

# **Directions for Funding the Production of Motion Pictures and Television Dramas in the Republic of China by Foreign Motion Picture and Television Production Enterprises**

Revision promulgated by the Bureau of Audiovisual and Music Industry Development of the ROC Ministry of Culture in Decree Ying Fu No.10930095801 on December 31, 2020

## **Article 1 – Purpose**

The Bureau of Audiovisual and Music Industry Development of the Ministry of Culture (referred as “BAMID” hereinafter), Republic of China, has promulgated this set of regulatory directions (referred as “the Directions” hereinafter) in order to assist foreign motion picture and television production enterprises or international directors with production of motion pictures and television dramas in the Republic of China, facilitate film and screen production by foreign motion picture and television production enterprises in the Republic of China as well as the partnership and assistance of domestic motion picture and television production enterprises with their foreign counterparts, and augment domestic motion picture and television production enterprises experience in international production operations.

## **Article 2 – Definitions and interpretation**

- (1) “Foreign motion pictures” or “foreign television drama” referred herein are as follows:
  - a. Feature film shot on the location(s) in the Republic of China and produced therein by foreign motion picture production enterprise(s) and directed by well-reputed international motion picture director(s) or international director(s) with no investor from Mainland China in the fund structure thereof.
  - b. Television drama shot on the location(s) in the Republic of China and produced therein by foreign television production enterprise(s) and directed by well-reputed international drama director(s) or international director(s) with no investor from Mainland China in the fund structure thereof.
- (2) “Foreign motion picture and television production enterprise(s)” referred herein are motion picture and television production enterprise(s) that are based in locales

other than Taiwan, Mainland China, Hong Kong, and Macau, and invested not by citizens, corporate entities, groups, or any organization of Mainland China.

- (3) “International directors” referred herein are foreign directors other than those who hold a citizenship of Mainland China.
- (4) “Well-reputed international motion picture directors” referred herein are international directors whose productions have been honored with following awards at the Cannes International Film Festival, the Venice International Film Festival, the Competition of the Berlin International Film Festival, or the Academy Awards organized by the Academy of Motion Picture Arts and Sciences of the United States:
  - a. Cannes International Film Festival
    - i. Palme d'Or
    - ii. Prix de la mise en scène
  - b. Venice International Film Festival
    - i. Leone d'Oro
    - ii. Leone d'Argento - Premio per la migliore regia
  - c. Berlin International Film Festival
    - i. Goldener Bär
    - ii. Silberner Bär - Beste Regie
  - d. Academy Awards
    - i. Best Picture
    - ii. Best Director
    - iii. Best International Feature Film
- (5) “Well-reputed international television drama directors” referred herein are international directors whose productions have been honored with “best director” or “best drama” awards from the International Emmy Awards, the Primetime Emmy Awards, or the Seoul International Drama Awards (SDA).
- (6) “Personnel expenses” referred herein are expenses incurred for the services of workers of the nationals of the Republic of China employed in connection with shooting and production of foreign motion pictures or television dramas in the

duration of production operations in the Republic of China or other personnel expenses recognized by BAMID.

- (7) “Production expenses” referred herein are expenses incurred for services provided by enterprises based in the Republic of China in connection with shooting operations as well as pre-production and post-production of foreign motion pictures or television dramas in the duration of production operations in the Republic of China; “production services” refer to service provision such as location scouting, shooting, digital visual effects , art design, costume design, and hardware (rental) for motion pictures or television dramas; “post-production” refers to audio enhancement and sound effects, film editing, color correction, film developing and printing, as well as other operations for motion picture or television drama production recognized by BAMID.

### **Article 3 – Criteria for foreign motion picture applying for the Funding**

(1) Eligibility:

- a. The Funding is open to application by any well-reputed international motion picture director with an amount of NT\$3 million minimum allocated for the motion picture production expenses in the Republic of China.
- b. The Funding is open to application by any foreign motion picture production enterprise with an amount of NT\$30 million or above allocated for the motion picture production expenses in the Republic of China.

(2) Accounting of the Funding:

- a. The amount of Funding accounts for up to 30 percent of the total expenditure of production in the Republic of China for a motion picture with a ceiling of NT\$30 million.
- b. In the event that a motion picture also acquires investments or grants from other governmental agencies (institutions), public enterprises, or non-departmental public bodies or foundations sponsored and established by the government, the aggregated amount of the aforementioned sums and the amount of the Funding herein shall not exceed 50 percent of the total expenditure of production in the Republic of China for the motion picture with a ceiling of NT\$30 million.

## **Article 4 – Criteria for foreign television drama applying for the Funding**

### **(1) Eligibility:**

- a. The Funding is open to application by any well-reputed international television drama director with an amount of NT\$3 million minimum allocated for the television drama production expenses in the Republic of China.
- b. The Funding is open to application by any foreign television production enterprise with an amount of NT\$60 million or above allocated for the television drama production expenses in the Republic of China.

### **(2) Accounting of the Funding:**

- a. The amount of Funding accounts for up to 30 percent of the total expenditure of production in the Republic of China for a television drama with a ceiling of NT\$20 million.
- b. In the event that a television drama also acquires investments or grants from other governmental agencies (institutions), public enterprises, or non-departmental public bodies or foundations sponsored and established by the government, the aggregated amount of the aforementioned sums and the amount of the Funding herein shall not exceed 50 percent of the total expenditure of production in the Republic of China for the television drama with a ceiling of NT\$20 million.

### **(3) A foreign television drama is not a drama that is funded by foreign television production enterprise and commissioned to domestic television production enterprise for production.**

## **Article 5 – Items to be funded and the respective percentages**

### **(1) Items to be funded and the respective percentages for motion picture or television drama produced by foreign motion picture or television enterprise in the Republic of China:**

- a. Personnel expenses: the expenses for the employment of performers and workers who are nationals of the Republic of China during the period of

production operations of a foreign motion picture or television drama conducted in the Republic of China is limited to 45 percent of the Funding amount.

- b. Production expenses: the expenses for the production of a foreign motion picture and television drama conducted in the Republic of China is limited to 35 percent of the Funding amount.
- c. Insurance, transportation and lodging expenses: the expenses for liability insurance, accident insurance of performers and workers who are nationals of the Republic of China, and transportation and lodging of the said performers and workers during the period of production of a foreign motion picture and television drama conducted in the Republic of China is limited to 20 percent of the Funding amount.

- (2) The personnel expenses may exceed the ceiling of 45 percent of the Funding amount in the event that the nationals of the Republic of China employed as the major or minor heads of departments of the crew account for 70 percent or above of the crew during the production period conducted in the Republic of China for the funded motion picture or television drama.

## **Article 6 – Documents required for the Funding application**

Prior to commencing shooting for the proposed motion picture or television drama produced in the Republic of China, a motion picture or television production enterprise based in the Republic of China is to provide documents as follows to BAMID for the Letter of Eligibility on behalf of a foreign motion picture or television production enterprise that applies for the Funding under the Directions:

- (1) Application letter;
- (2) Documentation of Eligibility of the Applicant:
  - a. Certificate of registration of the domestic motion picture or television production enterprise contracted to assist in the production of the foreign motion picture or television drama as well as the written contract thereof that specifies the items, duration, and scope of the deliverables and states clearly the authorization of fund management in the duration of production in the Republic of China, including but not limited to the agreement of remittance of the Funding from BAMID into the financial institution account of the domestic motion

picture or television production enterprise, or the person in charge of the handling of the Funding;

- b. Certificate of registration of the foreign motion picture or television production enterprise authenticated by an overseas mission of the Republic of China and a Chinese translation thereof;
- c. Certificate or affidavit of no fund from Mainland China in the foreign motion picture or television production enterprise and in the motion picture or television drama produced thereby;
- d. Certificate of the well-reputed international motion picture director or television drama director for application submitted by a well-reputed international motion picture director or television drama director;

(3) Prospectus of the proposed motion picture or television drama production:

- a. Introduction to the proposed motion picture or television drama: title of motion picture or television drama in Chinese and English, genre of motion picture or television drama, conception of production, synopsis of motion picture or television drama (including the plot outline, character introduction, and step outline or episode outline that details the shooting schedule and locations), and proposed sites for shooting or production in the Republic of China;
- b. Introduction to the production crew: profiles of foreign and domestic motion picture or television production enterprises as well as supporting documents for the motion picture or television drama production thereof in the last three years, curriculum vitae of the production crew and of the lead actor(s)/actress(es) and supporting actor(s)/actress(es), a list of job titles for shooting operation in the Republic of China, the cooperation contract or the letter of intent of the production team, and the supporting documents detailing the motion picture or television drama experiences or results of the executive producer(s), producer(s), or director(s) therein over the last three years;
- c. An estimate of total cost of the production as well as an itemized estimate of the expenditure for shooting or production of motion picture or television drama in the Republic of China;
- d. Release and screening (broadcasting) plan.

Where documents in the preceding paragraphs are made in foreign language(s), a Traditional Chinese translation is required as attachment thereto; should an Applicant fail to provide documents and materials therein or to present the documents in full and in accordance with the Directions, one correction is in order upon a notice with a specified period by BAMID; provided that failure to take corrective action within the specified period, incomplete documents provided after correction, or documents provided not in line with the stipulations, BAMID is liable to reject the application..

## **Article 7 – Modification of Prospectus**

Under the following circumstances, the Applicant with eligibility is to state reasons in written form and provide relevant documents for modification application to BAMID. In the review of the aforementioned modification application, BAMID may demand the presence of the Applicant with eligibility for elaboration as the latter cannot evade, obstruct, or reject such demand. Upon the approval from BAMID and a modification made within a specified period, the Applicant with eligibility is to shoot or produce motion picture or television drama in accordance with the modified prospectus. Modification thereof can only be made once.

- (1) Changes in the title, production schedule, or synopsis of motion picture or television drama in the prospectus; or
- (2) Changes in the production team such as the producer, personnel for shooting, production design, film editing or sound effects, or the lead cast.

## **Article 8 – Documents required for the approval of the Funding**

A foreign motion picture or television production enterprise approved with eligibility to the Funding herein (referred as “Recipient” hereinafter) and the commissioned motion picture or television production enterprise based in the Republic of China are to prepare documents as follows to apply for Funding approval from BAMID:

- (1) Application letter for reimbursement;
- (2) Statement of production operation of the foreign motion picture or television production enterprise in the Republic of China, including work logs of shooting and post-production, photographs of shooting operation in the Republic of China, and descriptions of equipment and technical services used;

- (3) A list of nationals of the Republic of China employed in the cast and in the crew as well as the functions, employment contracts, and a photocopy of the National ID Cards of the Republic of China (front and back) thereof;
- (4) A complete list of personnel employed for the foreign motion picture or television drama production, required for an application with personnel expenses over 45 percent of the total amount of the Funding pursuant to Paragraph (2) of Article 5 herein;
- (5) A schedule of income and expenditure of the total budget allocated for foreign motion picture or television drama production in the Republic of China applying for the Funding herein that is to include contents as follows and be attested by a certified public accountant (CPA) with an unqualified opinion thereon as well as an original copy of the audit report prepared the CPA:
  - a. incomes, including but not limited to incomes from investments in or grants for the production of motion picture or television drama therein from the governmental agencies (institutions), public enterprises, or non-departmental public bodies or foundations subsidized or sponsored by the government of the Republic of China (details of funded or subsidized items or schedules thereof), derivative incomes, and self-generated funds for the budget of the motion picture or television drama production;
  - b. expenditure, i.e. the total expenditure for the foreign motion picture or television drama production in the Republic of China, divided into personnel expenses, production expenses, transportation expenses, insurance expenses, and lodging expenses, with respective schedules thereof and the original copies of source documents of expenses to be funded (for the expenses of personnel, production, transportation, insurance, and lodging to be funded by BAMID); and
  - c. photocopies of individuals' withholding certificates for the aforementioned personnel expenses;
- (6) Documentation demonstrating the purchase of liability insurance and of accident insurance for performers and workers who are nationals of the Republic of China during the period of production operations in the Republic of China by the foreign motion picture or television production enterprise;

- (7) Fifteen high-resolution photographs of shooting operation at the sets (including the photographs of the director, producer, lead actor(s) and actress(es) at work), twenty or more electronic copies of stills as well as an authorization letter that authorizes BAMID to use the materials free of charge with no restriction on the areas of utilization nor the means thereof indefinitely;
- (8) One copy of DVD of the commercial screening version of the funded foreign motion picture or television drama with the opening titles and closing credits included, which may be submitted to BAMID after the commercial screening thereof, and an affidavit that is to be submitted at the case closure, on which the time for the DVD submission shall be specified; and
- (9) Other documents demanded by BAMID.

Where documents in the preceding paragraphs are made in foreign language(s), a Tradition Chinese translation is required as attachment thereto.

## **Article 9**

A Recipient is liable to provide financial institution account thereof and one copy of receipt for disbursement of Funding amount by BAMID within thirty days upon the arrival of the Letter of “Funding Approval” of BAMID; BAMID shall remit the Funding amount to the financial institution account upon the review and approval by BAMID; Recipient that fails to provide in time is deemed as having forfeited the right to funding. BAMID reserves the right to remit the Funding amount by installments in consideration of the annual budget allocated from year to year.

## **Article 10**

Where a motion picture or television drama receives the Funding herein, the motion picture or television drama is not eligible for the other production and marketing grants from BAMID.

## **Article 11 – Obligations of Recipients**

- (1) A Recipient is not to submit deceitful and untruthful materials to apply for or obtain the Letter of Eligibility or the Letter of Funding Approval.

- (2) In the event a corporate entity or group that receives funding from BAMID engages procurement, where the funding amount accounts for one-half or more of the procurement expenditure and reaches or exceeds the amount stipulated in Government Procurement Act, it is subject to the provisions of Government Procurement Act as well as the supervision by BAMID. Whereas the preceding paragraph does not apply to procurements related to arts and culture, the corporate entity or group that receives funding is subject to supervision by BAMID in accordance with “Regulations Governing Arts and Cultural Procurements by Juridical Persons or Groups in Receipt of Government Grants” and, if necessary, is liable to accept the auditing of quality, progress, or other matters pertaining to the procurement by BAMID and to provide information or materials of the procurement related to arts and culture at the request of BAMID, whether the conditions stipulated in the Subparagraphs under the Paragraph (1) of Article 12 of the Regulations are met.
- (3) The logo of BAMID provided thereby is to place at the opening titles or closing credits of the funded motion picture or television drama.
- (4) A Recipient is to provide documents and materials pursuant to the Article 8 and Article 9 herein for case closure.
- (5) A Recipient is to provide the required documents stipulated in Article 7 herein.

## **Article 12 – Breach of the Directions by Recipients**

- (1) Where a Recipient fails to comply with the obligations stipulated in Paragraph (1) or Paragraph (2) in the preceding Article, BAMID is entitled to, in line with the severity of the violation, revoke the Letter of Eligibility or annul, in part or in whole, the eligibility thereof to the Funding and to not disburse the amount of Funding nor compensation or restitution of any kind thereto; the Recipient is liable to return the amount received without interest by the time specified by BAMID. A Recipient with the eligibility to Funding revoked or annulled may not apply for the Funding herein for a period of two years upon the date of revocation or annulment, nor may the Recipient apply for any grant from BAMID prior to a full return of the excess amount of the Funding received.
- (2) Provided that a Recipient fails to comply with the obligations stipulated in Paragraph (3) or Paragraph (4) in the preceding Article, upon a written notice with

a specified period for correction by BAMID, the Recipient is liable to take one corrective action within the specified period; BAMID is to annul the Funding thereof or the eligibility thereof as a result of failure to take corrective action within the specified period, insufficient correction made, or correction made not in line with the obligations of the Recipient, and to not disburse the Funding amount nor compensation or restitution of any kind thereto.

- (3) In the event that a Recipient fails to comply with the obligations stipulated in Paragraph (5) in the preceding Article, upon a written notice by BAMID for one corrective action within a specified period, the pertaining expenses of the changed items may not be reimbursed by the Funding herein as a result of failure to take corrective action within the specified period, insufficient correction made, or correction made not in line with the obligations thereof by the Recipient.

### **Article 13 – Supplementary Provisions**

- (1) BAMID may approve the applications under the Directions each year on the basis of the amount of annual budget allocated respectively. Where the Funding sums exceeds the total amount of the budget allocated, BAMID is entitled to cease accepting applications.
- (2) In the event of the budget for Funding herein reduced or frozen by the Legislative Yuan or BAMID unable to disburse out of a reason not attributable to BAMID, BAMID is entitled to cease accepting applications or issuing Letter of Eligibility or to suspend disbursement of amounts to the Applicants approved while Applicants may not demand compensation or restitution therefrom.
- (3) In the case of inconsistency, conflict, or any unsettled issue, BAMID reserves the right to the interpretation of the provisions in the Directions.