



A GUIDE TO CO-PRODUCING WITH THE UK

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WHY CO-PRODUCE?

Co-producing allows pooling of creative, financial and technical expertise and resources as well as a sharing of risk.

An official UK co-production is a film production between the UK and one or more countries made under one of the UK's official bi-lateral co-production treaties or the European Convention on Cinematography.

Qualifying as an official co-production, and therefore as a British film means eligibility to apply for:

- **UK Film Tax Relief**
- **BFI Film Fund**
- **Support from National film agencies Creative England, Ffilm Cymru, Creative Scotland and Northern Ireland Screen (depending on producer's location)**
- **International sales and distribution support**

Further benefits include:

- **British qualification can be a requirement for entry to some film festivals and awards.**
- **British qualifying films also count as local content for UK TV.**

IT'S ALL ABOUT WHO

The UK co-producer

Finding the right UK co-producer that shares the same creative vision is key to the success of any project. The BFI can't recommend individual UK producers, but there are several sources that will help you identify potential partners, including:

- The British Films Catalogue produced by the British Council Films Department lists more than 3000 British feature films, producers and production companies. The database is searchable by genre and production year.
- The UK directory of independent producers published by the Producers Alliance for Cinema and Television (PACT) is a comprehensive database of TV and film production companies registered in the UK and their contact details.
- We Are UK Film brings together the UK's film commissions, national and regional agencies, producers and sales companies under one umbrella to provide clear information about our outstanding locations, services, films and talent.

THE BFI FILM FUND

Funding available for British qualifying majority and minority co-productions

With over £26m to invest a year, the BFI Film Fund is the UK's largest public investor in film, supporting first-class filmmaking through development and production, to distribution and international sales.

The BFI Film Fund has earmarked up to £250,000 per year of its existing funding towards the support for co-productions at the development stage, and up to £1m per year towards production awards where the UK is a minority partner.

Priority will be given to projects where:

- A world-class, non-British filmmaker wishes to engage with UK talent or cultural content;
- UK involvement elevates the project's creative or commercial potential;
- The project gives an opportunity to an outstanding, emerging talent from the UK.

There are no application deadlines, so please apply when the script is complete and when the team is ready to share their vision for the film, supported by a strategic plan for making it.

FAQS

Is there a distinction between qualifying spend for co-productions and the UK tax credit?

Yes. For co-productions, qualifying UK spend can include goods, services, facilities and personnel from the UK, regardless of whether it is spent in the UK or elsewhere in the world. This spend will contribute towards your co-production contribution (see 'It's all about HOW').

For tax credit purposes, qualifying spend can only include what was used and consumed in the UK rather than by the nationality of the people, goods and services. All qualifying costs need to be incurred by the UK co-producer since the tax credit is claimed through the company's corporate tax return (see 'It's all about WHERE').

Qualifying spend for co-production	Qualifying spend for tax credit purposes
(WHO is incurring the expenditure) 	(WHERE is the expenditure incurred) 
British crew & director shooting	Foreign crew & director shooting in UK
Personnel, goods and services from the co-producing countries count towards co-production contribution. Example: UK crew and director's fees incurred outside and in the UK	UK core expenditure used and consumed on UK soil and incurred by the UK production company = eligible for tax rebate. Example: Proportion of foreign crew and director's fees incurred in the UK

IT'S ALL ABOUT HOW

Structuring a UK co-production

All treaties have different requirements, but the common principles are:

- A co-producer from each co-producing country needs to make both a **financial contribution** and an **effective creative, technical and artistic contribution** to the film. These need to be broadly in proportion.
- The creative, technical and artistic contribution to the film needs to be made using **personnel, goods and services** from the co-producing countries (including personnel from the EEA).
- The film needs to be made in the co-producing countries (third country location shooting and some third country personnel may be allowed depending on the treaty being used but must not exceed 30% of the budget).
- The co-production status must be applied for at least 4 weeks before principal photography commences.

In the UK, films can qualify as official co-productions under either:

The European Convention on cinematographic co-productions

- Bi-lateral co-productions between two co-producers which are signatory to the Convention.
- Multi-lateral co-productions between three or more signatory countries.
- The Convention can allow non-party co-producers which are not signatory to the Convention with prior agreement from the BFI.

Financial contributions:

- Minimum of 20% where there are only 2 party co-producers making a film bi-laterally.
- Minimum of 10% where there are 3 or more party co-producers.

One of the UK's official bi-lateral co-production treaties

Active Treaties:

- Australia · Canada · China · France · India · Israel · Jamaica · Morocco
- New Zealand · Occupied Palestinian Territories · South Africa

Forthcoming Treaties:

- Brazil

Financial contributions:

- 20% minimum for all countries except for Australia (minimum of 30%)

Unofficial co-productions

The UK can also co-produce with countries with whom it does not have a treaty. This involves qualifying as a British film under the Cultural Test (see 'It's all about WHERE').

IT'S ALL ABOUT WHERE

The UK Tax Credit

In order to access the UK's film tax relief, a film needs to qualify as British in one of two ways:

- As an official co-production (see 'It's all about HOW')
- Under the UK's film cultural test

The cultural test is a points-based test where the project will need to achieve 18 of a possible 35 points to pass.

Eligible costs: UK core expenditure for purposes of the tax relief is defined on that which is used or consumed on UK soil rather than by the nationality of the people, goods and services.

Since the tax credit is claimed through the company's corporate tax return, all eligible costs need to be incurred by the UK co-producer.

UK core spend: minimum of 10%

Applicant: UK producer - needs to be a limited liability film production company (FPC) within the charge of UK Corporation tax and the company must be incorporated before principal photography begins.

Application deadlines: Applicants can apply for interim certification at any point before or during production. Interim certification is essential if you wish to claim film tax relief during production. A final application must be submitted once the film is complete and ready to be viewed by an audience.

Other eligibility requirements: Films need to be intended for theatrical release.

Value of the tax credit

The UK Film Production Company can claim tax relief of up to 25% of UK qualifying expenditure. This is available on a maximum of 80% of total UK core expenditure. There is no cap on the amount which can be claimed.

Can the BFI suggest possible co-production partners for my production?

The BFI can't recommend individual UK producers, but there are several sources that will help you identify potential partners (see 'It's all about WHO').

When do I need to register my co-production at the competent authority in the UK?

Applications for interim or final approval under the co-production agreements should be made to the BFI Certification Unit. Applications for interim approval should be made at least four weeks before the start of principal photography. Final approval will only be granted once the film is completed. (See Useful Links)

USEFUL LINKS

- /// **BFI Certification Unit (for registering a co-production or cultural test application to qualify as British and to subsequently apply for the UK's film tax relief)**
bfi.org.uk/film-industry/british-certification-tax-relief
- /// **BFI Film Fund**
bfi.org.uk/supporting-uk-film/funding-filmmakers
- /// **BFI International Strategy**
bfi.org.uk/film-industry/bfi-international-strategy
- /// **Bilateral co-production treaties with the UK**
bfi.org.uk/film-industry/british-certification-tax-relief/co-production
- /// **British Council Films Department**
film.britishcouncil.org
- /// **British Film Commission**
britishfilmcommission.org.uk
- /// **British Films Catalogue**
film.britishcouncil.org/british-films-directory
- /// **International sales and distribution support**
Media Desk UK
mediadeskuk.eu/funding/media-sub-programme
BFI Film Export Fund (for intl sales agents)
bfi.org.uk/film-industry/film-export-fund
- /// **National film agencies in the UK**
bfi.org.uk/film-industry/bfi-network
- /// **PACT directory of independent UK producers**
pact.co.uk/find-a-member
- /// **We Are UK Film**
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BASIC TREATY REQUIREMENTS



	Competent authority in partner country	Minimum financial contribution (% cost of production)	Finance only co-production permitted?	Third party co-producers from other countries permitted?	Non-party producers allowed?	Where the film is made
Australia	Screen Australia	30%	No	Yes	No	Co-production films shall be made (inc. studio and location shooting), and processed up to the creation of the first release print in the UK, Australia or the country of a third co-producer.
Canada	Telefilm Canada			Yes	Commonwealth State EU State	Co-production films shall be made (including studio and location shooting), processed, post synchronised and mixed up to the creation of the first release print in the UK and/or Canada and/or country of any third co-producer.
New Zealand	New Zealand Film Commission			Yes	No	Co-production films shall be made, processed and dubbed up to the creation of the first release print, in the countries of the participating co-producers. Post-release print dubbing into languages other than Maori, English, Gaelic, and Welsh may be carried out in third countries and all versions of the film may contain passages of dialogue in other languages if required by the script.
France	Centre National de la Cinématographie	20%	Yes – minimum of 20%, maximum of 30% (Subject to approval by competent authorities)	Yes		Co-production films shall be made (inc. studio and location shooting), processed, dubbed and sound recorded in the United Kingdom and/or France. Dubbing into languages other than English and French may be carried out in the country concerned.
India	Ministry of Information		Yes		Co-production films shall be made (including studio and post production) in the UK and/or India and/or country of any third-party co-producer.	
China	China Film Co-production Corporation (CFCC)		Yes		Unless the competent authorities agree otherwise: (a) all work on the co-production prior to completion shall be carried out in the UK or China, or where there is a third party co-producer, in the state or region in which that third party co-producer is established, and (b) the majority of the work on the co-production shall be carried out in the state or region in which the party co-producer or third-party co-producer making the greatest financial contribution is established; but nothing in the Agreement shall prevent co-production work in a third country or region if the script or the circumstances require it, and the competent authorities agree.	
Morocco	Centre Cinematographique Marocain		Yes		Unless the competent authorities agree otherwise: (a) all work on the co-production prior to completion shall be carried out in the UK or Morocco or where there is a third party co-producer, in the State or region in which that third party co-producer is established, and (b) the majority of the work on the co-production shall be carried out in the state or region in which the party co-producer or third-party co-producer making the greatest financial contribution is established; but nothing in the Agreement shall prevent co-production work in a third country or region if the script or the circumstances require it, and the competent authorities agree.	
Occupied Palestinian Territories	Al-Qattan Foundation		Yes	Yes. Any state (which is not a third-party state), see restrictions set out in paragraph 39 of the BFI Co-production Guidance notes.	Unless the competent authorities agree otherwise: (a) all work on the co-production prior to completion shall be carried out in the UK, the Occupied Palestinian Territories or in the country in which the third-party co-producers are established, and (b) the majority of the work on the co-production shall be carried out in the UK, the Occupied Palestinian Territories or third country, depending on where the party co-producer or third-party co-producer making the greatest financial contribution is established; but nothing in the Agreement shall prevent co-production work taking place outside the UK, the Occupied Palestinian Territories, or a country in which a third-party co-producer is established if the script or the circumstances require it, and the competent authorities agree.	
Israel	Ministry of Industry		Yes		Unless the competent authorities agree otherwise: (a) all work on the co-production prior to completion shall be carried out in the UK or Israel, or where there is a third party co-producer, in the state or region in which that third party co-producer is established, and (b) the majority of the work on the co-production shall be carried out in the state or region in which the party co-producer or third-party co-producer making the greatest financial contribution is established; but nothing in the Agreement shall prevent co-production work in a third country or region if the script or the circumstances require it, and the competent authorities agree.	
Jamaica	Film, Music & Entertainment Commission, Jamaica		Yes		Co-production films shall be made (including studio and post production) in the UK and/or Jamaica and/or country of any third-party co-producer.	
South Africa	National Film and Video Foundation, South Africa		Yes		Co-production films shall be made (including studio and post production) in the UK and/or South Africa and/or country of any third-party co-producer.	
European Convention	Individual European competent authorities	20%	Yes – minimum of 10%, maximum of 25% (Subject to approval by competent authorities)	n/a	Non-party allowed with prior agreement from competent authorities	Filming may be carried out in any country, subject to the requisite amount of points in Appendix II of the European Convention up to 30% of the total budget may be spent.