



**DANISH
FILM INSTITUTE**

**TERMS FOR
GAMES**

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Film funding

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These terms are an English translation of the Danish Film Institute's applicable terms for the funding scheme ('Vilkår for støtte til spil'), which at any time and in any matter concerning the funding applied for and/or granted takes precedence over the English translation and therefore applies to any legal relationship established under the funding terms.

1. Purpose

1.1

Through the Games Scheme, the Danish Film Institute (DFI) can support the development, production and launch of Danish digital games through funding. In addition, funding can be granted for activities aimed at promoting games.

1.2

The object of DFI's funding is to promote Danish digital games as a culture-bearing medium and to strengthen the cultural qualities of digital games for play and learning. The funding is to create better conditions for the realisation and dissemination of original Danish game projects in order to contribute to quality and diversity in the Danish supply of digital games. See the assessment criteria of the scheme.

1.3

Funding may be granted for the development, production and launch of digital games regardless of target group, technological platform and expected distribution process.

1.4

The funding is granted by DFI's Management.

2. Development funding

2.1

The Games Scheme may grant funding for development of game projects following a recommendation from the editorial board of the scheme.

2.2

The submission of an application for development funding for a project is subject to the condition that the applicant can provide documentation that can be approved by the Games Scheme and that shows that the applicant and the project can handle the project management as well as the technological and design challenges that the production of the game entails, for example by having produced a prototype for the game or by having previously produced a comparable product.

2.3

Development funding may be granted for development phases that unfold and demonstrate significant aspects of the game and that prepare the game for production.

2.4

Development funding may be granted for the same project more than once, provided that the application for development funding is for different phases of the project.

2.5

Development funding of up to DKK 100,000 may be granted for development phases that are concluded with a technical test, prototype or other material that demonstrates a significant aspect of the game.

2.6

Development funding of more than DKK 100,000 may be granted for development phases that are concluded with a demo.

A demo means a fully playable slice of the game (*vertical slice*) designed in the expected final quality and technological solution.

For applications for development funding of more than DKK 100,000, it is a requirement that a technical test or prototype has been produced as of the application date that demonstrates a significant aspect of the game.

2.7

However, regardless of clauses 2.5 and 2.6, development funding can normally amount to maximum 60% of the total costs for the development phase in accordance with the development budget approved by the Games Scheme.

The maximum funding intensity may only be derogated from if the Games Scheme finds that this is a necessary prerequisite for the realisation of the development phase due to matters pertaining to distribution, production and/or content.

2.8

Before a decision on recommendation for development funding is made, the Games Scheme prepares an economic, production and distribution assessment of the project.

2.9 Application for development funding

2.9.1

When applying for development funding, the Games Scheme's application form must be used.

An application for development funding must contain:

- Synopsis
- Project status
- Design document
- Examples of visual expression
- Overview of technical solutions
- Description of development goals
- Time schedule
- Budget and financing plan
- Plan for completion and distribution
- Rights agreements
- Description of the company
- CVs for key participants in the project.
- Target group description
- Documentation of prototype, if any

Further documents must be submitted to the Games Scheme in connection with the support decision:

- All documents, appendices and vouchers which have been audited, changed or added after the application date

The Games Scheme may require additional information and statements necessary for processing the case, and applicants may be invited to an in-depth project interview with the editorial board of the Games Scheme.

2.9.2

Applications for development funding are processed in regular application rounds.

2.9.3

The final time schedule for the development and the content of the milestones of the individual project are determined by the applicant and must be approved by the Games Scheme before a decision can be made on a recommendation for development funding.

2.10 Letter of Commitment

2.10.1

If the financing of the project has not been finally confirmed by written agreements/declarations and/or not all other conditions for granting of funding are present, the Games Scheme may, in connection with the Management's grant of funding, reserve development funding in a Letter of Commitment (LOC). A letter of support cannot be drawn up until all conditions laid down in the LOC have been fully met.

2.10.2

If the conditions laid down in the LOC are not met within the deadline stipulated in the LOC, the reserved development funding will lapse.

2.10.3

The LOC may be extended on the basis of a written request for this from the applicant.

2.11 Budget and financing plan

2.11.1

Development funding is granted on the basis of a budget and financing plan approved by the Games Scheme. In the budget, all costs and expenses must be stated at market prices in DKK.

2.11.2

In relation to the approved budget under the support decision, the Games Scheme does not approve continuously updated development budgets.

2.11.3

Development funding cannot be applied for or granted for expenses and costs incurred prior to the funding application date.

2.11.4

The following applies to the below items:

For applications for funding of more than DKK 100,000, the development budget may contain a contingency. The contingency must not exceed 10% of the budgeted development costs, excluding administrative expenses.

Administrative expenses not exceeding 10% of the budgeted costs, exclusive of costs for contingency, may be included in the budget.

2.11.5

All financing agreements and co-production agreements for the project, including the production company's own investment in the project, must be submitted to the Games Scheme for approval. Co-production agreements must show how the financing of and rights to the game are distributed between co-production companies, investors and production company.

2.11.6

A development support decision cannot be drawn up until the production company has documented that the budget, including any contingency, has been fully financed.

2.12 Disbursement of instalments

2.12.1

The funding beneficiary will be notified of the granting of funding by the Games Scheme in a letter of support.

2.12.2

The development funding is disbursed in instalments, the amount of which is determined by the Games Scheme in the support decision.

2.12.3

Disbursement of the fixed instalments will only be made after the Games Scheme has approved the agreed submissions for the development as set out in support decision.

The first instalment is disbursed on the Games Scheme's receipt of the production company's written acceptance of the support decision.

Disbursement of the last instalment is made when the Games Scheme has approved the accounts for the development, see clauses 6.10 and 6.11.

2.13 Reporting and accounts

2.13.1

The funding beneficiary must notify the Games Scheme on an ongoing basis of significant aspects relating to the course of the project development and of significant changes to the project, including replacement of key participants in the project, significant design changes etc., changes to the time schedule, changes relating to rights to the project as well as to economic and financial conditions regarding the project.

2.13.2

If the total development costs for the game will entail overruns of the approved budget, including the entire contingency, the production company must draw up a new financing plan with documentation of how the overruns will be financed, which must be submitted to the Games Scheme for information.

The Games Scheme's receipt of a new financing plan will not entail any approval of the overruns or any other deviations from what has been previously approved by the Games Scheme.

2.13.3

The production company is responsible for the performance of the project development and must submit accounts, see clauses 6.10 and 6.11, no later than three months after the date of completion of the project development.

2.13.4

A final decision on subsequent development funding for a project cannot normally be issued before development accounts have been submitted for the prior development funding which can be approved by the Games Scheme, cf. clauses 6.10 and 6.11.

2.13.5

If the funding beneficiary is granted development funding more than once for the same project, the Games Scheme may grant an exemption from the requirement in clauses 6.10 and 6.11 that audited development accounts must be submitted for each development funding prior before subsequent development funding amounts are granted.

If the Games Scheme makes an exemption in accordance with the above, the funding beneficiary must submit audited accounts for each development project in accordance with clauses 6.10 and 6.11 concurrently and no later than three months after the scheduled time for the conclusion of the development project that has most recently been granted development funding or been concluded.

2.13.6

Production funding cannot normally be granted before accounts for the development project have been submitted in accordance with clauses 6.10 and 6.11.

2.13.7

The Games Scheme may make an exemption from the requirement that accounts must be presented for the development project before the project can be granted production funding in connection with the Management's reservation of production funding for a period (LOC), see clause 3.9, if the Games Scheme assesses that this is necessary for the realisation of the project. The LOC may not be converted into production funding until the conditions in the LOC have been fully met and audited accounts have been presented for the development project, see clauses 6.10 and 6.11.

2.13.8

Cost savings in the approved development accounts in relation to the approved budget must be repaid to the Games Scheme immediately by the same share that the Games Scheme's funding represents of the overall development budget.

Costs savings on unused contingency are not repayable.

2.13.9

A development funding decision does not entail any decision to grant subsequent production funding.

2.13.10

If the project is subsequently granted production funding from the Games Scheme, the development funding is regarded as part of the total funding, irrespective of whether the development funding beneficiary is not identical with the production funding beneficiary.

3. Production funding

3.1

The Games Scheme may grant funding for production of games following a recommendation from the editorial board of the Games Scheme.

Production funding can be granted for production stages that result in completion and release of the game.

3.2

To apply for production funding, the following conditions must have been met:

- The applicant must document that the applicant and the project can handle the technological, design and communication challenges that completion and launch of the game entail.
- A demo must have been developed. In this context, a demo means a fully playable slice of the game (*vertical slice*), designed in the expected final quality and in the expected final technological solution.
- The game must be released in a Danish language version. The game may also be released in other language versions.
- The applicant must document that, as a minimum, there is a Danish launch of the game.

3.3

Funding for production may normally not exceed 50% of the total budgeted production costs.

The maximum funding intensity may only be derogated from if the Games Scheme finds that this is a necessary prerequisite for the realisation of the project due to matters pertaining to distribution, production and/or content.

3.3.1

Minor Co-production Funding Scheme (co-productions with a foreign main production company):

Under the Minor Co-production Funding Scheme, the Games Scheme may grant production funding for foreign game projects where the Danish production company, see clause 6.2, is not the main production company with up to 60% of the Danish production company's share of the production costs, however, up to a maximum of 50% of the total budgeted production costs for the game project, see clause 3.3. The Danish production company's share of the production costs, including fees and payroll costs for Danish creative and/or technical participation, see clause 6.3 and clause 6.4, is subject to approval by the Games Scheme.

3.4

Production funding cannot be applied for or granted for expenses and costs incurred prior to the funding application date.

3.5

Production funding may be applied for to finance launch activities which, on the application date, are clearly described and included in the production budget. This does not preclude a subsequent application for launch funding for other supplementary launch activities.

3.6

Production funding may only be granted to projects handled by multidisciplinary teams consisting of minimum three persons. It is also a requirement that at least one person in the multidisciplinary team has proven experience with the launching of games.

3.7

Before a decision on recommendation for production funding is made, the Games Scheme prepares an economic, production and distribution assessment of the project.

3.8 Application for production funding

3.8.1

When applying for production funding, the Games Scheme's application form must be used.

An application for production funding must contain:

- Synopsis
- Project status
- Design document
- Overview of technical solutions
- Time schedule for production and launch
- Budget and financing plan
- Launch plan
- Rights agreements
- Description of the company
- CVs for key participants in the project.
- Target group description
- Available video documentation of demo

Applications for funding for productions under the Minor Co-production Funding Scheme must also include:

- Budget in DKK
- Specific budget for Danish share of the budget costs (Danish spend) in DKK
- Financing plan (distributed on countries) in DKK
- Co-production agreement
- Financing agreements

Further documents must be submitted to the Games Scheme in connection with the support decision:

- All documents, appendices and vouchers which have been audited, changed or added after the application date
- Copy of signed contracts regarding the financing of the game

The Games Scheme may require additional information and statements necessary for processing the case, and applicants may be invited to an in-depth project interview with the editorial board of the Games Scheme.

3.8.2

Applications for production funding are processed in regular application rounds.

3.8.3

The final plan for production and launch as well as the content of the milestones of the individual project are determined by the applicant and must be approved by the Games Scheme before a decision can be made on a recommendation for funding.

3.9 Letter of Commitment

3.9.1

If the financing of the project has not been finally confirmed by written agreements/declarations and/or not all other conditions for granting of funding are present, the Games Scheme may, in connection with the Management's grant of funding, reserve production funding in a Letter of Commitment (LOC). A letter of support may not be drawn up until all conditions laid down in the LOC have been fully met.

3.9.2

If the conditions laid down in the LOC are not met within the deadline stipulated in the LOC, the reserved development funding will lapse.

3.9.3

The LOC may be extended on the basis of a written request from the applicant.

3.10 Budget and financing plan

3.10.1

Production funding is granted on the basis of a budget and financing plan approved by the Games Scheme. In the budget, all costs must be stated at market prices in DKK.

3.10.2

In relation to the approved budget under the support decision, see clause 3.12.1, the Games Scheme does not approve continuously updated production budgets.

3.10.3

Production funding cannot be applied for or granted for expenses and costs incurred prior to the funding application date.

3.10.4

The budget must include the following items:

The development accounts approved by the Games Scheme for the development project(s) for which the Games Scheme has granted funding in a separate budget item.

The following applies to the below budget items:

A budgetary contingency of minimum 5% and maximum 10% of the budgeted production costs, excluding costs for project development and administrative expenses.

Administrative expenses must not exceed 10% of the budget, excluding costs for development for which the Games Scheme has granted funding and contingency.

3.10.5

All financing agreements and co-production agreements for the game, including the production company's own investment in the game, must be submitted to the Games Scheme. Financing and co-production agreements must show how the financing and rights of the game are distributed between co-production companies, investors and the production company.

3.10.6

A production support decision cannot be drawn up until the production company has documented that the budget, including any contingency, has been fully funded.

3.10.7

If the production company obtains financing that results in the total financing of the game exceeding the production costs in accordance with the production accounts approved by the Games Scheme, the Games Scheme's funding will be reduced by the amount by which the total financing exceeds the approved production accounts for the game.

3.11 Supplementary funding

In exceptional cases, the Games Scheme may grant supplementary production funding for ongoing productions. The funding can normally only be granted if the grant is necessary for the completion of the project and the entire contingency has been used, see clause 6.8.2.

Applications for supplementary funding are processed on an ongoing basis and assessed by the Game Scheme's editorial board and producer.

In addition, the applicant must submit a cost report to the Games Scheme.

It is not possible to apply for supplementary funding to cover administrative expenses, and the budget normally cannot include a budgetary contingency.

3.12 Disbursement of instalments

3.12.1

The funding beneficiary will be notified of the granting of funding by the Games Scheme in a letter of support.

3.12.2

Disbursement of the fixed instalments will only be made after the Games Scheme has approved the agreed submissions for the production as set out in the support decision.

The first instalment is disbursed on the Games Scheme's receipt of the production company's written acceptance of the support decision.

Disbursement of the last instalment is made when the Games Scheme has approved the accounts for the production, see clauses 6.10 and 6.11.

3.13 Reporting and accounts

3.13.1

The production company must notify the Games Scheme on an ongoing basis of significant aspects relating to the course of the production and of significant changes to the production, including replacement of key participants in the project, significant design changes, changes to the time schedule, changes relating to rights to the project or the script as well as to economic and financial conditions regarding the project etc.

3.13.2

During the production, the production company must submit status reports to the Games Scheme with summarising information about significant matters relating to the course of the production and concerning the distribution and launch of the game for the Games Scheme's information. The number and date of submission of status reports will be determined by the Games Scheme in the support decision.

3.13.3

If the total production costs for the game will entail overruns of the approved budget, including the entire contingency, the production company must draw up a new financing plan with documentation of how the overruns will be financed, which must be submitted to the Games Scheme for information. The Games Scheme's receipt of a new financing plan will not entail any approval of the overruns or any other deviations from what has been previously approved by the Games Scheme.

3.13.4

The production company is responsible for the performance of the production and must submit the production accounts for the game to the Games Scheme for approval, see clauses 6.10 and 6.11, no later than three months after disbursement of the penultimate instalment.

For minor films, the production accounts are audited for the Danish share of the production costs and are submitted together with the total production accounts for the game project, which must contain an overview of the final financing of the game production, distributed on countries.

3.13.5

Costs savings in the production accounts relative to the approved budget must be repaid to the Games Scheme by the same share by which the Games Scheme has granted funding. The production accounts cannot be approved until the Games Scheme's share of the cost savings has been repaid.

Unused contingency is not repayable.

3.13.6

The Games Scheme's funding percentage is stated based on the approved production budget.

3.13.7

The Gaming Scheme's funding percentage is calculated as the share that the Gaming Scheme's funding constitutes of the total financing of the production supported by funding, stated on the basis of the production budget approved by the Games Scheme in accordance with the Games Scheme's production support decision.

Any development funding granted to the project by the Games Scheme forms part of the total funding, irrespective of whether the development funding beneficiary is not identical with the production funding beneficiary.

For minor projects, the Games Scheme's funding percentage is calculated as the share that the Games Scheme's funding constitutes of the Danish production company's share (= Danish spend) of the financing of the game project, stated on the basis of the production budget approved by the Games Scheme in accordance with the Games Scheme's letter of production support.

3.13.8

If the production company obtains financing in excess of the financing of the production budget for the game, incl. contingency in accordance with the approved financing plan, the production company's private investment in the game is written down by a corresponding amount.

If the production company obtains further financing that results in the total financing of the game exceeding the production costs in accordance with the production accounts approved by the Games Scheme, the Games Scheme's funding will be reduced by the amount by which the total financing exceeds the approved production accounts for the game.

4. Launch support

4.1

Following a recommendation from the Games Scheme's producer, the Games Scheme may grant funding for the launch of the game and to support the dissemination of Danish digital games to a Danish and foreign audience. However, the launch must include activities targeted at a Danish audience.

4.2

Launch funding can only be granted to game projects for which the Games Scheme has granted production funding.

4.3

Launch funding may be granted for activities that promote knowledge of and support the dissemination of the game and/or promote the distribution of the game in distribution channels that are generally available to and are usually accessed by a significant Danish audience.

Funding may also be granted for necessary activities during the launch period that support the gaming experience, such as community management or the release of updates with fault corrections or supplementary content.

Funding can normally only be granted for activities that are completed within a period of six months after the final release of the game.

4.4

Launch funding may normally not exceed 50% of the total budgeted launch costs.

4.5

Launch funding is applied for by and granted to the production company of the game.

4.6

When applying for launch funding, the Games Scheme's application form must be used.

An application for launch funding must contain:

- Project status
- Time schedule
- Launch plan and distribution plan
- Budget and financing plan

Further documents must be submitted to the Games Scheme in connection with the support decision:

- All documents, appendices and vouchers which have been audited, changed or added after the application date

Applications are processed on an ongoing basis.

4.7 Budget and disbursement of funding

4.7.1

Launch funding is granted on the basis of a budget approved by the Games Scheme. In the budget, all expenses and costs must be stated at market prices in DKK.

4.7.2

The Games Scheme may approve that administrative expenses of maximum 10% of the budget are added to the budget. The Games Scheme does not approve that expenses for cover of a contingency and production company overhead are added to the budget.

4.7.3

Funding is granted on the basis of the application approved by the Games Scheme and is granted as funding for the activities stated in the approved budget as well as expenses and costs.

4.7.4

The funding beneficiary will be notified of the granting of funding in a support decision.

4.7.5

In the support decision, the Games Scheme lays down instalments for disbursement of the granted funding.

The first instalment is disbursed after the Games Scheme has received the funding beneficiary's written acceptance of the support decision.

The last instalment is disbursed after the Games Scheme has approved the agreed documentation for the launch and has approved the submitted launch accounts.

4.8 Reporting and accounts

4.6.1

The funding beneficiary is obliged to submit launch accounts to the Games Scheme for approval, see clauses 6.10 and 6.11, no later than three months after the fixed date in the time schedule.

4.6.2

Together with the launch accounts, the funding beneficiary must submit an evaluation report with summarising information about significant matters relating to the launch of the game.

4.6.3

Cost savings in the launch accounts in relation to the approved budget, see clause 4.5.1, must be repaid to the Games Scheme by the same share that the Games Scheme's funding constitutes of the overall budget.

The Games Scheme's funding percentage is calculated as the share that the Gaming Scheme's funding constitutes of the total launch costs, stated on the basis of the launch budget approved by the Games Scheme in accordance with the Games Scheme's launch support decision.

5. Game promotion funding

5.1

Following a recommendation from the editor of the Games Scheme, the Games Scheme may grant funding for the promotion of games in Denmark and for the promotion of knowledge of Danish gaming development abroad.

Promotion of games consists of activities and initiatives that support the general object of the Games Scheme, see clause 1.2, including:

- Initiatives that support a gaming professional dialogue in the Danish gaming industry, innovative professional environments in Denmark and professional development focused on the content and narrative style of the games.
- Initiatives that strengthen the dissemination and knowledge of Danish gaming development.

When assessing the application, importance is attached to the openness of the initiative in relation to the involvement of relevant parties and to its impact in relation to the target group.

5.2

Applications cannot be submitted for funding for:

- Activities concerning the development, production or launch of a specific game.
- Gaming tournaments, gaming events, LAN parties or similar activities.
- Activities that are primarily aimed at news-oriented gaming journalism or reviews.
- Activities that have already been performed.
- Activities aimed primarily at basic education. Basic education is defined as a an education or training programme that qualifies for state education grant.

5.3

No funding is granted for payment of travelling expenses and expenses for stays etc. in connection with participation in training and education courses, seminars, conferences etc. However, funding may be granted for travelling expenses for Danish game developers who are invited to give lectures or presentations in relevant international industry forums.

5.4

When applying for game promotion funding, the Games Scheme's application form must be used.

An application for game promotion funding must contain:

- Description of the activity
- Time schedule
- Budget and financing plan
- CVs for key persons

Further documents must be submitted to the Games Scheme in connection with the support decision:

- All documents, appendices and vouchers which have been audited, changed or added after the application date

Applications are processed on an ongoing basis.

5.5 Budget and disbursement of funding

5.5.1

Funding is granted on the basis of the budget and application approved by the Games Scheme and is granted as funding for the activities stated in the approved budget as well as expenses and costs.

5.5.2

The funding beneficiary will be notified of the granting of funding in a letter of support.

5.5.3

In the letter of support, the Games Scheme lays down instalments for disbursement of the granted funding.

The first instalment is disbursed after the Games Scheme has received the funding beneficiary's written acceptance of the support decision.

The last instalment is disbursed after the Games Scheme has approved the agreed documentation for the activity and has approved the submitted accounts.

5.6 Reporting and accounts

5.6.1

The funding beneficiary is obliged to submit accounts for the funded activity to the Games Scheme for approval, see clauses 6.10 and 6.11, no later than three months after the fixed date in the time schedule.

5.6.2

Together with the accounts, the funding beneficiary must submit an evaluation report with summarising information about significant matters relating to the activity.

5.6.3

Cost savings in the accounts in relation to the approved budget, see clause 5.5.1, must be repaid to the Games Scheme by the same share that the Games Scheme's funding constitutes of the overall budget.

The Games Scheme's funding percentage is calculated as the share that the Gaming Scheme's funding constitutes of the total costs for the funded project, stated on the basis of the game promotion budget approved by the Games Scheme in accordance with the Games Scheme's game promotion support decision.

6. General terms

6.1

The following terms apply to all types of funding from DFI granted under these terms. Funding is any capital contribution to the project that does not constitute an investment or remuneration.

6.2 DFI's requirements for the applicant's and funding beneficiary's nationality affiliation

To be eligible for funding from DFI, the following conditions must have been met:

- The applicant must be a game production company based in Denmark, in a EU or EEA Member State or in Switzerland as of the application date and in accordance with the existing legislation and must have documented game production experience.
- The applicant must be an independent game production company. An independent game production company is a game production company that is not majority-controlled by a TV station or a VOD service, either in terms of ownership or in business terms, see Clause 6.8.3, second paragraph.
- The applicant must be legally represented by a game producer who can demonstrate to be qualified for or have documented game production experience.

- As of the date of DFI's granting of funding, the applying game production company must conduct business through Denmark via the establishment of a fixed place of business or equivalent in Denmark under the applicable legislation.

6.3 DFI's requirements for the artistic and cultural contribution of the game production

To be eligible for funding from DFI, the game production must provide a particular artistic and/or technical contribution to promoting gaming art and gaming culture in Denmark.

To meet this requirement, production-funded games must be released in a Danish version. Furthermore, the creative main forces of the game production/product and main functions, regardless of nationality and ethnic origin, must reside or stay permanently in Denmark or otherwise have an important and significant attachment to Danish gaming art or gaming culture.

6.4 DFI's requirements for international co-productions

6.4.1

International co-productions mean game production which meets the criteria set out in the international co-production agreements, conventions and bilateral agreements concluded between Denmark and the country or countries with which the Danish game production company collaborates on the co-production.

6.4.2

It is a prerequisite for obtaining funding for international co-productions that the Danish production company is the funding applicant and meets the nationality requirements set out in clause 6.2 for the game production and that the game production meets the artistic and cultural contribution requirements mentioned in clause 6.3, however, so that an exemption may be granted from the requirement that the game production must be released in a Danish version.

It is also a prerequisite that, under the co-production agreement, the Danish co-production company holds the rights to the distribution of the game production directly targeted at a Danish audience, so that it is ensured that the game production is made available in the Danish market.

6.6 Other conditions for applications for funding

6.6.1

It is not possible to apply for funding for a project under several of DFI's funding schemes concurrently. However, this does not apply to projects that apply for funding from the Games Scheme and from the Cross Media Development Scheme.

6.6.2

A condition for receiving funding is that all rights concerning the individual project are fully disclosed and that the funding beneficiary holds, or may acquire, without restrictions, all rights to the project that are necessary for the funding beneficiary's and DFI's exploitation of the game in accordance with these terms.

6.6.3

As of the application date, the applicant must have entered into agreements with rights holders and contributors which entail that the applicant holds or may acquire all necessary rights to production and distribution of the completed work.

6.6.4

A funding beneficiary is obliged to comply with the applicable legislation for the funded project/production at any given time.

6.7 Documentation, notification, allocation of funding etc.

6.7.1

DFI may, at any given time, require the applicant/funding beneficiary to provide documentation, statements, information, details and reports of any kind and nature necessary for the processing of the case, including that the applicant/funding beneficiary possesses or may acquire rights as set out in these terms, and of the economic and financial circumstances of the project.

6.7.2

The applicant/funding beneficiary is bound by the terms and any derogation must be agreed in writing with DFI. DFI must answer requests from applicants/funding beneficiaries in this respect within a reasonable period of time.

6.7.3

In case of any change in the time schedule and/or financing plan, the funding beneficiary must immediately send the amended time schedule and/or financing plan to DFI for its information. DFI's receipt of the amended time schedule and/or new financing plan will not entail approval of any deviations from anything previously approved by DFI regarding the same matter, or of other matters in the revised documents.

6.7.4

In relation to a specific project, DFI may supplement and/or amend these terms in order to ensure and/or meet the intentions of the funding schemes and/or the feasibility of the project.

6.7.5

DFI's allocation of the specific funding amount under these terms is made on the basis of an estimate which includes all the criteria applied to the recommendation of the individual application, including the production-related and financial assessment of the project and assessment of target audience and distribution potential.

6.8 Cumulation of funding etc.

6.8.1

Cumulation of funding from DFI with other funding for the same project must not result in the total funding intensity exceeding 100%.

6.8.2

The granting of supplementary production funding for a project under clause 3.11 of the funding terms is subject to the condition that the grant is necessary to ensure the completion of the project and that the whole contingency has been used.

6.8.3

If the production company, co-production company or investor is majority-controlled by a TV station/VOD service, the investment cannot be included in the private investment in accordance with these terms.

Majority control occurs when more than 25% of the production company is owned by a single TV station/VOD service (50% if multiple TV stations/VOD services are included in the ownership), or when more than 90% of the production company's revenues over a three-year period come from production agreements with a single TV station/VOD service. Considering the small size of the Danish market, DFI may make an exemption from the established revenue limit following an application for this.

6.9 Security

6.9.1

In order to safeguard the completion of the game in the event of the production company's bankruptcy or liquidation as well as DFI's conditional requirement for repayment of funding, DFI may require the production company to provide adequate security. The production company must defray all costs connected with any provision of security.

6.9.2

A production company who has received funding is obliged to complete the development or production phase supported by funding.

6.10 Accounts

6.10.1

The funding beneficiary must submit accounts for projects that have received funding for DFI's approval, see DFI's auditing instructions applicable at any given time.

6.10.2

The accounts must include a specification of the defrayed costs and of revenues that have limited the costs. The accounts must also include a balance sheet.

The accounts must also include a final financing overview. In addition, the accounts must include a separate specification of the amounts included in the financing of the project, including funding from foundations, government subsidies, pre-sales etc.

6.10.3

The accounts must include the same items as the approved budget, and the budget figures must be stated for the sake of comparison.

6.10.4

The accounts cannot include expenses and costs defrayed prior to the application date that were not included in the budget approved as of the support decision date.

6.10.5

The accounts must include a report on deviations from the items of the approved budget that deviate by more than 10%, but not on deviations below DKK 5,000. If the overall approved budget is overrun, the final accounts must in all circumstances include a report on the overrun.

6.10.6

DFI does not normally approve overruns of the administrative expenses specified in the approved budget.

6.10.7

DFI may approve that internal payroll costs are included in the final accounts, including overruns relative to the budget approved by DFI, if defrayal of the internal payroll costs has been necessary, relevant to and directly attributable to the project, the internal payroll costs have been continuously registered in a documentation system, and the auditor can approve the above circumstances.

6.10.8

All salaries and fees related to the production and all public taxes and duties must have been paid before the presentation of the accounts, and the production company must be able to document on demand that payment has been made.

6.11 Auditing

6.11.1

Accounts must be submitted in accordance with the rules on this laid down in DFI's auditing instructions applicable at any given time.

For funding exceeding DKK 100,000, the accounts must be audited by a registered public accountant or a state-authorized public accountant.

The accounts must be audited in accordance with generally accepted auditing practices, see section 3 of the Danish Act on Auditing of Government Accounts etc. (*Lov om revision af statens regnskaber mm.*), and the auditing, including assets, liabilities, revenues, expenses and rights agreements, must at least meet the requirements in DFI's auditing instructions applicable at any given time.

6.11.2

Rigsrevisionen (the Danish Auditor General's Office) and DFI always have access to review the accounts submitted by the funding beneficiary, as well as vouchers and all other accounting records and documents that form the basis for the funding beneficiary's preparation of the submitted accounts, including as part of test checks.

6.11.3

The funding beneficiary is obliged to retain all vouchers as well as all accounting records and all documents that form the basis of the funding beneficiary's preparation of the submitted accounts for a period of five years after DFI's approval of the production accounts for the game.

For projects that have not received production funding, the storage obligation in accordance with the above is five years calculated from DFI's approval of the latest presented accounts for the funding granted.

6.12 Repayment and breach

6.12.1

If a funding beneficiary abandons or, for other reasons, prematurely discontinues a project supported by funding and the funding beneficiary is not in breach of the funding terms, see clause 6.12.2, any funding that has not been used must be repaid immediately and any non-disbursed funding instalments will lapse. In this connection, DFI may require the submission of auditor-certified accounts which meet the requirements in DFI's auditing instructions applicable at any given time.

6.12.2

DFI's support decision will lapse and any disbursed funding must be repaid by the funding beneficiary in the event of any breach of the funding terms and/or other agreements, or if it is ascertained that the game cannot be legally used and distributed in Denmark.

6.12.3

DFI may waive its repayment claim if DFI finds that there are special circumstances or if the repayment claim would be contrary to the object of DFI's activities in accordance with the Danish Film Act (*Filmloven*).

6.12.4

DFI may refuse to grant funding if DFI has an unpaid receivable from the applicant or from a funding beneficiary controlled by the applicant, or from a funding beneficiary which controls the applicant.

DFI may also refuse to grant funding if the applicant, or a funding beneficiary controlled by the applicant, or a funding beneficiary which controls the applicant, is in material breach of the funding terms concerning another project.

If the party in breach of the funding terms is a legal person, and another legal person applies to DFI for funding, where the management or ownership is, or has been, the same natural person or legal person as the management and/or ownership of the company in breach, DFI may, based on a specific assessment, refuse to grant funding to the applying company.

6.13 Crediting

6.13.1

It must be clearly stated in all press material, pre-announcements, websites, covers, posters etc. that the game or activity is funded by the Games Scheme. The logo of the Games Scheme must be used.

For demos available to other parties than the developers and for finished games, it must appear from the text of the credits that they have been produced with funding from the Games Scheme, and the logo of the Games Scheme must be included.

Crediting is done in accordance with the following:

In Danish texts: Støttet af Det Danske Filminstitut – Spilordningen

In non-Danish texts regardless of format or language: Supported by the Danish Film Institute – The Games Scheme

The crediting design must be submitted to DFI for approval before the release of the game.

6.13.2

DFI has the right to publish all information about the game in connection with DFI's information and press work, unless otherwise has been agreed in writing with the funding beneficiary or follows from the existing legislation.

6.14 Assignment of rights to the project

6.14.1

In the event of any assignment of rights to projects which are in an unfinished funding process at DFI, the assignment must be approved in writing by DFI.

6.14.2

Any assignment of rights to projects is subject to the requirement that DFI is not placed in a poorer position than what follows from these terms, the letter of support and other agreements with the funding beneficiary.

6.15 DFI's rights

6.15.1

DFI has the right to use game quotations, artworks, stills, dialogue sequences and audio clips for promotion and dissemination of game productions supported by funding in Denmark and abroad and as part of DFI's gaming cultural activities. Furthermore, DFI has the right to use the material with due crediting in DFI's publications, including on video formats (DVD, Blu-ray etc.) and on the Internet on all platforms as well as in festival and press contexts. All images must be handed over to DFI with crediting.

6.15.2

Without any limitations, DFI has the right to produce copies of the material mentioned in clause 6.15.1.

6.15.3

DFI's acquisition of rights under these terms is not subject to any time restrictions. With regard to the rights to the music used in the game, and any archive material and the like, DFI may, depending on the circumstances, approve by written agreement with the funding beneficiary that the funding beneficiary's rights acquisition to exploit these rights applies for a fixed term.

DFI may assign the rights acquired under these terms to third parties for use in DFI's exploitation thereof in accordance with these terms.

6.15.4

DFI's exercise of its rights under these terms does not entail any obligation to pay remuneration to the production company or other parties, unless this has been agreed in writing.

6.15.5

The funding beneficiary is obliged to enter into an agreement with the relevant rights holders and contributors that ensures that DFI can exercise DFI's rights to the completed production, as described in these terms. The funding beneficiary must document to DFI that the necessary rights have been acquired by the funding beneficiary. The funding beneficiary must indemnify DFI if third parties may bring claims as a consequence of DFI's exercise of its rights under these terms and any other agreements with the funding beneficiary.

6.15.6

The funding beneficiary is obliged to incorporate these terms as appendices to all contracts and agreements regarding the project which concern matters governed by these terms, or which may otherwise be of significance to DFI's rights under the terms.

These 'Terms for Games' of 1 June 2017 have been laid down by the Danish Film Institute's Board in accordance with the EU Commission's decision of 12 May 2017 in State aid case SA.45735 – Denmark (C(2017)3340 final) and the current Danish Film Act (Filmloven), the Executive Order on the Statutes for the Danish Film Institute as well as the Film Agreement for 2019-2023.

The EU Commission's approval of these funding terms in its decision of 12 May 2017 in State aid case SA.45735 – Denmark (C(2017)3340 final) has been extended by the EU Commission's decision of 6 February 2019 in State aid case SA.52951 (2019/N) – Denmark (C(2019)912 final). In accordance with the EU Commission's existing practice, these terms must be revised no later than six years after they have entered into force.