

COLOMBIAN HARVEST

**Co - production guide
2017**



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WHY CO-PRODUCE WITH COLOMBIA?

The co-production with the Colombian producers during the past years has been characterized by an attitude of productive transparency and openness and a high level of professionalism. On the basis of mutual trust we could "walk together" towards the common goal of realizing the projects of young talented filmmakers."

Paulo de Carvalho y Gudula Meinzolt - Autentika Films - Alemania

Since 2003, a Film Law has been in effect in Colombia, implemented by institutions committed to developing a sustainable and relevant film industry for the country.

The Fondo Mixto de Promoción Cinematográfica, "Proimágenes Colombia", collects funds from a percentage of industry revenues; disburses them with transparency and efficiency; and organizes the competitive process for incentive awards for Colombian film productions, through the Film Development Fund (FDC).

With a comprehensive strategy to promote the film sector, Proimágenes Colombia also administers the program for the internationalization of Colombian film and promotes international audiovisual production in Colombia through the Colombian Film Commission, a project created in partnership with the Ministry of Culture and the Ministry of Commerce, Industry and Tourism of Colombia.

The Film Department of the Ministry of Culture, in turn, is responsible for fostering the creation of a stable local film industry in Colombia. One of its main activities is to grant the status of domestic projects to Colombian projects and films, and to process tax incentives established in the Film Law for donations or investments in film.

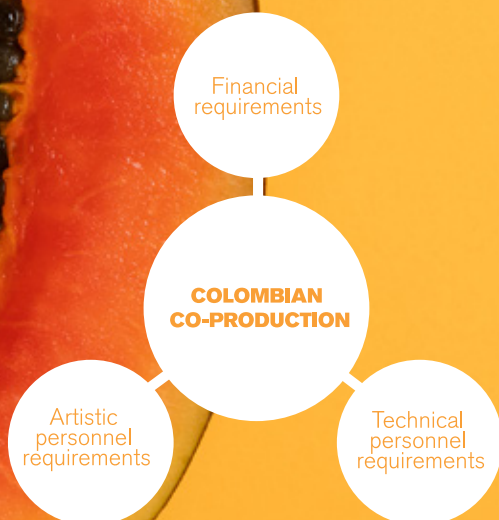
The joint efforts of these institutions have enabled a significant and sustained growth in Colombian film production, which has increasingly participated in international festivals and markets and won important accolades and recognition.

Co-producing a film with a Colombian film company brings you the support of these institutions, their programs, and their staff. But it also opens doors to substantial resources for financing your project through two mechanisms: direct non-repayable incentive grants from the Film Development Fund (FDC), and tax incentives for investors and donors. Below, we explain the requirements that must be met for films to qualify as Colombian co-productions and the benefits available.



WHAT REQUIREMENTS MUST A FILM MEET TO QUALIFY AS A COLOMBIAN CO-PRODUCTION?

There are three basic requirements that a film must meet to be considered a Colombian co-production. The first is **financial** and sets a minimum percentage for investment in the film by the Colombian co-production company. The second requirement establishes the minimum level of participation by Colombian **technical** personnel in the film. The third requirement sets quotas for the participation of **artistic** personnel in the production.



Financial Requirements

There are two financial requirements to qualify as a Colombian co-production. First, the film must be produced jointly by at least one Colombian company and one foreign company

(Article 44, Law 397/97).



In addition, Colombian investment in the film must amount to at least 20% of the project

(Article 44, Law 397/97).

$$\text{\$COL} \leq \text{\$20\%}$$

A Colombian film company is one in which Colombian share capital comprises more than 51% of the total, and whose corporate purpose is audiovisual production

(Article 42, Law 397/97).

Crew requirements

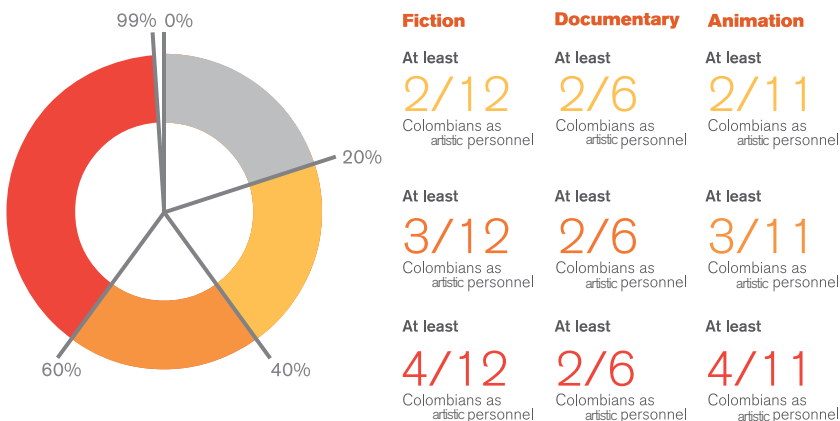
The crew of the film must also meet certain requirements to qualify as a Colombian co-production. These requirements vary according to the Colombian production company's share of investment in the film. They also depend on whether it is a feature film or a short film. Finally, they depend on whether the film is fiction, documentary or animation.

For a feature film...

For **fiction** feature films, a minimum number has been set for the crew who must be Colombian. Of twelve (12) eligible technical positions¹, four (4) must be held by Colombians in co-productions in which the Colombian share of investment is greater than 61%; three (3) positions must be filled by Colombians when the Colombian investment is between 41% and 60%; and two (2) positions must be held by Colombians when the Colombian investment is between 20% and 40%.

For **documentaries**, two (2) out of six (6) eligible technical positions² must be held by Colombians, regardless of the percentage of Colombian investment in the film.

In the case of feature-length **animation** films, four (4) of the 11 eligible positions³ must be held by Colombians in co-productions in which the Colombian share of investment is greater than 61%; three (3) positions must be held by Colombians when the Colombian investment is between 41% and 60%; and two (2) positions must be held by Colombians when the Colombian investment is between 20% and 40%.



For a short film...

Fiction, documentary or animation and it counts with a Colombian director, there is no minimum level of Colombian technical participation.

A feature-length Colombian film is a film lasting no less than 70 minutes and 52 minutes for television

(Article 43 of Law 397/97).

A Colombian short is one lasting no less than 7 minutes and no more than 69 in theatrical and 52 minutes for other medium, in accordance with international standards

(Article 2.10.1.10 decree 1080 de 2015).

1) Of 12 eligible technical positions for fiction feature films:

1. Camera operator, First Assistant Camera or Focus Puller
2. Gaffer, Best Boy, or Lighting Director
3. Make-up artist or Costume Designer
4. Set Decorator or Property Master
5. Script Supervisor
6. Assistant Director
7. Casting Director
8. On-set Special Effects (SFX) (if applicable)
9. Visual effects (VFX and/or CGI) (if applicable)
10. Colorist

11. Boom Operator or Mixer/Recordist or Foley artist
12. Dialog Editor or Effects Editor or Mixer

2) Of 6 eligible technical positions for documentary films:

1. Camera Operator
2. First Assistant Camera or Focus Puller (if applicable)
3. Assistant director
4. Special Effects (if applicable)
5. Boom Operator
6. Sound Editor or Mixer

Artistic Requirements

Artistic personnel must also meet certain requirements to qualify as a Colombian co-production. These requirements vary according to the Colombian production company's share of investment in the film. They also depend on whether it is a feature film or a short film. Finally, they depend on whether the film is fiction, documentary or animation.

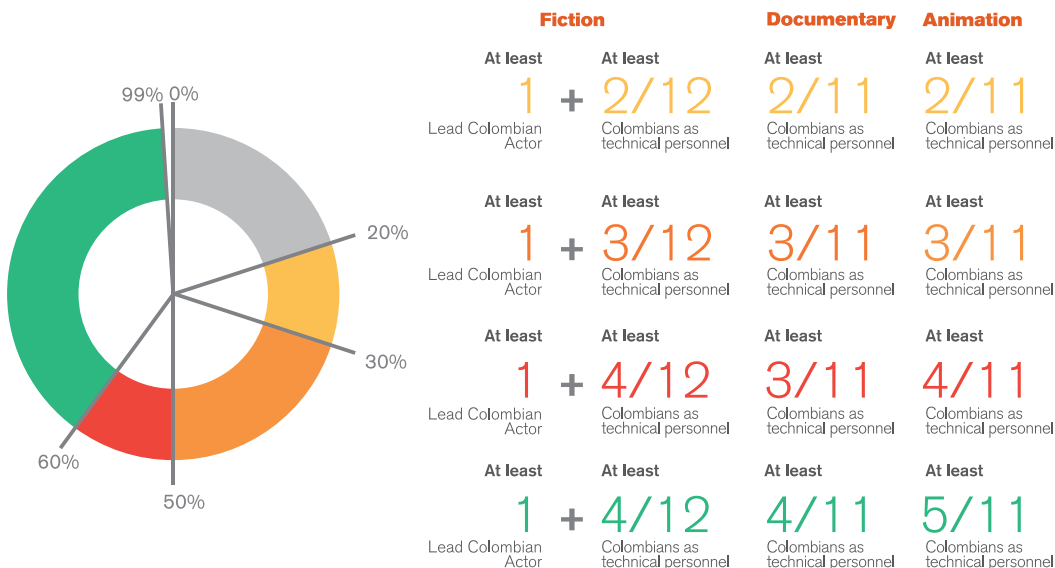
For a feature film...

For **fiction** feature films, a minimum number has been set for the artistic personnel who must be Colombian. Of ten (10) eligible technical positions⁴, at least four (4) must be held by Colombians for co-productions in which the Colombian share of investment is greater than 61%, and one (1) of the main actors must also be Colombian. When the Colombian share of investment is between 50% and 60%, three (3) artistic positions must be filled by Colombians, as well as one (1) of the main actors. When the Colombian share of investment is between 31% and 49%, two (2) artistic positions must be filled by Colombians, as well as one (1) of the main actors. Finally, when the Colombian share of investment is between 20% and 30%, one (1) artistic position must be held by a Colombian, as well as one (1) of the main actors.

For **documentaries**, four (4) of the eleven (11) eligible artistic positions⁵ must be held by Colombians for co-productions in which the

Colombian investment is greater than 61%. When the Colombian share of investment is between 31% and 60%, three (3) artistic positions must be filled by Colombians. Finally, when the Colombian share of investment is between 20% and 30%, two (2) artistic positions must be held by Colombians.

For feature-length **animation** films, five (5) of the eleven (11) eligible artistic positions⁶ must be held by Colombians for co-productions in which the Colombian share of investment is greater than 61%. When the Colombian share of investment is between 50% and 60%, four (4) artistic positions must be held by Colombians. When the Colombian investment is between 31% and 49%, three (3) artistic positions must be filled by Colombians. Finally, when the Colombian share of investment is between 20% and 30%, two (2) artistic positions must be held by Colombians.



3) Of 11 eligible technical positions for animated feature films:

1. Animation Assistant
2. Composer
3. Technical Director
4. Pipeline Coordinator
5. 3D Artist
6. Assistant Director
7. Illustrator
8. Illustrator (characters, locations)
9. Programmer
10. Boom Operator, Dialog Mixer/Recordist, Mixer/Recordist or Foley Artist
11. Dialog Editor or Sound Editor or Mixer.

4) Of 10 eligible artistic positions for fiction feature films:

1. Director
2. One (1) main Actor
3. Screenwriter or Screenplay Adapter
4. Original Music Composer
5. One (1) Supporting Actor
6. Director of Photography
7. Art Director or Production Designer
8. Production Sound Mixer
9. Film Editor
10. Sound Designer, Chief Sound Editor, or Sound Editor.

For a short film...

For short films, regardless of the Colombian share of investment, or whether it is a fiction, documentary or animation film, three (3) of eighteen (18) eligible artistic positions⁷ must be held by Colombians. In addition, the director or filmmaker must also be Colombian.

3/18 Colombians as
artistic personnel



5) Of 11 eligible artistic positions for feature-length documentaries:

1. Director or Filmmaker
2. Screenwriter
3. Original Music Composer
4. Researcher
5. Presenter, Voice-over, or Narrator; this may be any one of the characters featured in the documentary (if applicable)
6. Director of Photography
7. Production Sound Mixer
8. One (1) Actor (if applicable)
9. Illustrator (if applicable)
10. Film Editor
11. Sound Designer, Chief Sound Editor, or Sound Editor

6) Of 10 eligible artistic positions for feature-length animation films:

1. Director
2. Chief Animator
3. Screenwriter or Ac screenplay Adapter
4. Original Music Composer
5. One (1) Voice Actor for a main character
6. Story Board Artist
7. Art Director
8. Character Designer
9. Location Designer
10. Layout Designer
11. Sound Designer, Chief Sound Editor, or Sound Editor

7) Of 18 eligible artistic positions for short films:

1. Screenwriter or Screenplay Adapter
2. Original Music Composer
3. One (1) Main Actor
4. One (1) Voice Actor for a main character (animation)
5. One (1) Actor (if applicable for documentaries)
6. Director of Photography
7. Art Director or Production Designer
8. Sound Designer or Sound Director
9. One (1) Chief Animator (animation)
10. Story Board Artist (animation)
11. Character Designer
12. Location Designer (animation)
13. Layout Designer (animation)

14. Researcher (documentary)
15. Presenter, Voice-over, or Narrator; this may be any one of the characters featured in the documentary
16. Illustrator (documentary)
17. Film Editor
18. Chief Sound Editor

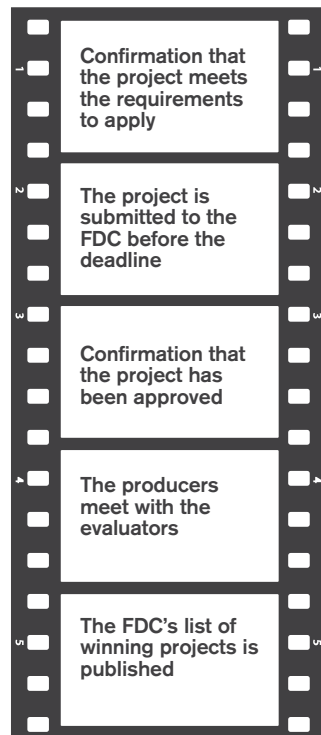
If a fiction, documentary or animation feature film has a Colombian director, this position counts as two of the positions mentioned above.

FDC incentive grants

The Film Development Fund (FDC) awards yearly non-repayable grants to Colombian applicants presenting Colombian film projects in every stage of development – screenplay and project development, production, post-production, promotion, distribution, and exhibition. Colombian productions and co-productions are eligible for these grants.

WHAT BENEFITS ARE AVAILABLE FOR COLOMBIAN CO-PRODUCTIONS?

Through the Colombian producer, a Colombian co-production can benefit from the country's two main mechanisms for public film financing. The first mechanism is the resources available from the Film Development Fund. The second mechanism is tax incentives for Colombian investors or donors who provide support to Colombian productions or co-productions. These two mechanisms are complementary; together, they can add up to finance a significant portion of a Colombian film, thereby strengthening its economic viability.



Incentive grants Film Development Fund (FDC)

Tax incentives for investments and donations

COLOMBIAN CO-PRODUCTION

For 2017 the FDC has available US\$4.4 million to finance projects in the categories of Fiction, Documentary and Animation. FDC incentive awards are granted every year through a competitive process. To learn more about the FDC's operations, requirements, and application dates, please visit:

www.convocatoriafdc.com

Grants	Total Amount*	# Projects	Maximum Amount *
Comprehensive Incentive Award for Production and Promotion	2.500.000.000	1	2.500.000.000
Short film from the regions	750.000.000	25	30.000.000
Fiction Call for entries	6.898.500.000		
Feature film scriptwriting	392.000.000	10	23.000.000 ⁸
Genre scriptwriting incentive	54.000.000	6	27.000.000 ⁹
		2	27.000.000
production of fiction feature film:			
First Film by Colombian director	2.400.000.000	3	800.000.000
Second film by Colombian director	2.700.000.000	3	900.000.000
Minoritary Colombian co-production	400.000.000	2	200.000.000
Feature film post- production	472.500.000	3	157.500.000
Making of a Short Film	480.000.000	8	60.000.000
Documentary Call for entries	1.727.500.000		
Development feature film	300.000.000	10	30.000.0
Making Feature Film	787.500.000	Number of projects until the amount designated ends	131.350.000 ¹⁰
			262.500.000 ¹¹
Making Short Film	480.000.000	Number of projects until the amount designated ends	30.000.000 ¹²
			60.000.000 ¹³
Feature Film post-production	160.000.000	2	80.000.000
Animation Call for entries			
Feature film development	252.000.000	3	84.000.000
Feature film production	1.300.000.000	1	1.300.000.000
Making of short films	560.000.000	8	70.000.000
Realización de cortometraje infantil (nuevo)	140.000.000	2	70.000.000
	14.128.000.000	14.128.000.000	4.415.000

⁸ Scriptwriter without premiere feature film in Colombia

⁹ Scriptwriter with feature film premiered in Colombia

¹⁰ Documentaries of 52 min

¹¹ Documentaries of 70 min

¹² Documentaries of 7 min

¹³ Documentaries of 26 min

* Values are expressed in COP

TAX INCENTIVES FOR INVESTORS AND DONORS

Tax incentives for investors and donors supporting Colombian film projects are a mechanism established by the Film Law, which allows one hundred sixty-five percent (165%) of the amount invested or donated to be deducted from gross income (Law 814/03, article 16, amended by article 195 of Law 0607/12). This deduction is a major incentive for Colombian companies or individuals to invest in and donate to Colombian film.

For a project to receive these benefits, it must first be approved by the Film Department of the Colombian Ministry of Culture and obtain a “domestic project resolution”. This resolution can be obtained by submitting documentation that demonstrates fulfillment of the following minimum requirements:

- **Technical feasibility of the project:** this is related to the adequacy of the production plan and the strength of the technical and artistic personnel.
- **Feasibility of the budget:** i.e., the coherence and rationality of the financing strategy, cost structure, and the expectations for recovering the investment in the national and international film market.
- **Compliance with financial, technical, and artistic requirements for co-productions, as described above.**

The documentation submitted to demonstrate the project's production plan may include: engagement letters for financing the project from foreign funds and institutions; contracts between the co-producers; sales and distribution agreements or preliminary agreements; etc.

It is important to note that the “domestic project resolution” is granted to the Colombian co-production company and is approved for the amount of the production costs to be incurred by the company, which may under no circumstances exceed a limit of approximately 17.650 SMMLV¹⁴.

After the Resolution has been granted, the Ministry may certify the investments or donations made for the project and subsequently issue Certificates of Investment or Donation, which are negotiable order instruments. These Certificates are instruments representing the right to use the tax deduction established in the Film Law. Click here for detailed information on the steps to be followed and specific requirements to obtain the tax incentives established by the Law:

<http://www.mincultura.gov.co/areas/cinematografia/Produccion/Paginas/BENEFICIOS-TRIBUTARIOS.aspx>



Based on the current income tax rate in Colombia – 34% of taxable income – a Colombian investor or donor will receive tax savings equal to 56% of the initial investment or donation. An example for an investment of US\$100 is presented below.

¹⁴ In the case of donation, the Colombian tributary legislation sets limits

¹⁵ The current legal minimum monthly salary SMMLV 2016= 737.717 in Colombia, at a rate of 3,200 per U.S. dollar.

Income tax rate (IR)	34%
Total net revenue (NR)	10000
Total Costs (C)	7000
Net taxable income, not including an investment (NTIN)=NR-C	3000
Income tax to be paid, not including an investment (ITN)=NTINxIT	1020
Investment or donation	100
Deduction = Investmentx 165 %	165
Net taxable income with investment or donation (NTIW) = NTIN-Deduction	2835
Income tax to be paid, with investment or donation (ITW) = NTIW x IT	964
Savings income tax= ITN-ITW	56
Income tax savings / Investment or donation (%)	56%

Remember that...

Colombia has signed co-production agreements with Ibero-American countries, Canada, and France. The financial, technical and artistic requirements may vary for co-productions between Colombia and these countries. You can check the specific conditions under these agreements at the following web sites:

▪ **Agreements with Ibero-American countries and Canada:**

http://www.proimagenescolombia.com/secciones/cine_colombiano/legislacion/legislacion.php

Please find all the information in section XVI ACUERDOS INTERNACIONALES

▪ **Agreement with France:**

<http://www.ambafrance-co.org/Publicacion-del-acuerdo-de>

In conclusion...

