

## **RULES**

### **of the 1st competition for support of international co-productions** **within the Krakow International Film Fund** **organised by the Krakow Festival Office**

#### **Preamble**

*The aim of the competition conducted from the funds of the Krakow International Film Fund is the creation of International Co-Productions intended mainly for cinema distribution, as well as development of the cooperation of the European audio-visual sector with other countries of the world.*

*In order to receive financial support, a film production has to be connected with Krakow through its subject, authors, and above all by the place of filming. These co-productions are to remain connected with Krakow and contribute to the cultural, tourist and economic promotion of the City and the region, as well as to building its positive image. The Krakow International Film Fund, supported by the Krakow Film Commission acting within the structure of the Krakow Festival Office, is a strong argument for Krakow and the Małopolska region in their efforts to gain foreign partners from the world of cinema.*

#### **§ 1**

1. The Competition for Film Production Support of international co-productions (the **Competition**), which is conducted based on the following principles, is the Krakow Festival Office (Krakowskie Biuro Festiwalowe), based in Krakow, 31-513, ul. Olszańska 7, registered in the cultural institutions register maintained by the Municipality of Krakow, under number 19, (**KBF**).
2. The Krakow Film Commission, operating within the structure of the KBF, coordinates the Competition as well as the work of the Competition Commission.
3. The announcement for the call for proposals was published in the following ways:
  - at [www.film-commission.pl](http://www.film-commission.pl), the Krakow Film Commission website;
  - at [www.krakow.pl](http://www.krakow.pl), the Magiczny Kraków website;
  - at [www.biurofestiwalowe.pl](http://www.biurofestiwalowe.pl), the Krakow Festival Office website – the organiser of the Competition;
  - at [www.pisf.pl](http://www.pisf.pl), the Polish Film Institute website,
  - at [www.kipa.pl](http://www.kipa.pl), the Polish Audiovisual Producers Chamber of Commerce (KIPA) website;
  - at [www.portalfilmowy.pl](http://www.portalfilmowy.pl), the Polish Filmmakers Association website;
  - at the headquarters of the Krakow Festival Office at ul. Olszańska 7.Information about the Competition was also sent to local and national media.

#### **§ 2**

1. A **film production**, as defined in these Rules, is: a set of creative, organisational, economic, legal and technical activities, leading to the creation of a film in the form of a master copy. This definition is in accordance with Article 5, Section 7 of the Act of 30 June 2005 on Cinematography (Journal of Laws No. 132 item 1111 as amended.)
2. An **international co-production**, as defined in these Rules is: a film production with at least two co-producers (defined as audiovisual entities operating in a given country and whose direct owners or majority shareholders are citizens of these countries) from two different countries.
3. A **film**, as defined in these Rules, is: a work of any length, including fiction, documentary or animated, composed of a series of consecutive images with or without sound, recorded on any medium allowing for

multiple playback, evoking a sense of movement and constituting an original whole, expressing an action (content) in an individual form, within the scope of copyright and related laws.

4. The Competition aims to promote the production of films with a minimum length of 60 minutes, intended for broadcast as programme material on television or the Internet, or in different fields of operation as agreed to by the co-producers, especially for showing in movie theatres.

### § 3

The competition for support of international co-productions is announced at least once a year.

### § 4

1. Support for Film Productions will be provided from the resources of the Fund, which are disbursed by the KBF on the basis of the Rules and the co-production agreement.
2. On the basis of the co-production agreement, KBF will gain the copyright and related rights to the Film in proportion to its participation in the Production of the Film, and will participate in the profits from the Film in proportion to its participation.
3. Support for a Film Production, according to these Rules, has the form of a **financial contribution**, understood as support for a Film Production through providing funds to the applicant. The financial contribution awarded as part of the Competition is expressed as a gross sum.

### § 5

1. The Competition prize is an invitation issued to the Competition Winner to negotiate a co-production agreement, on the basis of which the Competition Winner and KBF become co-producers of the film.
2. The basic principles of supporting the Film Productions of the Competition Winners are as follows:
  - a. the financial contribution defined in §4 par. 3 of these Rules may constitute a maximum of 50% of the Film Production costs;
  - b. participation in the film production takes place with keeping to the rule that a minimum 5% of the costs of the Film's production must be covered by the applicant's personal contribution, be it through financial or financial-material means. The personal contribution may come from the applicant's assets, from a loan granted by a physical or legal person, from a distributor in the form of a guaranteed minimum, from the pre-sale of film licensing, from a bank loan or other banking products of a similar character or from a sponsor(s) in exchange for promotion and advertising. If the applicant's personal contribution is of a financial-material nature, the participation of the material contribution may not be greater than 95% of the entire personal contribution of the applicant.
  - c. material contribution is defined as the contribution of specified assets into the project, without incurring an actual financial expense. As part of a material contribution, the following may be contributed: production spaces, filming equipment and material, unpaid voluntary work, copyright and related rights, etc. The applicant is obligated to document (contracts, internal evidence) the contribution. The method of calculation and the documentation of the contribution should be kept along with the project documentation. The value of the material contribution should be documented in such a way as to enable an independent assessment. The material contribution should be calculated according to the average net prices in the industry. The value of the material contributions of the producer, co-producers and investors should not be subject to the VAT, which is deductible;
  - d. the financial contribution is transferred in instalments, to a separate bank account established specifically for the needs of the co-production agreement;
  - e. the particular principles of supporting a Film Production are defined in a later portion of the Rules and in the co-production agreement;

- f. the number of copies and the kind of medium that will be transferred to KBF, as well as the scope of the use of the Film will be specified in detail in the co-production agreement, with the understanding that KBF will take part in all relevant decisions regarding the Film's use, including the Film's premiere.

## § 6

1. Applications for the Competition, prepared according to the current form along with the required attachments, are submitted at the offices of KBF at ul. Olszańska 7 in Krakow, between 9am and 4pm on business days. **For the purposes of a formal assessment, the applicant submits one copy of the application in written form and one copy electronically.** The current application form can be found at [www.film-commission.pl](http://www.film-commission.pl) and at the KBF offices. The application form for the support of a Film Production is Attachment No 1 to these Rules.
2. **The electronic form of the application should be submitted on a CD or DVD, in the form of two folders created according to the following specifications:**
  - a) the first folder: contains **one file with a non-editable version** of the application along with a complete set of attachments, **which is a faithful copy of the written version of the application**, i.e. scan (in PDF or JPG format) appropriately identified with the title of the Film;
  - b) the second folder: containing **only files in an editable version** (in .doc format) appropriately identified with the title of the Film:
    - Application
    - A summary of the Film – Attachment No 2 to the Application.
3. The application and its attachments must be signed by the person(s) authorised to represent the applicant according to the information contained in the registration documents of the applicant or by the person(s) who have been granted the appropriate proxy representation by person(s) authorised to represent the applicant. Signatures must be legible and allow for the identification of the signatory. **Note! The application and its attachments must be signed on every page, with the exception of the Screenplay – Attachment No 1 to the Application, which may be signed on the first and last pages.**
4. **Applications with unsigned attachments or not containing an electronic version prepared according to the specifications in paragraph 2 will be considered incomplete.** The application and all attachments should be filled out in Polish. If the original attachments to the application are in a language other than Polish, a translation into Polish should also be provided. The application should be filled out on a computer/typewriter. The applicant should number the pages of the application. Documents in the application should be bound together in such a way as to make it impossible to remove pages from the completed bundle. In the case of feature films, the screenplay may be a separate part of the application, placed in a folder or other enclosed form.
5. Corrections to the application must be made clearly and readably, as well as being signed by persons authorised to represent the applicant.
6. **Numbers in the application should be written with digits only, and in places where it is also clearly indicated, in words (do not use "as above" or similar expressions).** Parts of the application containing information that constitutes trade secrets as defined by regulations on unfair competition, the confidentiality of which is reserved, should be placed in a separate envelope labelled "Restricted portion of the application" and attached to the application. KBF is not responsible for the disclosure of information constituting trade secrets submitted by the applicant contrary to this paragraph. Trade secrets are defined as undisclosed to the public technical, technological, organisational, business or other information of economic value, the confidentiality of which the entrepreneur has taken the necessary steps to maintain, according to the Law of 16 April 1993 on combating unfair competition (uniform text: Journal of Laws of 2003, No. 153, item 1503 as amended).
7. **If the applicant does not agree to certain documents being submitted to experts, they should be listed in the cover letter to the application with the notation they are made available only to the KBF. Restriction of availability of these documents only to the KBF applies only to the following documents:**

- a. agreement for the acquisition of the rights to the screenplay
  - b. co-production agreements
  - c. agreements with investors (co-financing)
  - d. donation agreements
  - e. sponsoring agreements
  - f. distribution and licence agreements.
8. The application should be submitted in an opaque and securely closed envelope or package. The envelope or package should bear the following information:

**Name and address of applicant (alternately a stamp)**

**Krakowskie Biuro Festiwalowe**

**ul. Olszańska 7**

**31-513 Kraków**

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9. **Applications should be submitted no later than 25 May 2015, 4pm, at the KBF offices**, ul. Olszańska 7, 31-513 Krakow. The date of an application's arrival in the KBF office is considered the time of its submission. Applications submitted after the deadline will not be opened. They shall be returned to the applicants within 14 days of their receipt.
10. The applicant may make changes or withdraw an application before the submission deadline. **After the deadline, changes to applications are not permitted**, with the exception of the procedure outlined in Section 7, Paragraph 6 and 7 of the Competition Rules.
11. Changes are made through a resubmission of a complete application, according to the requirements of these Rules, before the application deadline. Additionally, a modified application must be submitted in an enveloped labelled AMENDMENT.
12. An application may be withdrawn only by the applicant, by submitting a letter to the KBF offices with a request to withdraw the application, signed by person(s) authorised to represent the applicant.
13. The applicant may be any entity who is a business owner, regardless of the organisational and legal form and structure of the property, subject to paragraphs 14 and 15 of this section.
14. Applications may be made by entities who:
- a. possess the necessary knowledge and experience as well as having at their disposal the technical potential and persons able to implement the project;
  - b. are in the economic and financial situation enabling them to meet the conditions relating to their personal contribution, in accordance with the provisions of these Rules.
15. The KBF may not grant support to:
- a. individual convicted in a final and binding sentence for a crime of giving false testimony, bribery, against the credibility of documents, property, business transactions, trading in money and securities, banking system, or other tax offence related to the conducting of a business or committed for the purpose of making a profit;
  - b. a legal entity or organisational unit which is not a legal entity, in which a person who is a member of its governing body or a business partner has been convicted of an offence referred to in point a;
  - c. an entity which:
    - has arrears of public debt or

- remains under receivership or is in the course of liquidation, dissolution or reorganisation proceedings or
  - during the 3 years prior to the application for support of a Film Production materially breached a contract with the KBF.
16. Only applications concerning Films that do not possess a master copy – technologically and artistically complete – and have not been shown publicly may be submitted in the Competition.

### § 7

1. The formal assessment of the application involves checking the completeness and correctness of the application, as well as its compliance with the requirements of the Competition Rules.
2. A formal assessment of submitted applications is made by representatives of the Competition Organiser. **The formal assessment of the applications will be made within 60 days from the application deadline.** The Organiser has the right to extend the formal assessment deadline, of which applicants will be informed in writing or via e-mail.
3. Persons participating in an assessed project or connected with it in any way may not take part in the formal assessment of the applications.
4. An application is considered complete if it contains all the information, declarations and documents indicated in Attachment No 1 to the Rules, and has been prepared according to the formal requirements of the Competition Rules, detailed in Section 6, Paragraphs 1-9 of the Rules.
5. An application is considered correct if it meets the following criteria:
  - a. the production project is consistent with the aims and objectives of the Competition;
  - b. the application is submitted within the time required by the Rules;
  - c. the applicant is eligible to participate in the Competition according to the Rules;
  - d. the application was prepared in the Polish language;
  - e. the calculation of the expected costs is correct in terms of formal and accounting requirements.
6. **Should the formal assessment reveal formal irregularities in the application, the applicant will be called upon to correct them, within the time designated by the Organiser in the notification of formal irregularities.** The notification will be issued via e-mail to the address provided in the application.
7. **Correction of formal irregularities takes place through the submission of missing documents or documents that contain irregularities in their form or content**, according to the requirements of the Competition rules, as defined in Section 6, Paragraph 1-9. **Note! The applicant must submit the documents required in written as well as electronic form, one copy each.** Documents should be submitted in an opaque and securely closed envelope or package. The envelope or package should bear the following information:

**Name and address of applicant (alternately a stamp)**

**Krakowskie Biuro Festiwalowe**

**ul. Olszańska 7**

**31-513 Kraków**

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**Supplementary Documents**

8. The envelopes/packages containing documents the applicant was summoned to submit in accordance with Paragraph 6-7 of this Section, submitted after the deadline designated by the Organiser will not be opened and will be returned to the Applicant within 14 days of their receipt.
9. Submitted applications inconsistent with the Competition Rules or incomplete, the irregularities in which were not corrected on time or were corrected improperly or inconsistently with the procedure outlined in Paragraphs 6-7 of this Section will be rejected. The applicants will be informed of this in writing within 7 working days from the end date of the formal re-evaluation. The applicant may not may any additional changes to the content of the application beyond those indicated in the notice referred to in Paragraph 6 of this Section, under penalty of rejection.
- 10. NOTE! Applicants, whose applications receive a positive formal assessment will be called upon via e-mail (sent to the address provided in the application) to submit within a designated time (no more than 15 working days) 3 complete copies of the application, containing all the documents, including those subject to the procedure outlined in Paragraphs 6-7 of this Section. Applicants who do not submit complete (in content and in number) copies of the application within the designated time will not qualify for the substantive assessment stage.**
11. The applicant may request the return of 3 copies of the application, within maximum 30 days from the conclusion of the Competition. After the deadline specified in the preceding sentence, the representatives of the Krakow Film Commission have the right to destroy copies of the application. The applicant bears the entire cost of returning the application.
12. Applications meeting the formal requirements along with a protocol from the formal assessment prepared by the representatives of the Krakow Film Commission are forwarded to the experts included in the Programme Council of the Fund referred to in § 8 of the Competition Rules, who perform a substantive assessment.

#### § 8

1. The Programme Council, with up to 5 experts, is appointed by the General Manager for Film Productions in the Krakow Festival Office.
2. The Programme Council is the advisory body in the Competition.
3. Experts of the Programme Council assess the project in writing, within 28 days from receiving the applications. The project assessment form is Attachment No 2 to the Rules.
4. The project is assessed by the experts of the Programme Council specifically in terms of the following criteria:
  - a. artistic value of the project;
  - b. cognitive and aesthetic value of the project, its importance to the consolidation of a positive image of Krakow;
  - c. the amount spent in Krakow
  - d. the use of locations characteristic for Krakow;
  - e. the connection of the production with Krakow through subject, creators, and especially the filming location;
  - f. the expected impact on the development of the European audio-visual sector with other countries of the world;
  - g. the expected economic effect of the project;
  - h. the attractiveness of the project, in particular with regard to the potential interest of cinema and television audiences;
  - i. the method of distribution of the Film, in particular with regard to foreign distribution;
  - j. the achievements to date of the applicant and the director, including artistic and economic results of previous productions;

- k. the participation of two co-producers from two different countries, with a preference given to co-productions in which one of the co-producers is from a country participating in the MEDIA Creative Europe programme and one of the co-producers is from a country which is not a member of Eurimages.
5. Programme Council experts assess the project in a descriptive manner, justifying the decision whether or not to recommend a given project.
6. The Programme Council experts submit their filled out assessment forms to the representatives of the Krakow Film Commission.
7. Based on the assessment forms submitted by the Programme Council Experts, the Krakow Film Commission prepares a written summary of the evaluations and recommendations of individual applications.

## § 9

1. The applications along with the formal assessment protocols and the written summary of evaluations and recommendations from the Programme Council experts, as well as possible project evaluation by experts from the Polish Film Institute, are submitted to the Competition Commission to conclude the Competition and determine the amount of support awarded to the selected projects. The decision of the Competition Commission is given within 14 days from the first meeting of the Competition Commission. The Competition Commission consists of:
  - a. at least one representative of the Programme Council;
  - b. the General Manager for Film Productions in the Krakow Festival Office;
  - c. one representative of the KBF – an employee of the Krakow Film Commission.
2. Members of the Competition Commission are appointed in writing by the General Manager for Film Productions in the Krakow Festival Office. In addition to the members of the Competition Commission referred to in Paragraph 1 of this Section, the General Manager for Film Productions in the Krakow Festival Office may appoint to the Competition Commission an expert to assess the calculation of costs and economic and financial conditions of the Film Production. The meetings of the Competition Commission are convened by the General Manager for Film Productions in the Krakow Festival Office, who is also its president.
3. The Competition Commission shall elect a vice president from among themselves.
4. The Competition Commission makes decisions in the presence of more than half its members, including the president or vice president, in an open ballot. In case of equal numbers of votes "for" and "against", the deciding vote shall be cast by the president, or in the event of the president's absence – the vice president.
5. The Competition Commission adjudicates the Competition, in particular making decisions about the type of the co-production contribution and the amount of the financial contribution, taking into account the financial resources available, the assessments and recommendations of the Council Programme experts and the possible assessment of the project provided by experts of the Polish Film Institute. If the project does not receive a positive recommendation from the majority of experts of the Competition Commission and is thus considered to be a project that does not meet the conditions for receiving support, and Competition Organiser reserves the right not to select a winning project.
6. In the event the Competition is not resolved or a Competition winner is not selected, the KBF has the right to issue another call for submissions in the same calendar year.
7. In case of a resubmission of a project in the Competition, the Competition Commission may use the expert assessments made in previous editions of the Competition.
8. More than one project may be supported.
9. A final protocol is made from the work of the Commission, which, along with the source documentation, is stored in the KBF offices.
10. Support for the work of the Competition Commission is provided by the Krakow Film Commission.

### § 10

A project that did not receive support in a given edition of the Competition may be qualified for consideration in successive editions if there are new circumstances relevant to its assessment. In such event, a cover letter should be attached to the resubmitted project, containing information about which edition the project was previously submitted in, and what new circumstances caused its resubmission.

### § 11

1. The Competition Winners are notified about the results in writing by post or by e-mail, within 14 days of the conclusion of the Competition by the Competition Commission.
2. The final results of the Competition are also posted in the website [www.film-commission.pl](http://www.film-commission.pl) and in publicly accessible place in the KBF offices.
3. Detailed assessments of the applications are available to applicants in the KBF offices after a written appointment.
4. The decision of the Competition Commission on the outcome of the Competition may not be appealed.

### § 12

1. The decision of the Competition Commission on the outcome of the Competition is the basis for an invitation to the Winner to negotiate a co-production agreement. The agreement defines the scope and terms of co-production as well as the rules of the parties' participation in the profits from the co-production.
2. **Signing of the co-production agreement is the ultimate condition for granting financial support for the Film Production of the Competition Winner by the KBF under the Krakow International Film Fund.**
3. Failure by the Winner to enter into negotiation of a co-production agreement by the deadline set by the KBF in a written request means that the Competition Winner forfeits the prize and is not admitted to negotiations.
4. The date of the signing of the agreement will be agreed upon with the Competition Winner during the first negotiation meeting.
5. Failure by the Winner to sign the agreement by the deadline means that the agreement with the Competition Winner is not entered into and the Winner loses the ability to receive support for a Film Production from the KBF in terms of the Competition in the current calendar year.
6. During the first negotiation meeting with the Competition Winner a date for the submission of documents confirming the acquisition of the declared financing will be set. **In the event the required documents confirming other sources of funding for the Film production, KBF may withdraw from the negotiations.**
7. If the support awarded is less than requested, the applicant may abstain from signing the agreement. In case of withdrawal from the agreement, the applicant is required to inform the KBF of the decision in writing within 10 working days from receiving information about the Competition outcome.
8. In situations described in Paragraph 3 and 5-7 above, another applicant who received the recommendation of the Competition Commission may be invited to negotiate a co-production agreement. In the event of failure to conclude an agreement with this co-production entity, the next entity may be invited to the negotiations, in accordance with the assessments granted by the Competition Commission.

### § 13

1. The financial support, provided in instalments by the KBF in a manner described in the co-production agreement, must be spent in Krakow within the period specified in the contract.
2. **The financial resources spent in Krakow are considered to be costs incurred during the period specified in the co-production agreement, paid to businesses/entities having their offices, branch or subsidiary in Krakow, as well as individuals residing in Krakow.** The deadline for submitting the

Expense Report from the spending of the support received is set by the co-production agreement. In case of errors in the submitted report, the KBF will call upon the support recipient to correct them within a set time. The report of spending the support granted in Krakow is subject to written acceptance of the General Manager for Film Productions in the Krakow Festival Office. Failure to submit the report or correct the errors by the specified date results in the cessation of the **payment of the second instalment of funds, according to the provisions of the co-production agreement.**

3. **In the event the end of the Film's production falls in the year 2015**, the support recipient is obligated to submit a **Final Report** to the KBF, which provides a substantive description of the tasks accomplished and a report on the implementation of the film budget as well as an accounting of the net sum of the support received in the form of a financial contribution. The deadline for submitting the Final Report is specified by the co-production agreement. The Final Report includes copies of accounting evidence, correct in form and accounting, along with proofs of payments made from the received sum in Krakow. In the event of errors in the report, the KBF will call upon the recipient to remove them in a specified time. The Final Report is subject to the written approval of the General Manager for Film Productions in the Krakow Festival Office. **The accounting of the funds awarded as part of the Competition is a condition for the payment of the second instalment of funds, according to the provisions of the co-production agreement.**
4. **In the event the end of the Film's production falls in the following years**, the support recipient is obligated to submit a **Partial Report** as well as a **Final Report** to the KBF. The Partial report provides a substantive description of the tasks accomplished and an accounting of the equivalent of the net sum of the support received in the form of a financial contribution. The Partial Report includes copies of accounting evidence, correct in form and accounting, along with proofs of payments made from the received sum in Krakow. The Final Report provides a substantive description of the tasks accomplished and a report on the implementation of the film budget. The deadline for submitting the Final Report is specified by the co-production agreement.
5. **In the event of errors in the report, the KBF will call upon the recipient** to remove them in a specified time. **The Partial Report and the Final Report are subject** to the written approval of the General Manager for Film Productions in the Krakow Festival Office. **The accounting of the funds awarded as part of the Competition is a condition for the payment of the second instalment of funds, according to the provisions of the co-production agreement.**
6. In the event of failure to meet the requirement to spend the equivalent of 100% of the support received in the form of a financial contribution granted in the Contest, and failure to submit the report referred to in Paragraph 3 above, the KBF will withhold the payment of the second instalment and levy contractual penalties against the recipient, according to the provisions of the co-production agreement.
7. The recipient of support is required to submit a post-implementation cost estimate, based on which the final contributions of each co-producer will be calculated.

#### § 14

1. The receiver of the support is required to use the funds granted in the Competition according to the purpose for which they were received and in accordance with the signed co-production agreement. The KBF reserves the right to conduct an audit of the documents on the basis of which the funding from the Contest was spent, in particular invoices, bills and transaction receipts. This audit can be performed up to 5 years from the date of the settlement of the grant agreement.
2. The funds received in the Competition may cover **only eligible expenses**. Expenses incurred during the project are eligible if they were actually incurred and meet the following criteria:
  - a. they have been/will be incurred during the time period specified in the co-production agreement, in connection with the production of the film the application concerned, including the costs of preliminary work (development) and creation of an exhibition copy not exceeding 1 (one) copy;
  - b. they were provided for in the approved project budget;
  - c. are in accordance with the detailed principles set out in the Rules;

- d. are accurately documented and verifiable;
  - e. have been made in an economical way – that is on the basis of the principle of striving to achieve the desired result with the lowest expense possible;
  - f. are in accordance with applicable laws.
3. The following items may also be included in the catalogue of eligible costs after fulfilling the conditions set out below:
- a. the cost of purchasing fuel for vehicles used in the implementation of the project, provided that the car is an asset of the applicant, the costs of fuel may be financed from the KBF support on the basis of fuel purchase invoices showing the registration number of the car; the invoice must be issued to the applicant and should contain a factual description (user, route description – that is from where and to where, the purpose of the journey, number of kilometres travelled) along with an attached document confirming the vehicle was listed in the assets;
  - b. cost of travel and accommodation documented solely with invoices or tickets; in the event of air travel, only economy class tickets may be claimed. The cost of accommodation for one person may not exceed 250 PLN gross per 24 day;
  - c. costs of bookkeeping associated with the project, provided the transactions are clearly stated in a bill or invoice.
4. The term *factually incurred costs* should be understood as costs incurred in a cash sense that is as the use of cash from the register or the bank account of the support recipient. The proof of the cost incurred is the invoice or another accounting document of equivalent probative value accompanied by proof of payment.

**5. Ineligible expenses are:**

- a. material contributions;
- b. the purchase of fixed items and office equipment, vehicles, computer equipment, software and accessories, with the exception of data media clearly connected with the Film production;
- c. the purchase of real estate and land;
- d. payments related to the opening and upkeep of a bank account;
- e. depreciation costs;
- f. compensation for any and all functions carried out by the support recipient, who is running a business as a physical person (entered in the register of private businesses), if they are not directly related to the film production;
- g. all commission and interest costs incurred as part of financial obligations, debit interest and interest on outstanding liabilities in the period, except as specified in the co-production agreement;
- h. the costs of financial penalties and expenses related to litigation;
- i. overhead costs, i.e. fixed costs incurred by the recipient in connection with his business related to the implementation of tasks, such as electric and water utility bills, rent, personnel maintenance, cost of a telephone and Internet connection, etc.;
- j. costs that are undocumented, documented improperly, or not directly connected with the project, as well as excessive and irrational;
- k. awards and discretionary bonuses;
- l. wages and salaries including derivatives for employees of the support recipient, employed under a contract of employment;
- m. costs of marketing incurred by the support recipient;

- n. the goods and services tax (VAT), which may be recovered in accordance with applicable regulations in this area of law, i.e. the Act of 11 March 2004 on the goods and services tax (unified text in Journal of Laws No. 177, item 1054 as amended.);
  - o. bookkeeping costs of the support recipient;
  - p. notarial fees;
  - q. costs of warranties issued by a bank or another financial institution;
  - r. costs of fuel purchase for vehicles that are the private property of the applicant or their co-workers.
8. The KBF may terminate the co-production agreement in the event of an improper use of financing, untimely or improper fulfilment of the agreement, or as otherwise indicated in the co-production agreement. Termination of the agreement results in the obligation to repay mutual benefits, and in the event of material benefits, their equivalent. At the same time, the KBF sets the deadline for the repayment as well as the name and number of the account to which the payment should be made.

#### **§ 15**

The support recipient is obligated to place information regarding the KBF's participation in the production in the opening and closing credits of the Film, as well as promotional materials regarding the film, in accordance with the rules and sample established in the co-production agreement.

#### **§ 16**

1. Participants of the Competition may direct, in writing, by fax, or by e-mail, a request for explanation of the provisions of the Rules, to the address and fax number provided in the announcement of the Competition.
2. Answers to questions related to the Rules will be given immediately, provided that they are submitted in writing, by fax, or by e-mail to the address and fax number provided in the announcement of the Competition no later than 3 days before the application deadline. Explanations and information will be provided in writing or by fax or e-mail.
3. Information about the Competition and answers to questions will also be on the website [www.film-commission.pl](http://www.film-commission.pl).
4. Where appropriate, the KBF may at any time prior to the application deadline modify the content of some of the provisions of the Competition Rules.
5. The text of any modifications made will be immediately communicated to all Competition Participants who requested a copy of the Rules in writing, as well as published on the Krakow Film Commission website.
6. The KBF will extend the application deadline by at least 7 days if, as a result of a modification made to the Competition Rules, additional time will be required to prepare an application.
7. Modifications to the Competition Rules made by the KBF and the explanations provided are binding for all participations of the Competition.

#### **§ 17**

1. In matters not regulated herein, the provisions of Polish law, in particular the Act of 23 April 1964 of the Civil Code (i.e. Journal of Laws of 2014, item 121 as amended) apply.
2. In the event of any disputes arising from these Rules, the case will fall under the court having jurisdiction over the KBF offices.

Attachment:

Application form of the 1st competition for support of international co-productions.