the other countries may remain open, however they must not precede the earliest start date given in the form.
- All enclosures must be included with the application form. Incomplete applications will be rejected.
- All enclosures must be in one of the three official Swiss languages (German, French, Italian) or English. Exception: commercial register extract of the distribution company.
- The financial assistance may be up to 50 percent of eligible costs (eligible costs correspond to the "Total net distribution costs" on the application form).

### **3.5 Review of the applications**

Individual experts with knowledge of the relevant markets in the relevant target country review the applications. The review is based on the promotion criteria listed under 3.6, which are specified in an evaluation form. When submitting the application, the production or World Sales company must provide the evaluation form with a self-assessment for the completion of the promotion criteria.

The FOC will make a decision on the promotion per target country on the basis of the expert's recommendation. There must be positive promotion decisions for at least five countries, including one with major production capacity. Otherwise the review and promotion is in accordance with 2.6. Swiss Films receives a copy of the decisions per country. The decisions normally take three to four weeks following submission of the application.

The application cannot be submitted twice.

### 3.6 Promotion criteria and their weighting

The promotion criteria are weighted as per the following table:

Criteria	Points (maximum: 50)
Consistency of the distribution budget with the planned exploitation	20
Contribution of the distribution company	20
Experience of the distribution company	10

The projects receive no extra points in accordance with Art. 9 para. 3 IPFiV. Projects that score a minimum of 30 points are eligible for promotion. The applications are reviewed and approved according to the submission date.

### 3.7 Maximum contributions and calculation of financial aid

The financial aid can be up to 50 percent of eligible costs in the target country. Eligible costs correspond to "Total net distribution costs" on the application form.

The financial aid may not exceed the maximum amount for the target country set by the FOC. The maximum contributions per country are published in the FOC distribution plan every year.

Maximum contributions per country		
Country group I	Germany, France, United Kingdom, Italy and Spain	CHF 50 000
Country group II	<i>European countries:</i> Austria, Norway, Sweden, Finland, Denmark, the Netherlands, Luxembourg, Belgium, Portugal, Poland <i>Non-European countries:</i> Canada, Mexico, USA, China, Japan, Brazil	CHF 30 000
Country group III	Other countries	CHF 15 000

### 3.8 Procedure for sales in other countries

If the film is sold in other countries following positive promotion decisions or successful cinema releases in at least five countries (including at least one with major production capacity), other applications may be submitted for those countries in accordance with the provisions of this chapter.

### 3.9 Payout and retroactive correction

Payment of the financial contributions is in two instalments. The first instalment amounts to 35% of the maximum contribution under 3.7.

The sums are paid by Swiss Films based on an agreement with the distribution company. The first instalment is paid when the film release is secured and remaining financing has been documented.

The second instalment is paid following presentation of the invoice. For payment of the second tranche, the distribution company must issue Swiss Films with valid documentation for the release by no later than 14 months following the film release (incl. list of all towns/cities, cinemas, viewing figures, net income from distribution, downloads per online platform for VoD release) plus a breakdown of costs including copies of receipts.

The financial contribution is reduced or waived once it exceeds 50% of the actual eligible costs or once the distribution income plus subsidies exceed the eligible costs (see chapter 4). The promotion is revoked if the film is not given a cinema release in the scheduled target countries. Excess financial contributions must be refunded.

The distribution company undertakes to provide Swiss Films with samples of all the advertising material used for the film (posters, flyers, invitations, etc.) a copy of the national version of the supported film on a physical or electronic data carrier (e.g. DVD) plus reactions in connection with the film release (reviews, press articles, etc.).

### **3.10 Mention of FOC and SWISS FILMS**

The distribution company must mention FOC and Swiss Films as a partner on all relevant advertising and communication media. Films will provide the necessary material to do that.

## 4 Contribution reduction with example

Based on the breakdown, the definitive financial contribution is reduced vis-à-vis the designated sum as follows:

- a) If the actual costs are lower than budgeted and the envisaged promotion amount exceeds 50% of the actual eligible costs, the definitive contribution is reduced to 50% of eligible costs and the second instalment is adjusted accordingly or any excess must be refunded. A retroactive increase of the eligible costs cannot be entertained.
- b) If the income (distribution income plus designated subsidies) exceed the actual eligible costs, half of this excess is subtracted from the designated amount. The second instalment is adjusted accordingly or any excess must be refunded.

The reduction rules are applied cumulatively, i.e. rules a) and b) can be applied simultaneously in certain cases.

### Calculation example in CHF (for b) :

<b>Total designated export contribution from FOC:</b>	<b>20 000</b>
1st tranche (50%):	10 000
2nd tranche (50%):	10 000
<b>Starting point for cost calculation:</b>	
Designated subsidies (FOC + others):	30 000
+ net income	30 000
<b>Total 1 = income =</b>	<b>60 000</b>
<b>Total 2 = distribution costs =</b>	<b>50 000</b>
<b>Excess = Total 1 – total 2</b>	<b>10 000</b>
Reduction of promotion amount = 50% of excess	= 10 000 * 50% = <b>5 000</b>
<b>Definitive promotion amount</b>	<b>15 000</b>
<b>2nd instalment = definitive promotion contribution – 1st instalment:</b>	<b>15 000 – 10 000 = 5 000</b>