

UNIFRANCE SELECTIVE AID FOR THE DISTRIBUTION OF FEATURE-LENGTH FILMS ABROAD

I. Aims and general rules

In order to strengthen and renew distribution strategies in foreign markets for French cinematographic works, Unifrance and the CNC have decided to set up a financial support scheme for the distribution of such works abroad.

Depending on the work distributed and the territory concerned, the aid granted will nurture the offer of French cinematographic works which the market would not allow to spontaneously emerge and reinforce cultural diversity, while at the same time providing a lever for the distribution of more commercial French cinematographic works by offering a sort of insurance to operators willing to take the substantial risk required to achieve the full potential of these works.

In both cases, the scheme is designed to support experimentation in the use of innovative and promising distribution models with a reasonable chance of success, affording significant added value to French rights holders and their representatives.

In addition, to encourage foreign distributors to make more regular use of their VoD rights, and to improve the digital distribution of works, an experiment has been devised to cover technical and promotional costs involved in putting works online in a given territory.

Aid is granted upon the decision of the managing director of Unifrance acting on the recommendation of a commission known as the "foreign distribution aid commission", made up of industry professionals.

Regarding the number of applications likely to be made by foreign distributors, the highly selective nature of the aid is underlined. Not all projected releases will benefit from support. The commission's decisions will be final and there is no right of appeal.

The attribution of aid for the distribution of French works abroad is subject to the terms of the general regulations of exemption by category (EU) n° 651/2014 of the European Commission of 17 June 2014, published in the EU's official journal dated 26 June 2014, as modified by EU regulation n°2017/1084 of 14 June 2017 declaring certain categories of aid compatible with the internal market in application of articles 107 and 108 of the Treaty, notably those set out in Chapter I and article 54 of section 11 relating to aid schemes for audiovisual works. These regulations can be consulted on the European Union's portal at the following address:

https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32014R0651



II. Eligibility conditions

1. Conditions regarding beneficiaries

The beneficiaries of the aid are distributors, companies registered outside France which:

- 1. Hold distribution or use rights to an eligible work under the meaning of point 2 below
- 2. Present a release plan for the work that meets the criteria for attribution of the aid
- 3. Are not subject to temporary exclusion measures regarding this scheme

2. Conditions regarding works

To be eligible works must:

- 1. Have obtained certification under articles 211-57, in accordance with the CNC's general regulations on financial aid
- 2. Be in the French language
- 3. Be the subject of an initial theatrical movie release in the territory concerned by the request, or the first digital distribution on a VoD platform (in addition to the theatrical release) accessible in the territory concerned by the request as part of the aforementioned experiment
- 4. Be sold by an established international sales company in a European Union member-state or a state covered by the European economic space agreement
- 5. Have received a guaranteed minimum (GM) paid to the sales agent by the foreign distributor. However, at the suggestion of the foreign distribution aid commission, a request can be made for the planned release of a work that has not received a GM may be accepted if the aid request is accompanied by a letter explaining the reasons and details for this from the sales agent
- 6. Not have obtained selective aid for distribution from the MEDIA program, EURIMAGES, or any national distribution aid scheme at time of payment of the aid

3. Conditions relating to submitted projects

Unless part of an experiment in innovative distribution models, a project will not be considered if its release budget (technical and promotional costs) is more than 10 times greater than the maximum amount of aid set per country.

A single distributor cannot submit more than one application per session of the commission. The GM cannot be included in the release budget.

However, a second application may be submitted for the release of a documentary or animated film.

4. Criteria taken into account when considering projects



Projects must have a release strategy susceptible to give the works the best chance of success, depending on their potential.

The sales agent must provide Unifrance with a reasoned opinion regarding the project submitted by the distributor before the date of the commission. The latter must submit the release budget of the work involved in advance.

Special attention will be granted to the following requests:

- 1. Requests involving a work that was pre-bought (i.e. work acquired on script or demo-reel)
- 2. Requests involving a work that was selected at certain international festivals
- 3. Requests made by a distributor representing a major line-up of eligible works
- 4. Requests concerning a project with an innovative feature

III. Submission of applications and attribution procedure

1. Submitting applications

Application requests must be addressed to Unifrance within the deadlines set out in point #2 below.

Applications that are incomplete at time of submission will not be considered.

Applications can only be made by email to the Unifrance official for the territory concerned.

Applications can only cover works whose theatrical release or date of first digital distribution as part of the aforementioned experimentation is scheduled to fall between the date next commission and that of the last commission.

In the case of a release date being pushed back, the beneficiary is required to inform Unifrance at the earliest opportunity, at the risk of the annulment of the decision to grant aid. If the work <u>has not been released within four months of the scheduled date</u> that features in the request, the decision to grant aid will be annuled.

2. Provisional annual calendar of commissions

The provisional annual calendar of commissions is as follows:

- Commission n°1: End January/early February
- Commission n°2: End April/early May
- Commission n°3: End June/early July
- Commission n°4: End September/early October
- Commission n°5: Early December (subject to available budget)

Applications must be received no later than 3 weeks before the commission.



3. Content of aid requests

To obtain the aid, the distributor must submit to Unifrance an application containing the following elements:

- Request letter (detailing release strategy)
- Detailed release budget using the form supplied by Unifrance
- Description of the distributor
- Contract between the distributor and the sales agent, or the series of contracts between these parties in the case of a sale through one or more intermediary.

The distributor must send a detailed release budget to the sales agent. The latter must submit a reasoned opinion on the release as part of the application.

The distributor is also strongly advised to supply the following documents:

- Marketing plan
- Elements for an advertising campaign
- Promotional posters
- A list of towns and cinemas where the work will be screened, or a list of the VoD platforms on which it will be available

4. Amount and payment of aid

- 1. For each distribution territory, a maximum amount of aid has been set. Any decision to grant aid can lead to the attribution, notified once the commission has met, of a fixed part and part conditional on the work's commercial performance.
 - The entirety of the aid may also be conditional on how the work performs.
 - The total amount of aid (the fixed part plus, where applicable, the conditional part) cannot exceed the amount of the GM paid by the beneficiary for the work in question.
- 2. The total amount of public aid cannot exceed 50% of the total costs (technical and promotional costs) accrued by the distributor to release the work in the territory concerned.
- 3. The beneficiary of the aid must send Unifrance by email copies of invoices that correspond to their expenditure <u>no later than five months</u> after the theatrical release date of the work or the date of its first digital availability, otherwise the decision to attribute the aid may be annulled and a temporary exclusion from the scheme imposed.

The aid is paid in full to the beneficiary in the months following notified approval of invoices and, if applicable, the number of admissions recorded in the territory.

In the case where the definitive amount of spending actually paid out is between 80% and 100% of the amount initially declared, the fixed amount of aid may be recalculated pro rata with the actual spending.

The aid will not be paid when the definitive amount of actual spending is less than 80% of the amount initially declared in the application.

The aid cannot be transferred.



5. Exclusions

Decisions on the attribution of aid can be annulled immediately if the beneficiaries do not pass on to Unifrance the documents set out in article III. 4. 3 within five months of the date the work is released for theatrical releases or the first availability of the work on a VoD platform. If this is not done, the beneficiaries cannot submit another aid request for a **period of 12 months** starting from the end of these five months.

Your contacts

Territory managers at Unifrance, in charge of processing applications:

- Jean-Christophe Baubiat jean-christophe.baubiat@unifrance.org

 <u>Territories</u>: Africa, Greece, Netherlands, Middle East, Turkey, Vietnam, French-speaking territories
- Delphyne Besse delphyne.besse@unifrance.org Territories: Spain, Portugal, Latin America
- Isabelle Glachant chineseshadows@gmail.com Territories: China, Hong Kong, Taiwan
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- Yoann Ubermulhin yoann.ubermulhin@unifrance.org
 <u>Territories</u>: Germany, Austria, Italy, United Kingdom, Oceania

Manager overseeing the aid scheme and payment:

• Capucine Millien - capucine.millien@unifrance.org