### FREQUENTLY ASKED QUESTIONS CO-PRODUCTION CERTIFICATION

These FAQs should be read alongside the NZFC's Co-production guidelines. If you require any additional assistance or would like to talk to someone about your project, please contact the NZFC's Co-production and Incentives team.

### **General Questions**

#### Why should I contemplate a Co-production?

There are many benefits associated with being designated an official co-production. Gaining status as an official co-production will enable you to:

- access local and foreign development/production funding, incentives and subsidies;
- access the domestic market of the other co-producer(s);
- pool financial resources;
- share the associated financial risk of a project; and
- deliver projects of larger scale.

#### What's the difference between an official co-production and an unofficial co-production?

The designation as a domestic production that comes with official co-production certification means you are eligible to apply for development and/or production funding from the NZFC as well as gain access, as noted above, to benefits that domestic films in the co-producing territories can receive such as eligibility for development and/or production funding, regional grants, tax rebates or incentives.

If you are certified as an official co-production, you are also deemed to have met the Significant New Zealand Content Test for the New Zealand Government Screen Sector Rebate. In terms of other benefits, as an official co-production you can also use your Total Production Expenditure (TPE) rather than Qualifying New Zealand Production Expenditure (QNZPE) to meet the minimum expenditure threshold for the Rebate (but note that the rebate is only ever paid out on the QNZPE).

As an unofficial co-production you won't necessarily have access to these benefits, but you will still benefit from the ability to pool your financial resources, share the financial risk of a project with your producing partner, and deliver a project of larger scale.

## If my project is certified as an official co-production, am I eligible to apply to NZ On Air or the NZFC for development and production funding?

Yes. An official co-production is eligible to apply for NZ On Air development (excluding feature films) and production funding in one of its three annual funding rounds, provided the project meets NZ On Air's General Guidelines including having the confirmed distribution support from a local platform. The level of funding requested from NZ On Air must be proportionate with the level of onscreen Aotearoa New Zealand cultural representation the project will deliver.

An official co-production is also eligible to apply to the NZFC for development and production funding. This includes the International Co-Development Fund, and all development and production funding reserved for New Zealand films. Contact the NZFC <u>Funding team</u> for more information.

## If my project is certified as an official co-production, do I need to pass the Significant New Zealand Content test for the New Zealand Screen Production Rebate?

A feature film or television series that is recognised as an official co-production is able to bypass the requirement to pass the Significant New Zealand Content test for the New Zealand Screen Production Rebate. You therefore do not need to fill this section out when completing an application form for the Rebate.

#### Can a project be recognised as an official co-production in the absence of a co-production treaty?

No. The recognition of a project as a treaty co-production is based solely on a treaty or a memorandum of understanding (MOU) between New Zealand and another co-producing State. New Zealand has co-production treaties or MOUs with Australia, Canada, China, Chinese Taipei, Denmark, France, Germany, India, Ireland, Israel, Italy, Poland, The Republic of Korea, Singapore, South Africa, Spain and the UK. A treaty with Brazil is currently in negotiation.

#### How do I co-produce with the US?

You can't through a treaty. But you can through a joint venture or via an unofficial co-production.

#### How can I co-produce with a country that New Zealand doesn't have a treaty with? Either through:

- a joint venture/unofficial co-production structure; or
- an official co-production structure in which you co-produce with one of New Zealand's coproduction treaty/MOU partners that has a co-production arrangement with the third country in question (i.e. a multipartite official co-production – see separate section below on multipartite co-productions for more information).

#### What if one of the competent authorities refuses to approve the project as a co-production?

The authorities of all co-producing States must jointly recognise the project as an official coproduction. If one of the States refuses to approve a project as an official co-production then the NZFC is unable to issue a provisional or final certificate. Note this would mean that the project would likely be ineligible for a final certificate for the New Zealand Screen Production Rebate.

#### How do I find a New Zealand co-production partner?

We suggest checking online directories. The New Zealand Screen Production and Development Association (SPADA), for example, has an online directory of New Zealand producers. The coproduction section of the NZFC website also lists all certified New Zealand official co-productions and the New Zealand production companies that made them since 1988, which is updated regularly.

#### How do I find a foreign co-production partner?

You are welcome to contact the relevant competent authority, screen agency or producers' association from the country/countries with which you intend to co-produce. You can also contact the NZFC's Co-Production and Incentives team for suggestions of foreign producers who have either co-produced/collaborated previously with New Zealand or who have a known interest in doing so.

Additionally, the NZFC runs producer speed dating events at key markets internationally (e.g. Cannes), and on occasion virtually, usually in partnership with the relevant sister agency or competent authority. This provides an opportunity to connect with a number of foreign co-producers from a specific country in a single setting.

### The application process

#### Who can apply?

Applications for official co-production approval must be submitted by an experienced New Zealand producer to the NZFC using the relevant applicant form (provisional or final).

The New Zealand producer must be a New Zealand citizen or a New Zealand permanent resident. When filling out the application form, you should provide the individual producer's contact details as well as the details for the applicant's production company.

Your co-producing partner/s must also submit an application to the competent authority in the coproducing partner country/countries.

Note the co-producers working on a project can't be linked by common management, ownership or control. All applicants must also have the capacity and resources to carry out the project that is the subject of the application.

#### When you say an 'experienced' producer, what level of experience is acceptable?

The New Zealand producer should have a level of experience that is commensurate with the scale of the proposed co-production project. If, for example, the project is a feature film, the individual applicant is required to have at least one feature film credit as producer on a film that involved a multi-party film production financing agreement. It is not necessary that this previous experience was specifically on a co-production, but it needs to be on a film of substantial contractual scale. In exceptional circumstances lesser levels of experience may be accepted, but in this situation the NZFC could, at its discretion, require the attachment of an experienced New Zealand-based executive producer to the project who would lead the project's relationship with the NZFC in regard to the co-production approval process, and would also manage the contractual closing process.

## At what stage of my project should I submit a provisional application for co-production certification?

Producers should apply for provisional approval when they are able to substantiate the finance plan with at least letters of interest and there is a draft co-producers' agreement in place.

**My finance plan for my project isn't 100% confirmed, can I still submit a co-production application?** No. A finance plan in a provisional co-production application cannot be speculative. We are unable to process your application for co-production certification until funding is confirmed for your project. Should you submit an application, your application will be put on hold until we have confirmation of a viable finance plan.

#### Can I apply for co-production certification after I've started principal photography?

It is advisable that you have a viable co-production structure in place (and to have received your provisional certification) before you start principal photography. You should also be aware that some of our co-production arrangements require you to have received your provisional co-production certification before principal photography gets underway. Make sure you check out what the requirements are under the relevant co-production arrangement.

# If I'm unable to provide all the required documentation when I apply for co-production certification, will my project still be assessed?

No. Your application will be put on hold until we receive all of the required documentation needed to complete our assessment.

**Do you have any tips I should keep in mind when filling out the co-production application form?** You can help speed your application through the assessment process by ensuring that:

- Your finance plan matches your project's budget.
- Your co-producer is lodging a complete application to its competent authority at the same time. NB: Delays with your co-producer's application assessment will cause delays with the NZFC's assessment.
- The applications submitted in each country match. If the figures used in your co-producer's application differ to what you have supplied in your application to the NZFC, this will hold up co-production approval. This includes the financial contributions from each co-producer, the exchange rate used, and the budget. Any non-treaty country elements such as performers, location shooting or courtesy credits should also match.
- You submit all the required documentation.

If there are more elements to add than cells available in the application form, you may supply the requested information as a separate document.

Finance plans, budgets and cost reports should be supplied as standalone Excel documents to support your application.

# My documentary includes animation sequences in addition to live-action. What type of work should this "hybrid" project be submitted as?

The type of work and positions recognised will be those of the predominant technique.

#### Do I have to apply for provisional certification? Can't I just apply for final certification?

You generally must always apply for both provisional and final certification in order for your project to be recognised as an official co-production. In some circumstances, and under some arrangements, it is possible to solely seek final certification, but this is rare. Please review the relevant co-production arrangement(s) closely and note any requirement regarding provisional approval.

#### When should my co-producer lodge their application?

You should lodge your applications at the same time in each jurisdiction. Co-production approval can only be granted once all the relevant competent authorities have approved the project so you should ensure your co-producer is lodging an application to its competent authority at around the same time you submit one to the NZFC.

#### When should I submit my final co-production certification application?

You should lodge an application for final co-production approval once the project is completed (this is the date the project will be ready to be shown to the general public). This allows us to ensure that the project was made in accordance with the provisional approval.

## If I'm also applying for the New Zealand Government Screen Sector Rebate, which application should I submit first? Co-production or Rebate?

If you are also submitting a final application for the New Zealand Screen Production Rebate, this can be applied for at the same time as applying for final co-production certification.

Note, however, that we cannot process the final approval for the Rebate until the project's final coproduction status has been approved. And this will only be done once all the competent authorities involved have granted certification as an official co-production.

#### How long does it typically take for the NZFC to process a co-production application?

Co-production approvals can take anywhere from 4-6 weeks. They are, however, reliant on all the competent authorities agreeing to approve a project. The NZFC cannot approve a project in the absence of agreement from the other competent authorities to do so.

### Personnel

#### Can I involve an American in my co-production?

All personnel hired to work on an official co-production must come from the co-producing countries. In exceptional circumstances, where script or financing dictates, a limited number of cast and crew from other countries may be engaged, subject to the approval of the competent authorities. We typically interpret this to mean 1-2 non-party cast members. The NZ/Canada treaty also allows for 1-2 non-party nationals to perform key position roles.

#### Can I involve Australian cast and crew in my production?

Yes. Australians and New Zealanders are interchangeable for co-production purposes, with the exception of projects under the Australia-NZ MOU.

#### Can I have a non-party national write the screenplay for my co-production project?

It is a requirement that the screenplay is written by one or more nationals from the co-producing territories. This means that a non-party national such as a US writer cannot be credited as a screenwriter on an official co-production. A writer who is not a national or permanent resident of one of the co-producing countries *may* contribute to the screenplay provided they are not credited as a writer of the screenplay.

The only exception to the above rule is under the NZ/Canada co-production treaty. This permits a non-party writer to be involved.

## In the case of dual citizenship (or where an individual holds multiple citizenships), which State should their creative participation be attributed to?

This is a decision for the project's producers and once made it must be maintained throughout the entire project. This means that a dual citizen cannot be treated as two different nationalities in the one application. For example, a NZ/French writer and director must be either a NZ writer and director <u>or</u> a French writer and director; their nationality cannot be different across the two roles.

## I haven't appointed someone to a key creative position yet, can I still claim a point for that role if it's my intention to appoint someone from New Zealand?

Yes, where a cast or crew position has not yet been filled at the time you fill out the provisional application form, just put TBC in the 'Name' column for the relevant country (i.e. NZ, co-producing country or non-party) in the creative points test. Details for the appointee must be provided to the NZFC as soon as they are available, however, and ideally before shooting commences.

#### Can I split or share points in the creative points test between two territories for the one role?

Yes, splitting of points is permissible on a case-by-case basis, but only in circumstances where each person is sharing the role equally. For example, we may approve the sharing of points where you have two credited writers on a project. If you wish to split points, please speak to the NZFC's Co-Production and Incentives team first before submitting your application.

## What if my creative contribution doesn't align with the proportion of my expenditure or financial contribution?

Your creative contribution to a co-production project needs to be reasonably aligned with your expenditure and financial contribution. While we may have some leeway in the case of a New Zealand majority co-production structure to determine what is a "reasonable" creative contribution, in most cases the relevant co-production treaty dictates what is considered acceptable. If it looks like your creative contribution may not align with your expenditure and financial contribution to a project, please speak to the NZFC's Co-Production and Incentives team first before submitting your application.

### Location shooting

#### Can I undertake location filming in a non-party country?

Yes, but this requires the prior approval of the competent authorities who must be satisfied that the setting or subject matter requires the use of a specific location outside the co-producing territories.

#### If a location shoot is approved outside the co-producing territories, can I hire local crew?

If location shooting outside the co-producing territories is approved, some specified local personnel may be engaged. These roles will typically be technical, below the line crew, and will generally not be heads of department.

#### Can my animated project be made in a studio that is outside one of the co-producing territories?

No, not if you want your production to be certified as an official co-production. This is because the requirement for setting or subject matter signalled above only applies to live action shoots i.e. not content that is created within an animation studio.

### **Finance and Expenditure**

#### What do you mean by expenditure on 'New Zealand elements'?

Expenditure on New Zealand elements is expenditure made in New Zealand by the New Zealand producer <u>and</u> expenditure related to New Zealand creative and technical personnel made in another territory by the New Zealand producer in the course of production of the project.

#### Is the spend on 'NZ elements' the same as QNZPE for the New Zealand Screen Production Rebate?

No, these are unlikely to be the same. For example, costs relating to the services of New Zealanders performed overseas during pre-production do not count as New Zealand production expenditure for the purposes of the Rebate but do count as New Zealand expenditure for the purposes of co-production. Please refer to the NZSPR Criteria for what qualifies as New Zealand production expenditure for the purposes of the Rebate.

#### What do you mean by non-party spend?

Non-party spend is any spend that is not on New Zealanders and New Zealand goods and services or your co-production country's personnel, goods or services. Typically, these costs are not in NZD or your co-production partner/s currency. Examples are things like US legal and/or financing costs, archival costs paid to Getty US, software licences paid to US companies, etc.

# What is the minimum financial contribution required on the part of a co-producer to a co-production project?

In general, the minimum financial contribution required from a co-producer to an official coproduction project is 20%. Some co-production treaties (e.g. New Zealand's Co-Production Treaty with Canada) specify a different minimum financial contribution percentage (in the case of the Canada Treaty it is 15% for a two-country co-production and 10% for a co-production involving three or more countries). It is always best practice to refer to the relevant Co-production treaty/treaties when filling out a co-production application form to check what the relevant requirements are.

#### What is a 'co-production split'?

This is the proportion of finance contributed by each co-producer to the co-production project.

#### How is the 'co-production split' determined?

The way the 'split' is calculated is not based solely at your discretion. Some aspects of the finance plan can only be attributed to the co-producer of a given nationality. Any pre-sales, licence fees and distribution guarantees for each co-producer's 'home' territory, for example, should be marked as contributions of that co-producer in the finance plan. Additionally, any equity or financial support provided by a national or regional screen body must also be allocated to the co-producer of that territory. The same applies for any tax rebates and other incentives. All other finance can be allocated or shared according to the wishes of the co-producers.

### Updates to a project post-provisional approval

**Should I advise the NZFC if anything changes to my project after a provisional certificate is issued?** Yes. You must advise us if there are any substantive changes to your project especially if you want to add non-party nationals to your cast or crew or if your financing or spend shifts. This is so we can check to make sure that your co-production structure remains viable and is acceptable under the

terms of the relevant co-production treaty or treaties. You may end up jeopardising your ability to gain final co-production certification and your eligibility for the New Zealand Screen Production Rebate if you don't keep us abreast of any changes.

### **Multipartite Co-productions**

#### What is a multipartite co-production?

This happens when there are more than two co-producing partner countries involved in a coproduction project. You can only make a multipartite co-production where co-production arrangements connect all the countries involved. The countries don't all have to have a coproduction arrangement with one another, but each must have a formal arrangement with at least one of the other partner countries.

#### What is a 'pivot' country in a co-production structure?

A 'pivot' country is the country in an official co-production structure where only that country's arrangements with each of the other two (or more) co-producing countries are used. For instance, in a NZ/Canada/UK co-production structure, only the NZ/Canada and NZ/UK treaties might be used. In this scenario, New Zealand would be considered the 'pivot country' in the structure. The 'pivot' country is typically the majority country in the co-production structure (but not always, depending on the specific circumstances of the project in question).

#### Which co-production treaties are used if three countries are involved in a co-production project? All three? Or just two?

Where three (or more) countries are all linked by bilateral co-production arrangements, producers may structure a project using just two of the arrangements. For example, if New Zealand, Canada and the UK were to undertake a multipartite co-production, given that each country shares a treaty with the other, the producers could structure a project using just two of the arrangements i.e. either the NZ/Canada and NZ/UK arrangements <u>or</u> the Canada/UK and NZ/Canada arrangements. If the NZ/Canada and NZ/UK arrangements are used, then New Zealand is the pivot country in the structure; if the Canada/UK and NZ/Canada arrangements are used, then Canada is the pivot country. Refer to the NZFC's Co-Production Guidelines for more information.

Producers may choose which country is the 'pivot' in your co-production structure based on what makes the most sense for your project. The 'pivot' country links the others through its arrangements. In that scenario, the terms of the specific bilateral agreements linking the countries must be met.

We recommend contacting the NZFC's <u>Co-production and Incentives team</u> before submitting your application if you are contemplating a multipartite co-production given their complexity.

What happens if the terms of two co-production treaties are incompatible? Do all the terms of the co-production arrangements have to be compatible for an official co-production to work? The general approach if there are any incompatibilities when it comes to assessing a project is that the most stringent treaty will apply.