



**DANISH FILM  
INSTITUTE**

**TERMS FOR  
SUPPORT FOR  
FEATURE  
FILMS**

**Valid from 1 July 2016**

Gothersgade 55  
1123 Copenhagen K  
Tel: +45 3374 3400  
dfi.dk

**Film support**

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# 1 PURPOSE

- 1.1** The Danish Film Institute (DFI) can subsidise screenplay development, the project development, production and promotion of Danish feature films, and the participation of Danish film producers in international feature-film co-productions.
- 1.2** The purpose of DFI subsidies is to secure the continual production and dissemination of different types of films, so that the overall range of films – in terms of artistic quality, diversity, volume, and audience appeal – sustains and develops Danish cinematic art and film culture, both domestically and internationally.
- 1.3** Film subsidies can be awarded under the Commissioner Scheme, the Market Scheme and the Minor Co-Production Scheme, respectively, and as support for the promotion of Danish feature films; cf. the Danish Film Act and the Danish Film Agreement in force at the time.
- 1.4** Subsidies are awarded by the DFI's board of directors.

# 2 SCREENPLAY SUBSIDIES

- 2.1** Under the Commissioner Scheme, the DFI can award subsidies for screenplay development, including early concept development, synopsis, storyline, treatment, screenplay research, screenplay writing, dramaturgical assistance, and acquisition of screenplay rights. Under the Market Scheme, the screenplay subsidy is awarded as part of the development subsidy; cf. item 3.
- 2.2** The purpose of screenplay subsidies is to secure the highest possible quality of the screenplay and to form a basis for the DFI's evaluation of a possible subsequent application for development or production subsidies for the film project.
- 2.3** Screenplay subsidies can be awarded to a writer, a writer-director, a producer, or a team of the aforementioned. If the subsidy recipient is a producer, a contract with a screenwriter and, if relevant, a contract with a director, must be presented to the DFI.
- 2.4** Screenplay subsidies for acquiring the rights to a literary property, or an option on such rights, are awarded to a producer. The subsidy may constitute no more than 50 % of the cost of acquiring such rights.
- 2.5** If application is made for a subsidy to treat a copyright-protected work, the application will not be approved until the applicant has documented that he/she holds or is able to acquire the necessary rights to the work.
- 2.6** When applying for screenplay subsidies, the DFI's [application form](#) must be used.

Applications for screenplay subsidies must include:

- Synopsis or pitch
- Treatment, screenplay or project description
- CVs of key project participants
- Writer's vision

Upon approval, the following additional documents must be submitted to the DFI:

- Rights agreements

Applications must also include the expected submission date as well as information on possible previously affiliated writers and other rights holders. Furthermore, the applicant must state whether the project has received or applied for other funding for screenplay development.

**2.7** The film commissioners may refuse to process subsidy applications for screenplays which in the DFI's estimation are not covered by the subsidy scheme for feature films because the screenplay lacks a significant and/or clear fiction approach, fiction elements, fictive storyline etc.

**2.8** The subsidy recipient will be notified about the DFI subsidy award in a funding contract.

Screenplay subsidies are normally paid in two instalments: the first instalment after the DFI has received the subsidy recipient's written acceptance of the funding contract, and the second instalment after the result of the subsidised project has been approved by the DFI, referring to the recommendation on which the funding contract was based, and the submitted accounts for the DFI subsidy have been approved by the DFI in accordance with the funding contract; cf. item 2.10.

**2.9** The subsidy recipient must continually inform the DFI about significant changes to the project, including, among other things, about the replacement of key project participants, changes concerning rights to the project and the screenplay, economy and financial conditions concerning the project etc.

**2.10** The subsidy recipient must submit accounts for the project in accordance with items 6.10.1 and 6.10.2 no later than one month after the expected date for the completion of the screenplay as set out in the schedule.

For subsidies of DKK 100,000 or less, which are awarded solely for screenplay development in accordance with a screenwriter contract, the screenwriter contract constitutes the subsidy recipient's submission of accounts for the project in accordance with items 6.10.1 and 6.10.2.

**2.11** A funding contract for screenplay development does not imply a commitment to a subsequent awarding of a development or production subsidy.

**2.12** If the film project is later awarded a production subsidy from the DFI, the screenplay subsidy is considered a part of the total subsidy, which is subject to a repayment obligation.

**2.13** If the film project is not awarded a production subsidy, the screenplay subsidy is not to be repaid; cf., however, item 6.12.2.

## 3 DEVELOPMENT SUBSIDIES

**3.1** Under the Commissioner Scheme and the Market Scheme, the DFI can subsidise the development of a film project.

Subsidies can be awarded under the Commissioner Scheme if development is deemed to be significantly important to strengthen the project artistically, financially or production-wise, or in relation to the film's target group or audience potential.

Subsidies can be awarded under the Market Scheme if development is deemed to be significantly important to strengthen the project dramaturgically, financially or production-wise, or in relation to the film's target group or audience potential.

- 3.2** The purpose of development subsidies is to secure the optimum development of the project and to form a basis for the DFI's assessment of a possible subsequent application for a production subsidy for the film project; however, cf. item 3.8.10.

Subsidies can be awarded for all forms of development costs, including initiatives that support or develop the promotion of the film. Under the Market Scheme, subsidies can also be awarded for screenplay development; cf. item 2.

- 3.3** Projects applying for development subsidies must have a director and a producer attached.
- 3.4** Before a decision to recommend the award of a development subsidy is made, the DFI performs a production and financial assessment of the project and a promotion assessment, if relevant.
- 3.5** When applying for development subsidies, the DFI's application form for [the Commissioner Scheme](#) / [the Market Scheme](#) must be used. Applications for funding under the Market Scheme are processed in fixed application rounds; cf. the funding scheme's website.

**Applications for development subsidies must include:**

- Synopsis
- Treatment, screenplay or project description
- Project status
- The director's vision
- Promotion proposal (when applying under the Commissioner Scheme)
- Description and goals of the development
- Schedule
- Budget
- Financing plan
- Estimated production and financial framework for the completed film
- Chain of title: screenwriter, director, and any published or sourced material
- CVs of key project participants
- Visual material

**Applications under the Market Scheme must also include:**

- Master data
- Front page and basis of [promotion plan](#)

**3.6 Budget and financing plan**

- 3.6.1** Development subsidies are awarded based on a budget and financing plan that have been approved by the DFI. The budget must show all costs and expenses at market prices in DKK.
- 3.6.2** The DFI does not approve development budgets that are continually updated in relation to the budget approved in accordance with the funding contract.

- 3.6.3** All expenses and costs incurred prior to the application date must be approved separately by the DFI if they are to be included in the budget.
- 3.6.4** The DFI will not normally approve a budget for a development project that contains a contingency margin.  
Administration costs of no more than 7 % of the budgeted development costs, excluding any contingency margin, may be included in the development budget, unless the development subsidy is awarded exclusively for screenplay development.
- 3.6.5** A development funding contract cannot be issued until the producer has documented that the budget is fully financed.

### **3.7 Payment of instalments**

- 3.7.1** The subsidy recipient will be notified about the DFI subsidy award in a funding contract.
- 3.7.2** Development subsidies are normally paid in two instalments: the first instalment after the DFI has received the producer's written acceptance of the funding contract, and the second instalment upon the DFI's approval of the final accounts and the development result.

### **3.8 Reporting and accounts**

- 3.8.1** The subsidy recipient must continually inform the DFI about significant conditions concerning project development progress and about significant changes to the project, including, among other things, the replacement of key project participants etc., schedule changes, changes concerning rights, economy and financial conditions concerning the project etc.
- 3.8.2** If the total development costs for the project will entail an overrun of the approved budget, including the entire contingency margin, the producer must prepare a new financing plan with documentation for the financing of the over spend, which must be presented to the DFI for information. The DFI's receipt of a new financing plan does not imply an approval of the over spend or any other deviations in relation to that which has previously been approved by the DFI.
- 3.8.3** The subsidy recipient is responsible for the completion of the project development and must submit accounts for the DFI's approval no later than one month after the anticipated completion date for the project development as set out in the schedule; cf. items 6.10 and 6.11.
- 3.8.4** For subsidies of DKK 100,000 or less, which are awarded under the Market Scheme solely for screenplay development in accordance with a screenwriter contract, the screenwriter contract constitutes the subsidy recipient's submission of accounts for the project in accordance with items 6.10. and 6.11.
- 3.8.5** Normally, a final commitment to the awarding of a subsequent development subsidy for the project cannot be issued until development accounts for the preceding development subsidy have been submitted, which can be approved by the DFI.
- 3.8.6** If a subsidy recipient is awarded more than one development subsidy for the same film project, the DFI may grant an exemption from the requirement in 3.8.5, cf. items 6.10 and 6.11, that audited development accounts must be submitted for each development subsidy prior to the date at which subsequent development subsidies are awarded.  
If the DFI grants an exemption in accordance with the above, the subsidy recipient must submit audited accounts for each individual development project in accordance with items 6.10 and 6.11 simultaneously and no later than three months after the anticipated date of completion that is set out in the schedule for the development project that was awarded a development subsidy last.

- 3.8.7** Normally, a production subsidy cannot be awarded until accounts have been submitted for the development project; cf. items 6.10 and 6.11.
- 3.8.8** The DFI may grant an exemption from the requirement that accounts must be submitted for the development project before the project can be awarded a production subsidy in connection with the board of directors's reservation of a production subsidy for a certain period (LOC), cf. item 4.6, if the DFI considers this necessary for the realisation of the project. The LOC cannot be converted into a production subsidy until, at the earliest, the conditions in the LOC have been fully met and audited accounts for the development project have been submitted; cf. items 6.10 and 6.11.
- 3.8.9** Any savings in the approved development accounts against the approved budget must immediately be repaid to the DFI in a proportion equal to the DFI subsidy's share of the total development budget.
- 3.8.10** A commitment to a development subsidy does not imply a commitment to a subsequent production subsidy.
- 3.8.11** If at a later stage the film project is awarded a production subsidy from the DFI, the development subsidy is considered a part of the total subsidy, regardless of whether the recipient of the development subsidy is somebody other than the recipient of the production subsidy.

If the film project is not awarded a production subsidy at a later stage, the development subsidy is non-repayable; cf., however, item 6.12.2.

## 4 PRODUCTION SUBSIDIES

- 4.1** Under the Commissioner Scheme, the Market Scheme and the Minor Co-Production Scheme, the DFI can subsidise the production of a feature film.
- 4.2** Before a decision to recommend the award of a production subsidy is made, the DFI performs a production and financial assessment of the project and an assessment of the film's promotion and distribution potential.
- Projects applying for funding under the Market Scheme may only apply for production subsidies twice, unless the DFI assesses that the project can be improved significantly.
- 4.3** Applications cannot be submitted for a production subsidy for a project if the project's director is also the director of another feature film project that has been awarded a production subsidy from the DFI, and which in the DFI's estimation has not yet been completed adequately.
- 4.4** When applying for production subsidies, the DFI's application form for [the Commissioner Scheme](#) / [the Market Scheme](#) must be used. Applications for funding under the Market Scheme are processed in fixed application rounds; cf. the funding scheme's website.
- 4.5. Applying for production subsidies for films with a Danish majority producer**
- Applications for production subsidies must include:**

- Synopsis
- Screenplay
- The director's vision
- The producer's vision
- Production concept
- Cast list
- Crew list
- Schedule
- Budget
- Budget for regional costs, if applicable
- Financing plan
- Promotion plan
- Distribution agreement
- Chain of title: screenwriter, director, and any published or sourced material
- CVs of key project participants
- Visual material

**Applications under the Market Scheme must also include:**

- Master data
- Written confirmation of financing of at least 60 % of the budget

Upon approval, the following additional documents must be submitted to the DFI:

- All documents and vouchers that have been audited, changed or added after the application date
- All other agreements made concerning the film (including collect and completion bond agreements)
- Co-production agreements, TV sales contracts and any international sales contracts
- Copies of contracts concerning the film's financing
- Repayment plan
- Delivery 1 ([the Commissioner Scheme](#) / [the Market Scheme](#))

## **4.6 Letter of Commitment (LOC) and Letter of Interest (LOI)**

- 4.6.1** If the film's financing has not been finally confirmed through written agreements and/or not all documents listed under item 4.5 are complete, the DFI may reserve a production subsidy for a period specified in a Letter of Commitment (LOC) in connection with the board of directors's awarding of the subsidy. A funding contract cannot be issued until all conditions in the LOC have been fully met.
- 4.6.2** If the conditions in the LOC are not met within the time limit stipulated in the LOC, the reserved production subsidy will become void.
- 4.6.3** In special cases, the LOC can be extended based on a written request from the applicant.
- 4.6.4** The DFI may issue a Letter of Interest (LOI) without a subsidy amount to show its interest in a project. However, an LOI is no guarantee that the project will be subsidised.
- 4.6.5** The DFI may indicate a non-binding estimated amount for the subsidy that the DFI would consider recommending to the board of directors if the DFI decides to recommend that the project be awarded a subsidy at a later stage. The DFI and the board of directors of the DFI are under no obligation to award the project the subsidy amount stated in the LOI at a later date, nor to recommend that the project be awarded a subsidy. The DFI and the board of directors can decide to recommend and/or award another subsidy amount, and not to award



funding for the project.

## **4.7 Budget and financing plan**

- 4.7.1** Production subsidies are awarded based on a budget and financing plan that have been approved by the DFI. The budget must show all costs at market prices in DKK.
- 4.7.2** For applications under the Market Scheme, 60 % of the financing must be confirmed at the date of application in the form of written and signed agreements. Previously awarded subsidies from the DFI are not included in the 60 % of confirmed financing.
- 4.7.3** The DFI does not approve continually updated production budgets in relation to the budget approved in accordance with the funding contract; cf. item 4.7.1.
- 4.7.4** All expenses and costs incurred prior to the application date must be approved separately by the DFI if they are to be included in the budget.
- 4.7.5** The budget must include the following items:  
The DFI-approved development accounts in a separate budget item.  
A budget contingency margin of at least 5 % and no more than 10 % of the budgeted production costs, excluding the costs of screenplay development, project development, administration, completion bond, bridge financing and collecting agent.

For minority productions, the budget may contain a budget contingency margin of no more than 10 % of the Danish producer's share of the budgeted production costs, excluding costs related to administration, completion bond, bridge financing and collecting agent.

For certain budget items, the following applies:

Administration expenses may constitute no more than 7 % of the budget, excluding the costs of screenplay development, project development, completion bond, bridge financing, collecting agent and contingency margin.

For minority productions, administration expenses may constitute no more than 7 % of the Danish producer's share of the budgeted production costs, excluding the costs related to screenplay development, project development, completion bond, bridge financing, collecting agent and contingency margin.

The amount of the producer's fee must be approved by the DFI, taking into consideration the nature and scope of the individual production.

- 4.7.6** All financing agreements, co-production agreements and project contracts for the film, including the producer's own investment in the film, must be presented to the DFI. The financing and co-production agreements as well as the project contracts must specify the division of the film's financing and rights among co-producers, investors and the Danish producer.
- 4.7.7** A production funding contract for the film cannot be drawn up until the producer has documented that the budget, including a contingency margin, is fully financed.
- 4.7.8** The DFI's subsidy rate is calculated in a proportion equal to the DFI subsidy's share of the film's total financing, based on the DFI-approved production budget in accordance with the DFI's production funding contract; cf. item 4.7.1.

## **4.8 Supplementary production subsidies**

In rare cases, the DFI can award supplementary production subsidies to ongoing

productions. Subsidies can normally be granted only if the entire budget contingency has been expended.

Applications for supplementary production subsidies are subject to the same conditions as those that apply to applications for production subsidies.

In addition, applicants applying for supplementary production subsidies must submit an updated cost report to the DFI.

Applications cannot be submitted for supplementary production subsidies to cover administrative expenses, and normally, the budget may not include a budget contingency margin.

## **4.9 Regional subsidies**

**4.9.1** The DFI can award regional subsidies for feature film production taking place outside the capital area. The capital area is to be understood as the geographical area covered by the Capital Region of Denmark, excluding Bornholm.

**4.9.2** Regional subsidies can only be awarded to films that have been awarded a production subsidy.  
Subsidy applications may be submitted, at the earliest, together with the application for a production subsidy, and, at the latest, before the LOC is converted into a funding contract.

**4.9.3** When applying for regional subsidies, the DFI's [application form](#) must be used.  
Applications for regional subsidies must include a specified budget for regional costs related to production taking place outside the capital area.

**4.9.4** The DFI can award subsidies to partially cover local expenses incurred in connection with the production of the film, which contribute to the development of the local production environment.

**4.9.5** The DFI can subsidise all expenses that meet these requirements, apart from expenses related to development, transport and travel, accommodation and food, archive materials, legal assistance, administration and budget contingency.

**4.9.6** Audited accounts must be submitted for regional subsidies, documenting that the regional subsidy has been used locally outside the capital area and in conformity with the DFI's terms for the awarded subsidy. The regional accounts must form part of the complete production accounts for the film; cf. items 6.10 and 6.11.

**4.9.7** Unspent regional subsidies and regional subsidies that have not been used outside the capital area must be repaid to the DFI.

## **4.10 Minority productions (co-productions with a foreign majority producer)**

**4.10.1** Under the Minor Co-Production Scheme, the DFI can award production subsidies for foreign film projects where the Danish producer, cf. item 6.2, is not the majority producer, with up to 60 % of the Danish producer's share of the production costs. The Danish producer's share of the production costs, including fees and salary expenses for Danish creative and/or technical participation, cf. items 6.3 and 6.4, must be approved by the DFI.

**4.10.2** In order for minority productions with a foreign majority producer to receive subsidies, the application must be made by a Danish producer, cf. item 6.2, there must be Danish creative and/or technical involvement in the production, cf. items 6.3 and 6.4, a distribution agreement must have been made for Danish cinema distribution or for broadcast on Danish

television, and the majority financing must be confirmed in written agreements.

- 4.10.3** No later than two months after the film's commercial world premiere and/or first screening at an international festival, a complete plan must be submitted for the film's distribution across windows in Denmark.

Any exemption from Danish cinema distribution and/or screening on Danish television must be applied for at the latest four months after the film's commercial world premiere and/or its first screening at an international festival.

- 4.10.4** If the agreement(s) about Danish distribution is/are cancelled, and the producer does not make any other agreement to replace cancelled agreements, the DFI automatically and free of charge acquires the right to distribute the film in Denmark by streaming the film to individuals on its own platforms, presently known or future, and by making the film available in such a way that individuals gain access to the film at an individual place and time.

The DFI's acquisition of rights as described above is non-exclusive and valid for a period of five years, calculated from the film's world premiere.

- 4.10.5** Application can only be made once per project, unless the DFI assesses that the project has been significantly changed.

- 4.10.6** When applying for subsidies for minority productions, the DFI's [application form](#) must be used.

**Applications for production subsidies for minority productions must include:**

- Synopsis
- Screenplay
- The director's vision
- Cast list
- The producer's vision
- Crew list
- Schedule
- Budget in DKK
- Specified budget for the Danish share of the budget costs (Danish spend) in DKK
- Financing plan in DKK (organised by country)
- Co-production agreement
- Distribution agreement
- Details of pre-sale to Danish TV station
- Financing agreements
- CVs of key project participants
- Other, if applicable: Applicants are encouraged to attach or physically forward various materials (previous films by the director, mood-boards, and, in connection with animation films, storyboard etc.).

Upon approval, the following additional documents must be submitted to the DFI:

- All documents and vouchers that have been audited, changed or added after the application date
- Chain of title: screenwriter, director, and any published or sourced material
- Repayment plan
- All other signed agreements concerning the film

- 4.10.7** Other conditions in the present subsidy terms also apply to minority productions, unless they

are specifically dispensed with.

#### **4.11 Payment of instalments**

**4.11.1** The subsidy recipient will be notified about the DFI subsidy award in a funding contract.

**4.11.2** Production subsidies are paid to the producer in instalments, which are specified by the DFI in the commitment.

The DFI reserves the right to change the dates of payment and the amounts of the instalments if the schedule, production plan etc. are changed significantly.

**4.11.3** The first instalment will be paid after the DFI has received the producer's written acceptance of the funding contract.

**4.11.4** The third to last instalment, constituting at least DKK 200,000, will be paid when the DFI has received and approved the film's PR and archive materials for use by DFI's PR, publishing and festival work one month prior to the film's world premiere; cf. item 4.12.2.

**4.11.5** The second to last instalment, constituting DKK 200,000, will be paid once the ISAN number and archive materials have been delivered to, and approved by, the DFI Film Archive; cf. item 4.12.

**4.11.6** The final instalment, constituting DKK 200,000, will be paid in full or in part when the production accounts for the film have been approved by the DFI; cf. items 6.10 and 6.11.

#### **4.11.7 Payment of instalments for minority productions**

For minority productions, production subsidies are normally paid in three instalments, which are specified in the commitment.

The first instalment will be paid upon the DFI's receipt of the producer's written acceptance of the funding contract.

The second instalment will be paid when the DFI has received and approved the PR and archive materials for the film for use in the DFI's PR, publishing and festival work, cf. item 4.12.2, and archive materials have been delivered to and approved by the DFI Film Archive and Stills Archive, cf. item 4.12.1.

The final instalment will be paid when the production accounts for the film have been approved by the DFI; cf. items 6.10 and 6.11.

#### **4.12 Delivery of materials**

**4.12.1** The producer must deliver an ISAN number and archive materials relating to the film to the DFI Film Archive and Stills Archive, cf. the Legal Deposit Act in force on the date of delivery, in accordance with the applicable delivery list under [the Commissioner Scheme](#) / [the Market Scheme](#).

**4.12.2** The producer must deliver materials relating to the film, for use in the DFI's PR, publishing and festival work, in accordance with the delivery list in force on the date of delivery, under [the Commissioner Scheme](#) / [the Market Scheme](#).

**4.12.3** The technical quality of the delivered materials must be approved by the DFI; cf. [Technical specifications](#).

**4.12.4** Delivery in accordance with 4.12.1, 4.12.2 and 4.12.3 must be made free of charge and may be included in the production budget.

**4.12.5** It is a requirement that films that have received production subsidies from the DFI, and which have their cinema premiere in Denmark, must be delivered with Danish subtitles.

### **4.13 Reporting and production accounts**

**4.13.1** The producer must continually inform the DFI about significant changes concerning project progress and about significant changes concerning the production, including, among other things, the replacement of key project participants etc., schedule changes, changes concerning rights, economy and financial conditions concerning the project etc.

**4.13.2** The DFI is entitled to monitor the production of the film on an ongoing basis, including viewing of cuts in reasonable time before the final version of the film.

**4.13.3** During the production, the producer must forward informative progress reports to the DFI for information, including summarising notification about significant conditions concerning production progress and the film's distribution and promotion. The reports must be forwarded halfway through the filming period, when the filming is complete, and once during the post production period.

**4.13.4** If the total production costs for the film will entail an overrun of the approved budget, including the entire contingency margin, the producer must prepare a new financing and repayment plan with documentation for the financing of the over spend, which must be presented to the DFI for information. The DFI's receipt of a new financing and repayment plan does not imply an approval of the over spend or any other deviations in relation to that which has previously been approved by the DFI.

**4.13.5** The producer must present the production accounts for the film to the DFI for approval no later than three months after the film's commercial world premiere; cf. items 6.10 and 6.11.

For minority productions, the production accounts with respect to the Danish share of the production costs must be audited and forwarded together with the complete film production accounts, which must contain an overview of the film's final funding organised by country.

**4.13.6** A budget overrun that is approved by the DFI must be transferred as an expense for the film to the film's revenue statement and must be reimbursed to the producer out of the film's revenue as a first priority, in accordance with the film's repayment plan.

Savings on the production accounts, including the total unspent contingency margin, must be transferred to the film as revenue in the revenue statement.

For minority productions, any savings on the Danish share of the production costs against the DFI-approved production budget must be listed as revenue.

Unspent contingency margins are non-repayable.

**4.13.7** The DFI's subsidy rate is calculated based on the most recently approved production budget.

The DFI's subsidy rate is calculated in a proportion equal to the DFI subsidy's share of the Danish producer's share of the production costs, based on the DFI-approved production budget in accordance with the DFI's production funding contract; cf. item 4.7.1.

Any DFI screenplay and development subsidies for the film project are included as a part of the film's production subsidy, regardless of whether the recipient of these subsidies is somebody other than the recipient of the production subsidy.

For minority productions, the DFI's subsidy rate is calculated in a proportion equal to the DFI subsidy's share of the Danish producer's share (= Danish spend) based on the DFI-approved

production budget in accordance with the DFI's production funding contract; cf. item 4.7.1.

**4.13.8** If the producer procures financing that results in the total financing of the film exceeding the production costs with reference to the final production accounts, the DFI's subsidy will be reduced by a corresponding amount, which must be repaid to the DFI. This item does not apply to minority productions.

#### **4.14 Revenue statements**

**4.14.1** The film's revenue must be calculated partly with a view to repayment of subsidies to the DFI, partly for statistical purposes. The revenue statement must be based on the film's revenue in all countries and from all media.

**4.14.2** Promotion subsidies from the DFI, together with other public promotion funding, must be included in the revenue statement as revenue.

**4.14.3** All expenses and costs of any kind related to the promotion, marketing, sale and distribution of the film must be approved by the DFI if they are to be deducted from the revenue statement.

**4.14.4** Outright sales must be approved by the DFI.

**4.14.5** The DFI may at any time request full insight into the producer's and subsequent sellers' distribution and sales agreements and agreements of any other kind concerning the film.

**4.14.6** Both during and after production, the DFI is entitled to full insight into all payments, and the DFI may request that all payments concerning the film are made via a DFI-approved [collecting agent](#).

#### **4.14.7 The film's revenue is calculated as follows:**

##### Cinema distribution:

Revenue from Danish and other Scandinavian cinema distribution is calculated as the invoiced film proceeds (film rental) less the documented costs of distribution fees and the costs of distribution and promotion (COT).

##### Home entertainment:

Revenue from rental and sales of video (DVD, Blu-ray, etc.) and from VOD distribution (TVOD, SVOD, EST etc.) in Denmark and the rest of Scandinavia is calculated as the invoiced proceeds (from the retail trade) less the documented costs of distribution fees and costs of distribution and promotion (COT).

##### TV sales in Denmark:

Revenue from TV sales in Denmark is calculated as the sales price less the documented, directly incurred sales costs.

##### Other revenue:

Revenue from other foreign distribution (ROW) and from sales to, and distribution in, any other media than the above, in Denmark and abroad, is calculated as the sales price less the documented, directly incurred sales and distribution costs.

All other net revenue – e.g. sales of secondary rights relating to the film, including merchandising, remakes, sequels and the sale of soundtracks, as well as the producer's share of revenue from I/S Danske Filmproducenter's settlement of points – must be included in the film's revenue statement but offset before repayment is made.

Secondary remunerations received in accordance with Sections 13, 17, 30a, 35-46a of the Danish Consolidated Act on Copyright, and agreements covered by Section 50(2) and

corresponding foreign or international regulations or such that might later supplement or amend these provisions are not included in the film's revenue.

Revenue included in the film's financing, according to the approved production accounts, including minimum guarantees, pre-sales, etc., must be listed in the film's revenue statement but offset before repayment is made.

- 4.14.8** The producer or the collecting agent must submit a statement of the film's gross and net revenue (Revenue Statements) using DFI-approved forms.

The DFI must receive the revenue statements no later than 45 days after the end of each statement period.

The first statement period runs for six months from the date of the film's commercial world premiere, calculated from the end of the quarter in which the film premiered. After that, revenue is calculated once a year.

- 4.14.9** Revenue statements must be audited by a registered or state-certified accountant. The DFI can grant exemptions from this requirement, if the producer has transferred responsibility for accounting and distribution of the film's revenue to a DFI-approved collecting agent and if said collecting agent has assumed responsibility for submitting annual revenue statements etc. to the DFI in accordance with the present terms.

## **4.15 Distribution terms**

- 4.15.1** The DFI's distribution terms apply to the calculation of the film's revenue with a view to determining when repayment of production subsidies must be made to the DFI in accordance with item 4.16.

- 4.15.2** The DFI's distribution terms' regulations on distribution fees do not apply to minority productions for which agreements have been made about arthouse cinema distribution in Denmark. An arthouse cinema is to be understood as a cinema that can be approved by the DFI as an arthouse cinema in accordance with the DFI's 'Terms for subsidies to Danish cinemas, art cinemas and cinema initiatives'.

- 4.15.3** The producer is obligated to make such distribution agreements for the film as to secure the film the widest possible potential exploitation and distribution in all media.

- 4.15.4** At least one week must pass between Danish cinema premieres for Danish films that the DFI assesses to have clearly overlapping target groups. Any deviation from this rule must be approved in writing by the DFI.

### **4.15.5 Distribution fees in case of cinema distribution and home entertainment:**

#### **4.15.5.1 Minimum fee**

The distributor is, as a minimum, guaranteed a minimum fee of up to DKK 150,000 of the film rental (the proceeds achieved by the film in the cinema window).

The minimum fee is an advance payment against the distributor's fee in accordance with item 4.15.5.2 below.

The minimum fee is paid in advance to the distributor before the deduction of distribution and promotion costs, until the minimum fee has been covered.

After this, the minimum fee will be offset against the distributor's distribution fee in accordance with item 4.15.5.2 until the minimum fee has been covered by the distributor's share of the film rental.

#### 4.15.5.2 Cinema distribution

##### Danish cinema distribution:

If a minimum guarantee has been provided for the film's funding, the distribution fee for agreements regarding Danish cinema distribution may constitute no more than 30 % (COT) until the minimum guarantee has been repaid in full. After this, the distribution fee may constitute no more than 15 % (COT).

If there is no minimum guarantee in the film's funding, the distribution fee may constitute no more than 15 % (COT).

##### Cinema distribution in Scandinavia outside Denmark:

If a minimum guarantee has been provided for the film's funding, the distribution fee for agreements regarding Scandinavian cinema distribution outside Denmark may normally constitute no more than 30 % (COT) until the minimum guarantee has been repaid in full.

After this, the distribution fee may normally constitute no more than 15 % (COT).

If there is no minimum guarantee in the film's funding, the distribution fee may normally constitute no more than 15 % (COT).

#### 4.15.5.3 Home entertainment:

If a minimum guarantee has been provided for the film's funding, the distribution fee for agreements concerning distribution as video (DVD, Blu-ray etc.) and agreements concerning VOD distribution (TVOD, SVOD, EST etc.) in Denmark and the rest of Scandinavia may constitute no more than 30 % (COT) until the minimum guarantee has been repaid in full.

After this, the distribution fee may constitute no more than 15 % (COT).

If no minimum guarantee has been provided for the film's funding, the distribution fee may constitute no more than 15 % (COT).

#### 4.15.5.4 Minimum guarantee

##### The minimum guarantee includes revenue from both the cinema window and the home entertainment window:

If a minimum guarantee has been provided that includes the revenue from both the cinema window and the home entertainment window, the minimum guarantee will be covered by the revenue (COT) achieved by the film in the cinema window and the revenue (COT) achieved by the film in the home entertainment window.

##### The minimum guarantee only includes revenue from the cinema window:

If a minimum guarantee has been provided that only includes revenue from the cinema window, the minimum guarantee will be covered by the revenue (COT) achieved by the film in the cinema window.

##### The minimum guarantee only includes revenue from the home entertainment window:

If a minimum guarantee only includes revenue from the home entertainment window, the minimum guarantee will be covered by the revenue (COT) achieved by the film in the home entertainment window.

#### 4.15.6 In agreements regarding sales of rights to Danish TV broadcast, deductions may be made against the revenue for documented, directly incurred sales costs, which, however, must not constitute more than 30 % of the gross sales price.

No deductions can be made for the cost of presales included in the financing or of presales



made prior to the DFI's approval of the final production accounts, which include the final financing of the film.

- 4.15.7** In agreements regarding sales of rights to other foreign distribution (ROW), and sales and distribution in all other media in Denmark and abroad, the Danish producer may deduct documented, directly incurred sales and distribution costs. In addition, documented remunerations to sales agents may be deducted, though no more than 30 % after deduction of the documented, directly incurred sales and distribution costs (COP).

However, in case of sales to marginal markets, the DFI may approve special terms.

## **4.16 Repayment**

- 4.16.1** Revenue included in the film's financing, according to the approved production accounts, including minimum guarantees, presales etc., must be offset in the film's revenue before repayment of a production subsidy is made.  
Revenue included under a minimum guarantee must be included in the revenue statement from the date when the revenue regarding the minimum guarantee exceeds the minimum guarantee.

- 4.16.2** Repayment of DFI-awarded production subsidies commences once the private investment and the total value of the Scandinavian minimum guarantee included in the DFI-approved financing overview for the film have been earned and yielded a 75 % return.

- 4.16.3** Private investment is to be understood as the producer's, co-producers' and other investors' investments in the film with a view to achieving a return.

No other minimum guarantees other than the Scandinavian, no presales, contributions from funds or other film institutes can be added to the private investment with a view to a return. The size of the private investment and the total Scandinavian minimum guarantee must be calculated on the basis of the approved production accounts with appertaining financing overview.

- 4.16.4** The DFI must approve the repayment conditions of regional film funds and other sources of financing that require repayment. The DFI normally accepts that grants from funds are repaid in accordance with the funds' statutes. Likewise, the DFI normally respects customary royalty agreements. Repayments to funds, including the Nordic Film and TV Fund and Eurimages, as well as settlements of royalties, must be included in the revenue statement as incurred costs.

- 4.16.5** The repayable amount constitutes the repayment rate multiplied by revenue, cf. the revenue statement, after the private investment plus the Scandinavian minimum guarantee have been earned and yielded a 75% return.

The DFI's repayment rate is calculated in a proportion equal to the DFI subsidy's share of the film's total financing, based on the DFI-approved production budget in accordance with the DFI's production funding contract, unless otherwise approved in writing by the DFI.

For Danish major co-productions, where rights to foreign revenue have been ceded to co-producers or other investors in the film, the repayment rate equals the DFI's share of the total financing concerning the Danish producer's rights area.

For minority productions, the repayment rate equals the DFI's percentage of the Danish producer's share of the financing.

- 4.16.6** The repayment obligation ceases once the DFI subsidy has been repaid, however, no later than five years after the film's world premiere. Upon receipt of the first revenue statement, the DFI may waive its requirement for repayment and further revenue statements.

If the repayment obligation ceases, or the DFI waives its requirement for repayment, the DFI writes off the repayable subsidy awarded to the film by the DFI.

The DFI's writing-off of the repayable subsidy does not signify an annulment or limitation of the DFI's and the subsidy recipient's other rights or obligations as regards subsidy terms, funding contract etc. concerning the film and the regulations concerning the DFI's subsidy for the film in force at the time.

## 5 PROMOTION SUBSIDIES

- 5.1** The DFI can subsidise the promotion of Danish feature films and production-subsidised minority productions in Denmark, provided the prerequisites under item 5.7 below are met.
- 5.2** The purpose of promotion subsidies is to support the dissemination of new Danish films in Denmark, to give as many Danes as possible easy access to the films and the cinema experience, and to secure the best possible exploitation of the individual film's cultural and commercial potential.
- 5.3** Applications for promotion subsidies can be submitted by and will be awarded to the film's producer.
- 5.3.1** Normally, applicants must collaborate on the promotion and distribution for which a promotion subsidy is sought with one or more distributors who have documented experience with the promotion and distribution of Danish films.
- 5.4** When applying for promotion subsidies, the DFI's [application form](#) must be used.
- 5.4.1** An application for a promotion subsidy for a film's promotion aimed at cinema and/or home entertainment must consist of the following:
- Promotion plan including appendices ([DFI template](#))
  - Budget ([DFI template](#))
  - Draft / final key campaign elements (e.g. poster, trailer, TV spots)
  - Draft / final plan for media purchases (media plan)
  
  - For applications for promotion subsidies aimed at cinemas, the following must also be submitted:
    - Selection of stills
    - Documentation for the primary audience's immediate assessment of the final cut of the film (e.g. film test)

For films that have not received a production subsidy from the DFI, a link to the film must also be submitted.

Applications for promotion subsidies must be submitted no later than three months before the film's Danish cinema premiere.

If an application is submitted for a promotion subsidy aimed separately at home entertainment, the application must be submitted no later than two months before the premiere on VOD/DVD or other distribution windows.

- 5.5** Subsidies are awarded on the basis of the DFI's [subsidy criteria](#).
- 5.6** Normally, subsidies are awarded simultaneously for promotion at cinemas, as home entertainment and in other distribution windows.
- 5.6.1** If the DFI assesses that there is insufficient basis for simultaneously awarding a promotion subsidy for cinema, home entertainment and other distribution windows, cf. item 5.6, a separate application may be submitted for a promotion subsidy for the distribution windows when the prerequisites for this are met.
- 5.7** Before a decision can be made about a possible recommendation that a launch subsidy be awarded, the following prerequisites must be met:

**Cinema promotion:**

- The film's main poster, main trailer and final pitch must be on the market no later than two months before the film's Danish cinema premiere.
- The prepared application, including strategy, campaign elements, budget and premiere date, must be assessed by the DFI to exploit the film's potential to a sufficient degree and in accordance with the [qualitative criteria](#).
- No later than three months before the film's Danish cinema premiere, the applicant must present documentation, e.g. a test for the film's primary target group and their immediate assessment of the final cut of the film.
- At least one week must pass between the Danish cinema premiere for the film and other Danish films that the DFI assesses to have clearly overlapping target groups; cf. item 4.15.4.
- Any meetings agreed with the DFI in accordance with the [Guidelines for subsidies for the promotion of Danish films](#) must have been held.
- Data about the film, subsidised or collected by the DFI, e.g. exit polls or the DFI Film Base, must be available for publication no later than four months after the film's Danish cinema premiere.

**Home entertainment / other distribution windows:**

- Agreements about the distribution of the film must have been made with central commercial VOD players and/or with central physical retailers, securing the widest possible distribution and dissemination considering the film's profile, target group and potential.
- The prepared application, including strategy, campaign elements, budget and premiere date, must be assessed by the DFI to exploit the film's potential to a sufficient degree and in accordance with the [qualitative criteria](#).
- Any meetings agreed with the DFI in accordance with the [Guidelines for subsidies for the promotion of Danish films](#) must have been held.

- 5.8** If the film's Danish premiere date is changed in relation to the funding contract, the DFI must be informed about this in writing. The Danish premiere date cannot be changed without prior written acceptance by the DFI.

If any other significant circumstances concerning the film's promotion, marketing and distribution are changed, e.g. campaign elements, strategy, schedule, budget and distributor, the subsidy recipient must immediately inform the DFI.

## 5.9 Other promotion subsidies

- 5.9.1** In special cases, the DFI can award other promotion subsidies for the film to support promotion initiatives.
- 5.9.2** Other subsidies can be awarded for, among other things, initiatives that are case-oriented and/or innovative, or for initiatives that clarify the film's possibilities in the market, or support the development of the film's promotion strategy, target group definition and positioning etc.

## 5.10 Budget and payment of subsidies

- 5.10.1** Promotion subsidies are awarded based on a budget that has been approved by the DFI. The budget must show all costs and expenses at market prices in DKK.
- 5.10.2** The DFI will not approve a promotion budget that contains expenses for administration or a contingency margin.
- 5.10.3** Subsidies are awarded based on the DFI-approved application to support the activities, expenses and costs that are stated in the approved budget.
- 5.10.4** The subsidy recipient will be notified about the subsidy award in a funding contract. The awarded subsidy cannot be paid until the DFI has received the subsidy recipient's written acceptance of the funding contract.
- 5.10.5** In the funding contract, the DFI specifies the payment instalments for the awarded subsidy.
- 5.10.6** By written agreement with the subsidy recipient, the DFI can approve a full or partial transport of the awarded subsidy to the film's distributor. The DFI can then effectively pay the awarded subsidy directly to the film's distributor.  
Regardless of whether such an agreement about transport of the payments has been made, the subsidy recipient is fully obligated by the present subsidy terms and other fixed terms for the awarded subsidy. This means that, among other things, the subsidy recipient is fully responsible for the distributor's use of the paid subsidy funds in accordance with the present subsidy terms and other fixed terms, as well as for submitting accounts for the awarded subsidy in accordance with the present terms.
- 5.10.7** Normally, it is a requirement, in accordance with the terms in the signed cinema distribution agreement, that the distributor accepts an obligation to make the film available to all cinemas in Denmark that wish to acquire the right to screen the film on the terms established by the distributor for the film.

## 5.11 Delivery of materials

- 5.11.1** For films produced without a production subsidy from the DFI but for which the DFI awards a promotion subsidy, the subsidy recipient must forward archive materials concerning the film to the DFI's Film Archive and Stills Archive no later than twelve months after the film's premiere in Denmark; cf. the [Legal Deposit Act](#) in force at the time.
- 5.11.2** Delivery of archive materials with the DFI must be made free of charge.
- 5.11.3** It is a requirement that films that have their cinema premiere in Denmark, must be delivered with Danish subtitles.

## 5.12 Reporting and accounts

- 5.12.1** The subsidy recipient is obligated to submit promotion accounts for the DFI's approval no later than four months after the film's Danish cinema premiere; cf. items 6.10 and 6.11.

- 5.12.2** The subsidy recipient is obligated to submit promotion accounts for the DFI's approval no later than four months after the film's Danish premiere on home entertainment / other distribution windows; cf. items 6.10 and 6.11.
- 5.12.3** If so requested, the subsidy recipient must forward specified proceeds figures and turnover figures for the cinema window, home entertainment and other distribution windows.
- 5.12.4** Any savings in the promotion accounts against the approved budget must immediately be repaid to the DFI in a proportion equal to the DFI subsidy's share of the total promotion budget; cf. item 5.10.1.
- 5.12.5** The DFI's subsidy rate is calculated in a proportion equal to the DFI subsidy's share of the film's total promotion costs, based on the DFI-approved promotion budget in accordance with the DFI's promotion funding contract.

## 6 GENERAL TERMS

- 6.1** The following general terms apply to all forms of DFI subsidies awarded under the present terms. Subsidies are understood to mean any form of capital infusion to the project that does not constitute an investment or remuneration.

### **6.2 The DFI's requirements on applicants' and subsidy recipients' nationality affiliation**

In order to achieve funding from the DFI, applicants must meet the following requirements:

- The applicant must be a producer or a production company who at the time of application and according to existing law is domiciled in Denmark, an EU or EEA member state or in Switzerland, and who has documented experience with film production and has film production as their main occupation.
- The applicant must be an independent producer. An independent producer is understood to mean a production company or a producer who is not under the majority control of a TV station or a VOD service, neither in terms of ownership nor in business terms; cf. item 6.8.3, second section.
- The applicant is legally represented by a producer who can document being qualified for or has documented experience with film production.
- The production company / producer who submits the application must, at the time the DFI awards the subsidy, run a business through Denmark by establishing a fixed place of business or similar in Denmark in accordance with existing law.

In order to achieve screenplay subsidies as a screenwriter or director under the Commissioner Scheme, the following prerequisites must be met:

- Regardless of their nationality and ethnic origin, the applicant must be resident or live permanently in Denmark or in some other way have a fundamental and significant association with and/or importance to Danish cinematic art or film culture.

### **6.3 The DFI's requirements on the film production's artistic and cultural association with Denmark**

- 6.3.1** In order to be awarded funding from the DFI, the film production must contain a special artistic and/or technical aspect that contributes to promoting cinematic art and film culture in Denmark.

In order to meet this requirement, the film production must be recorded in Danish or in a Danish version, and/or the film production's main creative forces and/or technical functions must, regardless of their nationality and ethnic origin, be resident or live permanently in Denmark or in some other way have a fundamental and significant association with and/or importance to Danish cinematic art or film culture.

- 6.3.2** There is no requirement for minority productions to be recorded in Danish. The only requirement is that the film must be published in a Danish version.

## **6.4 The DFI's requirements on subsidies for international co-productions**

- 6.4.1** International co-productions are to be understood as film productions that meet the criteria in the European Co-production Convention or in the international co-production agreements and conventions that have been made between Denmark and the country/countries with whom the Danish producer collaborates on the co-production.

- 6.4.2** It is a prerequisite for achieving subsidies for international co-productions that the application is submitted by the film production's majority producer who must meet the nationality affiliation requirements mentioned in item 6.2, and that the film production meets the artistic and cultural association requirements mentioned in item 6.3, however, considering that it is not a requirement that the film production must be recorded in Danish.

It is furthermore a requirement that the Danish co-producer as a minimum holds the distribution rights to the film production in Denmark, in accordance with the co-production agreement.

## **6.5 The DFI's requirements on territorial expenditure commitments (Danish spend)**

When a production subsidy is awarded for film production in accordance with the present terms, it is normally a requirement that in terms of artistic, creative, technical and/or production, a share of the production costs is used in Denmark corresponding to the DFI's total production subsidy to the film, i.e. the DFI requires a Danish spend of 100 %. However, it cannot be a requirement that Danish spend constitutes more than 50 % of the production budget.

For minority productions, it is not a requirement that Danish spend constitutes more than 50 % of the Danish producer's share of the film's total production budget.

## **6.6 Other prerequisites for receiving subsidies**

- 6.6.1** The film's director and the producer who is responsible for financial matters must not be the same person.

- 6.6.2** Applications for support for a project cannot be submitted simultaneously under more than one of DFI's support schemes. However, this does not apply to projects for which funding is sought from *Spilordningen* (the Games Scheme) and the *Tværmedielle Udviklingsordning* (the Intermedia Development Scheme).

- 6.6.3** It is a prerequisite for being awarded a subsidy that all rights concerning the individual project are stated in full, and that the subsidy recipient holds unrestricted rights or is able to acquire all rights to the project that are necessary for the subsidy recipient's and the DFI's exploitation of the film in accordance with the present terms.

- 6.6.4** The applicant must have made agreements with rights holders and cast members at the application date, ensuring that the applicant holds or can acquire all necessary rights to filming and distribution of the finished work.
- 6.6.5** The subsidy recipient is obligated to observe the applicable law in force at any time relating to the subsidised project/production.

## **6.7 Documentation, notification, subsidy calculation etc.**

- 6.7.1** The DFI may at any time demand that the applicant / subsidy recipient submits documentation, statements, information, facts and accounts of any type and character that are necessary for the case processing, including documentation that the applicant / subsidy recipient holds or is able to acquire rights as indicated in the present terms for economic and financial conditions concerning the project etc.
- 6.7.2** The applicant / subsidy recipient is bound by the terms, and any deviation must be agreed in writing with the DFI. The DFI must respond to requests from the applicant / subsidy recipient in this regard within a reasonable period of time.
- 6.7.3** If the schedule and/or the financing and repayment plans are changed, the subsidy recipient must immediately forward the altered schedule and financing and/or repayment plan to the DFI for information. The DFI's receipt of an altered schedule and/or a new financing and repayment plan does not imply an approval of any deviations in relation to that which has previously been approved by the DFI concerning the same conditions or of any other conditions in the revised documents.
- 6.7.4** In relation to a specific project, the DFI may supplement and/or change these conditions with a view to securing and/or fulfilling the intentions in the subsidy schemes and/or the project's feasibility.
- 6.7.5** The DFI's [calculation of the specific subsidy amount](#) in accordance with the present terms will be based on an estimate that includes all the criteria that have formed the basis for the recommendation of the individual application, including the production and economy assessment of the project, and the assessment of the target group and the distribution potential.

## **6.8 Cumulation of support etc.**

- 6.8.1** Cumulation of support from the DFI and other support for the same project, and as regards minority productions, the Danish producer's share of the total project, cf. item 4.10.1, must not result in the total support intensity exceeding 100 %.
- 6.8.2** In accordance with item 4.8 of the subsidy terms, it is a prerequisite for the awarding of supplementary production subsidies for a project that the award is necessary for the film's completion and that the entire contingency margin has been spent.
- 6.8.3** If the producer, co-producer or investor is under the majority control of a TV station, the investment cannot be included in the private investment in accordance with the present terms.

Majority control refers to a situation in which more than 25 % of the production company is owned by a single TV station (50 % if the ownership involves several TV stations), or where more than 90 % of the production company's earnings over a 3-year period derive from production agreements made with a single TV station. Given the limited size of the Danish TV market, the DFI may grant a dispensation, upon request, from the stipulated earnings limits.

## 6.9 Security

- 6.9.1** In order to secure both the completion of the film in case of the producer's bankruptcy and the DFI's conditional right to repayment of subsidies, the DFI may require the producer to provide satisfactory security. The producer must bear all costs of such a security.
- 6.9.2** The producer is obligated to complete the film. The DFI may require a completion bond to be taken out with a DFI-approved guarantor.

## 6.10 Accounting

- 6.10.1** The subsidy recipient must submit accounts for subsidised projects for the DFI's approval; cf. the DFI [auditing instructions](#) in force at any time.
- 6.10.2** The accounts must include a specification of costs incurred and of earnings that have limited the costs (for instance, but not limited to, the sale of props). The accounts must also include a balance sheet.

In addition, the accounts must include a final financial and repayment overview. Furthermore, the accounts must include a separate specification of the amounts that have formed part of the project/film's financing, including subsidies from funds, public grants, presales etc.

- 6.10.3** The accounts must include the same items, costs and expenses as the approved budget, and the budget figures must be stated for comparison.
- 6.10.4** The accounts must not include expenses and costs incurred prior to the application date, which were not included in the budget that was approved on the commitment date.
- 6.10.5** The accounts must include a statement on any deviations from the approved budget's main items, which deviate more than 10 %, however, not for deviations of less than DKK 5,000. If the total approved budget is exceeded, the final accounts must, at any rate, include a statement on the overrun.
- 6.10.6** The DFI does not normally approve over spend of the administration costs and directors' and producers' fees that have been set out in the approved budget.
- 6.10.7** The DFI may approve that internal salaries are included in the final accounts, including over spend in relation to the budget approved by the DFI, provided that meeting the costs for the internal salaries has been necessary, relevant to and directly related to the project, that the internal salaries have continually been registered in a documentation system, and that the accountant can approve the aforementioned conditions.
- 6.10.8** All salaries and fees in connection with the production, as well as all due taxes to public coffers, must be paid before the accounts are submitted, and the producer must, if so requested, be able to document that such payments have been made.

## 6.11 Auditing

- 6.11.1** Accounts must be submitted in accordance with the regulations set out in the DFI's [auditing instructions](#) in force at any time.

For subsidies of more than DKK 100,000, accounts must be audited by a registered public accountant or a state-authorized accountant.

The accounts must be audited in accordance with generally accepted public auditing standards; cf. Section 3 of the Act on Auditing of Government Accounts etc. The audit must,



at a minimum, meet the requirements in the DFI's auditing instructions in force at any time, including assets, liabilities, earnings, expenditure and rights agreements.

- 6.11.2** The Office of the Auditor General of Denmark and the DFI have access, at all times, to review accounts and vouchers, as well as all other accounting material and documents submitted by the subsidy recipient as a basis for the subsidy recipient's preparation of the submitted accounts, including as part of a random check.
- 6.11.3** The subsidy recipient is obligated to keep all vouchers, all financial records, and all documents that form the basis for the subsidy recipient's preparation of the submitted accounts for a period of five years after the DFI's approval of the production accounts for the film.

For projects that have not received production subsidies, the subsidy recipient is obligated to keep submitted accounts in accordance with the above for five years calculated from the DFI's approval of the last submitted accounts for the awarded subsidy.

## **6.12 Repayment and negligence**

- 6.12.1** If the subsidy recipient abandons, or for other reasons prematurely terminates, a subsidised project, and no violation of the subsidy terms on the part of the subsidy recipient is found, cf. item 6.12.2, any unspent part of the subsidy must be repaid immediately, and unpaid subsidy instalments will become void. In such cases, the DFI may require auditor-certified accounts that meet the requirements in the DFI auditing instructions in force at any time.
- 6.12.2** The DFI's funding contract and subsidy award will become void, and any paid subsidies must be repaid by the subsidy recipient if the subsidy terms and/or other agreements are violated, or if it is determined that the film cannot legally be screened in Denmark.
- 6.12.3** The DFI can waive its repayment requirement if, in the DFI's judgement, special circumstances apply, or if the repayment requirement will counteract the objectives of the DFI's activities under the Film Act.
- 6.12.4** The DFI can reject a subsidy application if the DFI has an unsecured outstanding account against the applicant, against a subsidy recipient who the applicant controls, or against a subsidy recipient who controls the applicant.

The DFI can also reject a subsidy application if the applicant, a subsidy recipient who the applicant controls, or a subsidy recipient who controls the applicant, is in material breach of the subsidy terms concerning another project.

If the subsidy terms are violated by a legal entity, and another legal entity applies to the DFI for support, and there is or has been physical or legal reciprocal directorship between the management or group of owners and the non-performing company's management and/or group of owners, the DFI may refuse to award a subsidy to the applying company based on a specific assessment.

## **6.13 Credits**

- 6.13.1** The film's opening credits must state that the film has been produced with support from the 'The Danish Film Institute', unless another agreement has been made between the producer and the DFI.

The film's credit texts and all advertising materials must state that the film has been produced with support from 'The Danish Film Institute', name the film commissioner who recommended the film for subsidies, and display the DFI logo. Under the Market Scheme and the Minor Co-Production Scheme, the credits must state that the film is supported under either scheme.

The DFI must approve the design of credit texts, advertising materials etc. that concern the DFI.

The subsidy recipient is responsible for ensuring that it is stated clearly in all material concerning the film that the DFI has subsidised the film, and for making sure that the DFI's logo is used. The logo is available [here](#).

**6.13.2** The DFI must be offered 40 tickets to the film's cinema premiere in Denmark.

**6.13.3** The DFI is entitled to publish any information about the film in connection with the DFI's promotion and media work, unless otherwise agreed in writing with the subsidy recipient or pursuant to legislation.

## **6.14 Transfer of rights to the project**

**6.14.1** When rights to projects that have received subsidies are transferred, the DFI must approve such transfer in writing. The DFI can oppose a transfer if the transfer entails a risk that the DFI will be unable to exercise its rights according to the present terms and other agreements made with the producer.

**6.14.2** It is a requirement for any transfer of rights that the DFI will not be worse off than it would have been under the present terms, subsidy commitment and other agreements with the subsidy recipient.

## **6.15 Storage of screenplays, ISAN registration etc.**

**6.15.1** Screen versions of screenplays (Final Draft) will be stored at the DFI's library where they can be read and borrowed by the public. If so requested by the screenwriter, the DFI may decide that a screenplay is not to be made available to the public if there are serious reasons for this.

**6.15.2** The subsidy recipient is obligated to carry out ISAN registration of the completed film. The subsidy recipient must inform the DFI in writing about the film's designated ISAN number no later than at the time material is delivered in accordance with item 4.12 of the present terms.

**6.15.3** The film's producer and director must be available in connection with the DFI's information and media work for the film as specifically agreed with the DFI and with due consideration for their other commitments, planned holidays and similar.

## **6.16 The DFI's rights**

**6.16.1** The DFI holds the rights to screen the film at festivals, domestically and internationally.

The DFI is entitled to distribute festival copies produced with support from the DFI in any way and through any medium, all presently known and future analogue, digital and interactive media and formats, and through the use of links to the festival copy of the films to the extent that this is necessary for the films' selection, participation, promotion etc. at international festivals in accordance with the present terms. The DFI is furthermore entitled to screen the film domestically and internationally as a part of its film-cultural activities, including to paying audiences.

If the film is still playing in cinemas in the same geographical area, the DFI may screen the film only at individual, special events. The DFI must notify the producer of such screenings.

In case of screenings to paying audiences, the DFI is obligated to follow market prices, if the

film is in commercial distribution.

**6.16.2** The DFI is entitled to use trailers, teasers, film posters, film quotes, stills and other image materials, including frame grabs, dialogue sequences, and excerpts of title scores and of the film in promoting subsidised film productions domestically and internationally as well as in the exercise of the DFI's rights in accordance with the present terms, and as a part of the DFI's film-cultural activity; cf. the Danish Film Act, Regulations for the DFI and the Danish Film Agreement in force at any time. Furthermore, the DFI is entitled to use the materials, with appropriate credits, in the DFI's publications, including in video formats (DVD, CD-ROM, Blu-ray, etc.) and on the Internet, on all platforms, as well as in festival and press contexts. All images must be provided to the DFI with crediting of the stills photographer and with indication of the director, screenwriter and producer.

**6.16.3** Taking into consideration the commercial exploitation of the subsidised film, and on the condition that the subsidy recipient is not using these rights, the DFI has the non-exclusive rights to distribute the film in Denmark, Greenland and the Faroe Islands, and to the Danish minority in South Schleswig for public presentation in any way, on any platform and in any medium, presently known or future, through screenings, streaming and by making the film available to schools, institutions, associations, film clubs, museums, libraries and other non-commercial entities in such a way that these gain access to the film in an individually chosen place and at an individually chosen time.

In accordance with the above, the DFI is entitled to screen the film publicly to paying audiences.

The DFI is entitled to exploit the above rights when 36 months have passed since the film's commercial world premiere.

**6.16.4** It is a requirement for achieving funding under the subsidy terms that the subsidy recipient and the underlying rights holders have access to having their rights reserved under the agreement licence provisions in the Danish Consolidated Act on Copyright.

The DFI's acquisition of rights under the present terms is non-exclusive. Hence, the DFI's acquisition of rights poses no restriction on the subsidy recipient's and the underlying rights holders' exploitation of the same rights in accordance with any agreements they may have made in that regard.

The DFI's acquisition of non-exclusive distribution rights, cf. item 6.16.3, implies no restriction on the right of the subsidy recipient and the underlying rights holders to make claims for remuneration under Sections 13, 17, 30a, 35-46a, and agreements covered by Section 50(2) of the Danish Consolidated Act on Copyright and similar foreign or international regulations or the like that might later supplement or amend these provisions.

**6.16.5** The DFI has the unrestricted right to produce copies of the film and other materials, cf. item 6.16.2, with a view to exercising the DFI's rights under the present terms.

**6.16.6** There is no time constraint on the DFI's acquisition of rights under the present terms.

The DFI can transfer the rights acquired under the present terms to a third party for use in the DFI's exercise of these rights under the present terms.

**6.16.7** The DFI's exercise of its rights under the present terms does not imply an obligation to pay remuneration to the producer or others, unless this has been agreed in writing.

**6.16.8** The subsidy recipient is obligated to enter into agreements with the relevant rights holders and cast members so as to secure the DFI's free and unrestricted exercise of the DFI's rights to the finished production, as described in the present terms. The subsidy recipient must document to the DFI that the necessary rights have been acquired by the subsidy recipient. The subsidy recipient must indemnify the DFI against any claim from rights holders or third

parties that may arise from the DFI's exercise of its rights under the present terms or under any other agreements with the subsidy recipient.

- 6.16.9** The subsidy recipient is obligated to append the present terms to all contracts and agreements relating to the film regarding circumstances that are regulated by the present terms or that might otherwise be of importance to the DFI's rights under the present terms.

**The present subsidy terms have been set down by the DFI's board of directors in accordance with the existing Danish Film Act, the Order on Regulations for the DFI, the Danish Film Agreement 2015-2018, and the DFI's regulations, and in accordance with the applicable practice of the EU Commission, these must be reviewed no later than six years after the subsidy terms enter into force.**