



Ministero della cultura

DIREZIONE GENERALE CINEMA E AUDIOVISIVO

FILM DISTRIBUTION FUND – Year 2023

Guidelines for granting contributions to support the distribution of Italian cinematographic works beyond national borders.

The Director General

hereby issues the following call

Article 1

Subject Matter and Definitions

1. The present call contains the Guidelines for the allocation of contributions to support the theatrical and digital distribution beyond Italian borders for Italian cinematographic works whose run time exceeds 52 minutes.
2. In order to strengthen the distribution strategies of the above-mentioned films in foreign markets and to support their commercial circulation outside Italian borders, the Italian Directorate General for Cinema and Audiovisual of the Italian Ministry of Culture (MiC) has established a **Fund of € 2.100.000,00** for the year 2023. This Fund is specifically aimed at supporting the distribution and acquisition of theatrical and Internet exploitation rights by foreign independent local distribution companies, as defined in Article 1 Paragraph 7 Letter g), with registered offices in countries worldwide with the exception of Italy, San Marino, and Vatican City.
3. The coverage of the Fund is guaranteed pursuant to the decree of 14 March 2023, n. 112, Article 2 Paragraph 1 letter d).
4. In the case the Administration allocates to the purposes of these Guidelines additional resources, even derived from the residuals of the previous years, the Fund can be increased with subsequent administrative measures.
5. In the event that the approved requests do not exhaust the resources available on the Fund referred to in Paragraph 2, the unassigned financial allocation may be used to finance other lines of intervention.
6. The definitions in Law n. 220 of 2016 shall apply to the purposes of the present call.
7. Especially, for the purposes of the present call, the following terms and abbreviations will be adopted:
 - a) «DGCA»: the Directorate General for Cinema and Audiovisual of the Italian Ministry of Culture (MiC);
 - b) «film» or «cinematographic work», when the work is primarily intended for the public for viewing in movie theatres; the parameters and requirements to define this destination are





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established in the related decree of the Italian Ministry of Cultural Heritage and Activities and Tourism issued pursuant to Law n. 220 of 2016, Article 2 Paragraph 1 Letter b);

- c) «documentary»: the audiovisual work, whose creative emphasis is placed primarily on real events, places, or activities, including through the use of archive images, and in which any inventive or fantastic elements are instrumental in the representation and documentation of situations and facts, realized in the forms and the ways defined in the decrees referred to in Law n. 220 of 2016, Article 2 Paragraph 2;
 - d) «animated work»: the audiovisual work consisting of graphically created images, that is to say, images animated by means of any type of technique and on any support;
 - e) «cinematographic work of Italian nationality»: cinematographic work meeting the requirements to acknowledge its Italian nationality, pursuant to Law n. 220 of 2016, Article 5, as specified in the Prime Minister's Decree pursuant to the same Article 5;
 - f) «producer»: the Italian cinematographic or audiovisual company whose object is the production and creation of cinematographic and audiovisual works and which is also the owner of the economic rights of exploitation of the work pursuant to Law n.633 of April 22, 1941, and subsequent amendments;
as well as:
 - g) «local independent foreign distributor»: the local distributor that has its registered office in a foreign country and that is not controlled by or related to any linear audiovisual media service providers, that is to say on demand, or to a video-sharing platform service provider;
 - h) «International distributor»: the company, whose corporate purpose is the activity related to the distribution abroad, and that is the owner of the rights of international and worldwide exploitation of films which have been acquired from the producer or the producers through a regular rights transfer agreement. The terms “foreign seller” or “world sales” are synonyms according to market terminology.
8. The aid granted is intended for the local independent foreign distributors to promote the sales of Italian nationality cinematographic works beyond national borders, offering support to these operators for the acquisition of theatrical exploitation rights for the territory where they operate, with the aim of reducing their business risk and allowing the financed works to reach the widest possible diffusion abroad.
9. Moreover, in order to enhance the digital diffusion of these cinematographic works beyond the Italian borders, on a trial basis, further support is being prepared for the acquisition of Internet exploitation rights by local independent foreign distributors.
10. The functioning of the Fund for the year 2023 is regulated by these Guidelines and the aid is granted on a selective basis. Three evaluation sessions are planned for 2023.
11. The contribution is assigned by the Evaluation Commission in accordance with Article 3 of these Guidelines.





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Article 2

Visibility

1. The beneficiaries must give visibility to the MiC, under penalty of forfeiture of the contribution, by placing the DGCA-MiC logo and by adding the statement “With the support of the Film Distribution Fund of the Italian Ministry of Culture (MiC) in collaboration with Cinecittà”, on all promotional materials, such as posters, trailers, promotional cards, on-line materials, etc.

Article 3

General conditions and deadlines of a grant application

1. The contribution is non-repayable. Concerning theatrical distribution, the maximum amount of financial support per film per country shall not exceed **EUR 50.000,00**; while for Internet distribution shall not exceed **EUR 15.000,00**.
2. In any event, the maximum amount of financial support shall not exceed the costs declared on the estimated budget and verified through the final balance.
3. The application can be submitted by the local foreign distributor with registered offices within the country where the film is distributed.
4. Sub-licensing between two distributors from the same country is not possible, while in the event the rights will be sub-licensed to another distributor from another country included in the original contract, the sub-licensee can ask for the contribution for the distribution in his own country, provided that the total amount of contributions requested shall not exceed the maximum limits set out by Paragraph 1 of this Article.
5. The contribution will be awarded in three evaluation sessions of **EUR 700.000,00** each, of which **EUR 550.000,00** for theatrical release and **EUR 150.000,00** for Internet release.
6. The Application Form, complete with all required supporting documents mentioned in the present Guidelines, must be sent to the following e-mail address: distributionfund@cinecitta.it respectively no later than **June 30th, 2023** (First call 2023), **September 30th, 2023** (Second call 2023) and **December 31st, 2023** (Third call 2023).
7. It is possible to request the contribution only and exclusively for films whose theatrical release or first digital distribution of Internet rights occurred no earlier than 150 days from the date of the related call or will occur no later than 120 days from the date of the same related call.
8. Only the applications received in English and sent by e-mail within the terms indicated above will be taken into consideration.
9. The Evaluation Committee will meet within a maximum of 90 working days from the closing date of the session.
10. Any residual funds remaining from previous years can be allocated and used to increase the available amount for the individual sessions until funds are exhausted.





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Article 4

Eligibility and exclusion criteria

1. The criteria that allow a cinematographic work to be eligible for the contribution are stated below:
 - a) films registered in the Public Register of Cinematographic and Audiovisual works, whose transfer contracts are duly recorded on the register pursuant to the Prime Minister's Decree of January 8th, 2018, and subsequent amendments;
 - b) films provided with a definitive Italian nationality, that is those films that have applied for a definitive Italian nationality, and provided with the permit for public screening or the rating classification from DGCA;
 - c) films whose definitive copy has been deposited at the Italian National Film Archive;
 - d) films realized within 36 months prior to the date of submission of the application: the date when the permit/rating classification has been obtained from DGCA will serve as proof;
 - e) for requests aimed at theatrical release, films whose exploitation rights sales agreement with the local independent foreign distributor includes the assignment of theatrical rights with a Minimum Guarantee;
 - f) for requests aimed at Internet release, films whose exploitation rights sales agreement with the local independent foreign distributor includes the assignment of Internet rights with a Minimum Guarantee.
2. The following types of films are not eligible for the contribution:
 - a) films resulting to be minority co-productions within the territory of the major producer;
 - b) films for which a foreign local distributor has acquired worldwide distribution rights;
 - c) films for which the theatrical rights have been sold for a Minimum Guarantee of less than EUR 2.000,00;
 - d) films for which the Internet rights have been sold for a Minimum Guarantee of less than EUR 1.500,00;
3. Only the release taking place in theatres open to a paying audience will be considered a "theatrical release". In order to obtain the contribution, the local independent distributor shall provide official proof of theatrical exploitation (bordereau, contracts with movie theatres) as follows:
 - a) for feature-length fiction and animation films: programming at least in 5 movie theatres for a minimum of 15 screenings within 21 days from its theatrical release date;
 - b) for feature-length documentary films: programming in at least 3 movie theatres for a minimum of 9 screenings within 21 days from its theatrical release date.
4. Please note that for the purpose of this fund, any screenings at local festivals, retrospectives, special events, or previews will not be considered "theatrical releases".





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5. Only the release taking place on the Internet on a minimum of 2 online platforms having local, national or international relevance will be considered “Internet release”.
6. In order to obtain the contribution, the local independent distributor shall provide official proof of online exploitation by sending valid proof of having made the film available on the platforms, as well as the sub-license contracts with the above-mentioned platforms or with intermediaries/aggregators.

Article 5

Applicants

1. Independent foreign local distribution companies as defined in Article 1 Paragraph 7 Letter g) with registered offices in countries worldwide except for Italy, San Marino, and Vatican City are eligible to apply for the contribution. Legal entities other than the corporate type are not eligible.
2. In the event of the application for a contribution aimed at theatrical release, the independent foreign local distribution company must have acquired the theatrical exploitation rights for eligible Italian films. A rights acquisition agreement must be signed, providing the payment of a Minimum Guarantee specifically for theatrical rights.
3. In the event of the application for a contribution aimed at Internet release, the independent foreign local distribution company must have acquired Internet exploitation rights for eligible Italian films. A rights acquisition agreement must be signed, providing the payment of a Minimum Guarantee specifically for Internet rights.
4. The independent foreign local distributor is committed to bearing the full costs related to the distribution of the film subject to contribution and to include the received sum in the royalty reports submitted to the licensor, as a reduction of the distribution costs that is to say the Minimum Guarantee.

Article 6

Evaluation Procedures

1. The Evaluation Committee will be formed by 3 representatives selected from the film industry, the main national audiovisual institutions, or among renowned experts in the field, appointed by decree of the Italian Directorate General for Cinema and Audiovisual of the MiC.
2. The Committee will evaluate the contribution application by applying the following criteria:
 - a) completeness of documentation and information delivered within the time limit set by these Guidelines;
 - b) Minimum Guarantee consistent with the average market value of the sales in the specific territory of demand;
 - c) business risk of the distributor and assessment of the ratio of distribution cost to the Minimum Guarantee provided in the contract;
 - d) promotional and distribution strategy of the film with a particular focus on the following criteria:





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- innovation of the distribution model;
 - assessment of the distribution strategy, with a view to the actions taken to give the film the best chance of success;
 - strategies to engage and attract a target audience (e.g. young people, specific community, etc.);
 - accessibility;
 - participation in festivals in the foreign Country where the film is distributed;
 - selection and acquisition of works beneficiary of selective contributions according to the Law n. 220/2016;
- e) Consistency between the P&A costs and the promotional and distribution initiatives:
- coherence and consistency of the cost items;
 - promoting the project in terms of visibility in the press, social media, and other communication channels;
 - making the film accessible for people with disabilities;
 - organizing events with the attendance of Italian talents.
- f) Company Profile of the applicant and track records of already released Italian films.
3. Particular attention is paid to those films that are subject to presale and to those that have been selected in major international film festivals.
4. The results of the assignments of the contributions will be published on the website www.cinecitta.com section named: Gestione Fondi Cinema – Fondi Internazionalizzazione and on the webpage of DGCA, within 30 working days following the Committee meeting.

Article 7

How to submit the application

1. In order to apply for the contribution, both the distributor and licensor (world sales or producer) must send to the following email address distributionfund@cinecitta.it, within the deadline set by Article 3 of these Guidelines, the following documents:

Section for the Distributors:

- a) **Application Form** bearing the electronic signature of the legal representative of the company submitting the application (the form can be downloaded from www.cinecitta.com section named Fondi Internazionalizzazione);
- b) **Declaration of compliance with the requirements** bearing the electronic signature of the legal representative of the company submitting the application (the form can be downloaded from www.cinecitta.com section named Fondi Internazionalizzazione);





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- c) **Privacy Statement** bearing the electronic signature of the legal representative of the company submitting the application (the form can be downloaded from www.cinecitta.com section named Fondi Internazionalizzazione);
- d) **P&A Budget form and Financial Plan** bearing the electronic signature of the legal representative of the company submitting the application (the form can be downloaded from www.cinecitta.com section named Fondi Internazionalizzazione);
- e) company profile of the company submitting the application, including track records: archive of the films released by the company in the past with box office results, with a focus on any possible Italian film already released;
- f) company registration to the local National Trade Register, both original language and English translation are required;
- g) a valid ID of the legal representative of the company submitting the application;
- h) a copy of the signed long-form agreement for the exploitation rights, in the event of sub-licensing, is necessary to send the complete series of agreements between the parties;
- i) **Marketing and Distribution Plan:**
 - if applying for the assignment of theatrical rights, the distributor shall send a detailed report of the planned promotional and marketing activities, with a forecast of the copies and the screens;
 - if applying for the assignment of Internet rights, the distributor shall send a detailed report of the planned promotional and marketing activities, with a forecast of the expected number of viewers and the online platforms to which the film license will be offered and/or on which the film is available;

Section for the Licensor (World Sales or Producer), which can be also sent separately:

- j) **Privacy Statement** bearing the electronic signature of the legal representative of the world sales company (the form can be downloaded from www.cinecitta.com section named Fondi Internazionalizzazione);
- k) if the Licensor is a world sales company and not the producer, it is necessary to send the agreement for the assignment of worldwide exploitation rights duly recorded in the Public Register of Cinematographical and Audiovisual Works pursuant to the Prime Minister's Decree of January 8th, 2018 and subsequent amendments;
- l) if the Licensor is not Italian, it is necessary to send the registration of the company to the local national register of companies, both the original language and English translation are required;
- m) valid ID of the legal representative.





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Article 8

Payment Procedures, Controls and Penalties

1. Assignment of contributions will be subject to prior approval from the Italian Directorate General for Cinema and Audiovisual of the Mic and will be published both on the DGCA's webpage and the website www.cinecitta.com, section: Fondi Internazionalizzazione. The publication of the results will be made within 30 working days following the date of the Evaluation Committee meeting.
2. In order to receive the fund, the beneficiary distributors must send to the following email address distributionfund@cinecitta.it, within 90 days from the date of assignment in the event that the film has already been distributed or within 180 days from the date of the first theatrical or internet release in the event that the film has not yet been distributed, the following documents:
 - a) **Final P&A Report** bearing the electronic signature of the legal representative of the company submitting the application (the form could be downloaded from the website www.cinecitta.com section named: Fondi Internazionalizzazione). The accounting records must date from 180 days before to 120 days after the date of release in the territory concerned. Regarding the expenses, only traceable electronic payments are eligible;
 - b) copy of the royalty report related to the first 60 days from the distribution;
 - c) copy of bank wire transactions and bank statements related to the payment of the Minimum Guarantee;
 - d) Evidence of minimum exploitation requirements as provided in Article 4:
 - in the event of filing a request for the transfer of theatrical rights, the Distributor shall send a copy of the bordereau or of the agreements with movie theatres in compliance with the minimums set forth in Article 4 paragraph 3;
 - in the event of filing a request for the transfer of Internet rights, the Distributor shall provide official proof of the date of the beginning of the online exploitation, valid proof of having made the film available on the platforms, and the agreements with the platforms or with intermediaries/aggregators in compliance with the Minimums set forth in Article 4 paragraph 5;
 - e) digital copy of the main promotional materials (poster, trailer, postcards, banner, etc.) in compliance with Article 2 (MiC Visibility);
 - f) press release on the film.
3. In the event the costs resulting from the Final P&A Report are lower than 10% of the estimated costs declared in the budget P&A, the fund will be proportionally reduced.
4. If in compliance with the present call, the result of the preliminary investigation is favorable, within 90 days from the submission of the request for the balance of the contribution, the form to request the release of funds will be sent through e-mail. The form shall be returned signed and complete with all the information concerning the bank details needed to pay the final contribution.





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5. The assigned contribution cannot be transferred to third parties and cannot serve as a guarantee or be available to third parties for other deeds.
6. In case of forfeiture, for any reason whatsoever, there included exceeding the terms set out in these Guidelines, the unused amounts will be reallocated to the Fund and made available for future Calls until funds are exhausted.
7. Within 5 years from the payment of the contribution, the Italian Directorate General for Cinema and Audiovisual could request further documentation deemed necessary in order to verify the compliance of the elements communicated with the eligibility requirements to receive the benefits set out in this Call.
8. The Italian Directorate General for Cinema and Audiovisual of the Italian Ministry of Culture (MiC) or Cinecittà S.p.A. reserves the right to request any further documentation, including accounting documents, or clarifications, or carry out inspection activities, both in form of documentary check and on-site inspections carried out by official representatives and/or external officers. These inspections could be also carried out upon notification by the Committee and are aimed at verifying and ascertaining both compliance with the set-out conditions to be granted the contribution, and the authenticity of the credentials.
9. In case of false declarations or omitted communications or false documents submitted when applying for contributions, in addition to the revocation of the granted contribution and the refund of the total amount received, pursuant to Article 37 of Law n. 220 of 2016, it is ordered the exclusion of the beneficiary from all contributions established by this Law. This same treatment will affect any other undertaking or body which includes shareholders, directors, and legal representatives of a company or body excluded from the contributions pursuant to this paragraph.

Article 9

Publication

1. These Year 2023 Guidelines shall enter into force upon their publication on the website www.cinecitta.com in the section named Fondi Internazionalizzazione.

The Director General
(Dr. Nicola Botrelli)

