



Terms of Trade

Effective 22 December 2025

Introduction.....	2
Budget	4
Finance Plan.....	6
Recoupment.....	9
Film Closing Process.....	10

This document sets out the terms under which Te Tumu Whakaata Taonga The New Zealand Film Commission (the NZFC) engages with producers on the funding of their feature films. It is important you read and understand this document before you apply for feature film production funding and feature film post-production funding.

Introduction

Te Tumu Whakaata Taonga The New Zealand Film Commission (the **NZFC**, **we** or **us**) invests in films as part of our contribution to a successful screen industry. We have a responsibility to invest the public funding that we receive wisely, which is why we require filmmakers to meet certain key terms.

When do these Terms of Trade apply?

These Terms of Trade explain our key terms for providing discretionary feature film production funding and post-production funding through a grant or a recoupable equity investment (each a **NZFC Investment**). We also have specific guidelines that explain your eligibility for NZFC Investment for feature films (the **Feature Film Production Investment Guidelines**). Please read these Terms of Trade along with the Feature Film Production Investment Guidelines. These guidelines aim to help you submit a strong application and, if successful, assist you with the closing process.

These Terms of Trade apply to production and post production funding only, and not to other funding that the NZFC provides as a grant under other funds. The Terms of Trade do not apply to our actions in our capacity as:

- the administrator of the New Zealand Screen Production Rebate (**NZSPR**); and/or
- the competent authority for the purposes of certifying official co-productions.

We may vary the Terms of Trade and the Feature Film Production Investment Guidelines at any time by publishing updated versions on our website. Upon receipt of an application, the Terms of Trade and Feature Film Production Investment Guidelines that are current at the time of receiving the application will apply.

Assessing your application

When assessing your application for NZFC Investment, we may take into account the track record of you and your team, including any overspend, delayed delivery, non-delivery, non-payment of cast, crew or other service providers, your reporting and keeping us informed of any material change of circumstances.

If your application is successful

Should your application for NZFC Investment be successful, you will need to sign a funding agreement with us (the **NZFC Investment Agreement**). The NZFC Investment Agreement will reflect these Terms of Trade (where appropriate) and any project-specific conditions for the NZFC Investment. The NZFC Investment Agreement may be in the form of a grant agreement, or a production investment and/or interparty agreement.

From time to time, and in our sole discretion, the NZFC may agree to waive specific Terms of Trade in respect of a particular project. If a specific term is waived, it's due to:

- our evaluation of the particular film project and its specific nature; and/or
- exceptional circumstances relevant to the film project.

When we waive a term for a particular project, this will not set a precedent for any future projects.

Policies that apply to your application

When working with us on your NZFC Investment application and during the closing process, you must:

- act consistently with the [Code of Conduct](#), as will we;
- consider and, where relevant, incorporate into your application, principles and objectives that are consistent with our [Te Rautaki Māori strategy as included in our SOI](#) and our [Māori Content](#) considerations;
- consider and incorporate into your application diversity and inclusion principles that are consistent with our [Diversity and Inclusion Strategy](#); and
- consider and, where relevant, incorporate into your application, principles and objectives that are consistent with our [AI Principles](#).

By submitting an application to us, you acknowledge that you agree to these Terms of Trade and the Guidelines (except to the extent varied or waived by us) and our [Code of Conduct](#).

For any enquiries, please contact our Funding Team at production@nzfilm.co.nz

Budget

NZFC Development Grants

NZFC provides development funding as a grant. You will need to include NZFC development funding in your film budget as a separate line item. The amount of NZFC development funding can be treated as “producer equity” in the finance plan (see the **Finance Plan** section for further conditions).

Bond / Completion Guarantor Requirements

We require an independent completion guarantee (or ‘bond’) for a film:

- in which we have an equity investment of more than NZD\$500,000; and/or
- with a budget over NZD\$1 million.

In considering a request to waive the requirement for a bond, we will take into account factors such as the project’s financial structure, scale, risk profile (e.g. non-NZSPR films, documentaries), and the producer’s and wider team’s track record.

Insurance

We require that your film project has and maintains insurance cover that is in proportion to the risks and the budget of the film.

Films with budgets of more than NZD\$1million (equity investment)

For films (including documentaries) with budgets of **more than NZD\$1 million**, comprehensive insurance cover is required, as follows:

- General film production package
- Key Elements insurance cover (if applicable)
- Public liability (during film production)
- Statutory liability (during film production)
- Errors and Omissions (E&O) cover, including title clearance and coverage for plagiarism and defamation – with a term and amounts (deductibles, claim aggregates) that satisfy the requirements of your sales agent and/or distributor. We generally require that E&O cover starts from the first day of principal photography or delivery of the film, and, in either case, continues for at least three years after the earliest delivery date (with an option to renew for one year).

For films coming in for post production funding only (grant or equity investment)

For post-production funding applications, the insurance requirements will depend on the stage your film project is at when the NZFC makes the NZFC Investment. During the closing process, we will agree with you which types of insurance are necessary based on your project’s specific circumstances.

For films with budgets of NZD \$1million or less (grant or equity investment)

For films (including documentaries) with budgets of **NZD\$1 million or less**, a scaled-down schedule of insurances that is appropriate and proportional to the risk and the budget is required, as agreed with us.

For all films for which insurance is required

Each certificate for insurance cover must include:

- the NZFC as a loss payee and/or or additional insured (as applicable for the cover), as follows: *“The New Zealand Film Commission and its officers, agents, directors, employees, successors and assignees”*. This requirement does not apply to a certificate for statutory liability insurance cover.
- a condition that provides that the policy or cover will not be changed without prior written notice to the NZFC, as follows: *“This policy shall not be cancelled, terminated or modified during the period of coverage unless thirty (30) days’ prior written notice is given to the New Zealand Film Commission”*.

Budget Underspend

It is a general requirement that any underspend of the film’s budget is allocated 50% to the producer and 50% to the recoupment waterfall. This may differ if a NZSPR lender or gap financier is involved or when the project is a co-production with specific arrangements.

Separately, where the NZFC Investment is a grant, any unused portion of the grant remaining on completion of delivery of the film is to be returned to the NZFC and not treated as underspend of the film’s budget.

Test Screening

After a viewing of a cut of the Film, either the Producer or the NZFC may request a test screening is held.. The cut, purpose and timing will be determined by mutual agreement between the Producer and NZFC. We will cover the reasonable costs of any test screening but you will need to factor the cost of the DCP into the film budget. Please see our [FAQs](#) for more details.

Delivery Items

On the completion and delivery of your film, you will need to deliver to us a set of delivery materials. Please see [here](#) for a list of our delivery materials. You will need to include the cost of creating these delivery materials in the film budget.

All costs for delivery items required by your distributor/sales agent/broadcaster will also need to be included in the film budget (except for any items they agree to pay for).

As part of delivery, you are required to submit a copy of the film to Ngā Taonga for archiving purposes. Please see our [FAQs](#) for more details.

Further Information on the Budget

Please see our [FAQs](#) for further information on:

- a detailed list of the essential costs to be included in the budget;
- budgeting for other market partners' deliverables;
- contingency norms; and
- marketing and publicity budget requirements.

Finance Plan

Production funding is provided either by way of a **grant** or an **equity investment**.

- A NZFC Investment of NZD\$500,000 or less AND where the film's budget is NZD\$1,000,000 or less will be a grant. The NZFC will not take a share of receipts from the film and therefore does not have a recoupment right in the waterfall. You will still need to include the amount you are seeking as a grant in your finance plan and you will be able to treat this amount as a "producer equity" in the finance plan.
- A NZFC Investment of more than NZD\$500,000 at any film budget level will be an equity investment. This means that the NZFC will take a share of receipts from the film and therefore will have a recoupment and profit position in the waterfall proportionate to its investment.

90% max of NZ government funding out of total financing

The NZFC's equity investment, along with any other NZ government investment (eg NZSPR, NZFC development grant, NZ On Air funding), must not exceed 90% of the total financing for the film.

Despite the preceding sentence, the 90% cap on NZ government funding does not apply to NZFC equity investments where:

- the equity investment is no more than \$1,500,000 and your film is being funded due to Innovation being the main stated ambition; or
- the equity investment is no more than \$500,000.

Producer equity

Where a grant or certain other NZFC funding can be treated as "producer equity" in the finance plan:

- it is treated as being an equity investment by the producer (or its assignee);

- that producer equity will have a recoupment and profit position in the waterfall proportionate to the amount of the grant, but it must not:
 - be recouped ahead of NZFC equity investment;
 - have a premium; and
- that producer equity cannot be included in the calculation of ‘**non**-NZ government production funding’ for the purposes of determining whether the feature film is eligible for the NZSPR.

You will need to obtain our approval to the terms of all finance provided by parties who are not party to the NZFC Investment Agreement, including private investors. We reserve the right to review the terms of finance provided by parties who are a party to the NZFC Investment Agreement.

Private Investment

We require that the full amount of any private investor equity investment or loan is received in full into the production account or a secure independent escrow account prior to or on financial close of the film. If a private investor does not agree to this term, you will need to provide evidence of a viable underwrite for any amount that will not be paid by that private investor by/on close, on terms to be approved by us in advance (in our sole discretion). Please see our [FAQs](#) for further information.

You will need to budget for the costs associated with the set-up and administration of any escrow account.

Gap Finance

We require that the full amount of any gap finance is received in full into the production account or a secure independent escrow account prior to or on financial close of the film. You will need to budget for the costs associated with the set-up and administration of any escrow account.

Reinvestments and holdbacks

You may include in your finance plan the reinvestment, holdback or deferral of payment of production company overhead costs or similar. However, any such overhead costs or fees must be consistent with common industry practice and your finance plan must be viable.

Please note that where you are reinvesting fees as an equity investment, or deferring fees and will recoup those from the waterfall, you should obtain tax advice on how that financing will be treated from a New Zealand tax perspective.

Market Money

You must arrange to cash flow to the production any portion of the minimum guarantee or sales advance that is not being paid on execution of the sales agency or distribution agreement or

on financial close. You will need to obtain our approval to the party/parties who will cash flow any portion of a minimum guarantee or sales advance, and the terms on which they will do so.

We may agree (in our sole discretion) to minimum guarantees or sales advances being paid in tranches and not cash flowed. As an example, we may agree to this where the distributor or sales agent is known to us, or where the total amount of the minimum guarantee or sales advance is less than NZD\$50,000.

New Zealand Screen Production Rebate (NZSPR)

We require that the amount of NZSPR that will be cash flowed to the production budget must be no less than 90% of the projected value of the NZSPR, as determined by an auditor's opinion. You will need to obtain our approval to the party/parties who will cash flow any portion of the NZSPR, and the terms on which they will do so.

Related Party Investment

This 'Related Party Investment' term applies only where the NZFC Investment is an equity investment.

A related party is a party that is receiving a financial or other benefit (**other than** a recoupment and profit position for its equity investment) from the production budget or the production activity, including fees or in-kind payments.

An investor in the film who is a related party (as described above) is:

1. not able to recoup its investment or (unless otherwise agreed with us) be repaid its loan ahead of our equity investment (**No Preferential Position**); and
2. not entitled to any premium on its equity investment or interest on its loan (**No Premium**).

To avoid any doubt, the restrictions above will not apply to the payment of related party loans that are cash flowing the NZSPR, because those loans are paid from the NZSPR proceeds and are not paid to the waterfall.

Despite the No Preferential Position, "Above-the-Line" and "Production Company Overhead" (PCO) investment, reinvestments, holdbacks, or deferrals by a party that would otherwise be considered a related party (as described above) can recoup ahead of our equity investment, but are not entitled to any premium.

Further Information on your Finance Plan

Please see our [FAQs](#) for information on:

- foreign currency hedging;

- GST and withholding tax;
- Fee reinvestments, holdbacks and deferrals.

Recoupment

This section applies only where the NZFC Investment is an equity investment.

Non-NZSPR Films

For films that are not accessing the NZSPR, we will give the producer a 50% corridor of our recoupment position.

Once all parties have recouped their investment and the film is in net profit, income must be shared as follows:

- 50% to the producer; and
- 50% to the investors pro-rata pari passu, in proportion to their respective equity investments (not including premiums).

Your recoupment schedule must reflect this.

NZSPR Films

For NZSPR films, we recognise that the producer must be entitled to receive a share of the net receipts from the film that is generally commensurate with the expected value of the NZSPR. The producer's NZSPR equity will be equivalent to the value of the final NZSPR paid in respect of the film. We agree that the producer may:

- receive film income equal to the producer's NZSPR equity pro-rata alongside our equity, and;
- have a pro-rata share of the investors' 50% share of net profit (reflecting the producer's NZSPR equity, in addition to the separate producer share of net profit).

NZSPR Overage

NZSPR overage is any amount remaining after repayment of any loan(s) (including any fee holdbacks or deferrals) used to cash flow the NZSPR, including any financing and legal fees or interest relating to the loan(s). If there is a NZSPR Overage, the SPV (as the NZSPR applicant) will be entitled to receive payment of the NZSPR Overage.

Collection

We require that the producer appoints an independent, professional, third-party collection agent to collect and distribute all income worldwide in relation to the film. When the NZFC Investment is an equity investment, we will be a party to the collection agreement and will approve the terms of collection.



Closing Process

Overview

If the NZFC Board approves a NZFC Investment in a film, we will give the applicant a conditional offer. This offer is usually valid for approximately four months, and the specific offer period will be set out in our offer. The conditions of an offer are unique to each project and must be met before we can start the closing process with you. If these conditions aren't met within the specified offer period, and unless we agree to extend, our offer will expire.

Once these conditions are met (or waived), and all elements of the finance plan are confirmed, we can start the closing process with you. This process can take between four to six weeks (if the NZFC Investment is a grant) or between eight weeks to three months (if the NZFC Investment is an equity investment) depending on the complexity of your financing and the number of parties involved. You should allow enough time for this phase in your production schedule and avoid an overlap with pre-production activities of more than two weeks. We can advise you what a reasonable timeframe for closing your film project is.

The main agreement for closing is the NZFC Investment Agreement. This may be in the form of a grant agreement (if the NZFC Investment is a grant), or a production investment and/or interparty agreement (if the NZFC Investment is an equity investment).

Where the NZFC Investment is an equity investment and where other financiers are providing significant financing for your film, those other financiers will likely need to be part of this agreement. This ensures that all key financiers, including us, agree to provide their funding according to the project's cash flow and drawdown schedule. You will need to inform other key financiers about this requirement.

Once the NZFC Investment Agreement is signed, it will supersede these Terms of Trade.

We may request to review and approve other contracts relating to the financing and production of the film to which we're not a party.

Please see our [FAQs](#) for a detailed list of the contracts, documents and market agreements that may be required.

Special Purpose Vehicle (SPV) Production Company

Upon receipt of a conditional funding offer letter, you will need to set up a limited liability company (often referred to as a 'special purpose vehicle' or 'SPV') whose sole activity is the production of the film. This does not need to be in place during the application process.



The SPV must be:

- a company incorporated in New Zealand and registered on the New Zealand Companies Register;
- trading in New Zealand; and
- have its central management and control in New Zealand.

The SPV will be the party to the NZFC Investment Agreement (and all other related production agreements for the film).

All underlying film rights, including copyright and liabilities relating to the film, must be assigned to the SPV.

The main individual producer must remain a director of the SPV during production and for two years following completion and delivery of the film, unless the SPV is wound up or its rights and obligations are transferred to another company with the NZFC's prior written approval. In such cases, the NZFC may, at its discretion, waive or modify the director-requirement as appropriate to the circumstances of the winding up or transfer.

NZFC payment instalments

Production funding

If the NZFC Investment is an equity investment for a production funding application, we will generally pay the NZFC Investment in the following instalments:

- 20% on close
- 30% on commencement of principal photography
- 20% on commencement of post-production
- 20% on rough cut
- 10% on locked cut, however we will hold back \$10,000 of this last instalment (or such other lower amount if this last instalment is less than \$10,000) until completion of delivery of the film.

Grant or post production funding

If the NZFC Investment is a grant, or an equity investment for a post production funding application, we will generally pay the NZFC Investment in the following instalments:

- 70% on close
- 30% on rough cut, however we will hold back \$10,000 of this last instalment (or such other lower amount if this last instalment is less than \$10,000) until completion of delivery of the film.

Instalments may vary for low-budget projects and documentaries. In all instances, we will not pay out more than 50% of our total investment over the first two payments, which includes any



pre-closing advances.

General

To receive payment, you will need to submit a taxable supply information for the instalment and the agreed necessary reporting material.

As set out above, your drawdown schedule must include NZD\$10,000 of our investment as delivery holdback. We will pay this amount once you have delivered all agreed delivery materials and provided a satisfactory final cost report and balance sheet. Please see [here](#) for a list of our delivery materials.

Pre-Closing Advances

We may offer up to NZD\$300,000 plus GST (for feature films) or up to NZD\$150,000 plus GST (for documentaries) in the form of a pre-closing advance. Any amount will be offered at our sole discretion and as an advance on our first instalment of our equity investment rather than a loan, so will not incur any interest or premium. We generally will not give a pre-closing advance where the NZFC Investment is a grant.

Note that pre-closing advances are designed to assist you to cash flow early pre-production costs ahead of production financing. These advances are not designed to finance actual production shooting costs, or a substantial portion of company overheads or producer fees.

For us to make a pre-closing advance, we must be confident that there are no impediments to closing and the following documents must already be in place:

- our conditional offer letter has been counter-signed by the applicant and returned to us;
- the conditions of the offer have been met, or waived by us (in writing);
- you have given us the most up to date proposed production budget, cash flow and draw down schedule; and
- the SPV and separate production bank account have been established.

Chain of Title and Legal Opinion

The SPV must have all underlying rights necessary to make and exploit the film. In your application, you'll need to provide a summary of the chain of title for your project, including the expiry dates for any rights or options.

If your application is successful, a condition of our offer will be that a chain of title legal opinion is provided prior to the start of close. At a minimum, this opinion must:

- be prepared by the independent production lawyer who is engaged to advise the SPV;



- include a statement to the effect that we are entitled to rely on the lawyer's opinion of its assessment of the chain of title. In lieu of that statement, a separate reliance letter to the same effect may be given;
- include a statement to the effect that the chain of title is free of any defects; and
- list all documents on which the opinion is based, including the title of each document, the parties and date of signature.

During the closing process, we may request to review the documents forming the chain of title, and if so, you'll need to make these available to us for this purpose.

Please see our [Chain of Title Information Sheet](#) for more details.

Cast / Crew Contracts

You must engage all cast members on the Individual Performance Agreement agreed between SPADA and NZ Actors' Equity for New Zealand-based productions. You must procure that producers and crew adhere to the *Blue Book* as published by the Screen Industry Guild (with SPADA and Advertising Producers Aotearoa). We may request to review cast and crew agreements, and if so, you'll need to make these available to us for this purpose. If you are applying for post production funding, and cast and crew agreements are already agreed, then this term will not apply.

Credits

You must include the following credits for us, consistent with our [Style and Accreditation Guidelines](#):

- In the opening credits before all other credits or logos: our full screen animated logo including any logo soundtrack.
- In the main credits (wherever they appear – whether at the beginning or end of the film): The words “*in association with the New Zealand Film Commission*”.
- In the closing/end credits (in sizes and presentations of equal prominence with other financiers): our logo and/or name, and the logo of the NZ Lottery Grants Board.
- In publicity material (including billing block on paid advertising and packaging of DVDs and videos but excluding certain excluded advertisements as defined in the NZFC Investment Agreement), the words “*in association with the New Zealand Film Commission*”.
- All media releases, publicity materials or electronic press kits provided to media about NZFC-funded films must mention our investment.
- All social media posts about NZFC-funded films must tag our social media accounts or credit them in the caption. ([Facebook](#), [Instagram](#), [LinkedIn](#), etc).

Please keep in mind the priority of our credits when you're discussing and agreeing credit positions with your other financiers.

Please see our [FAQs](#) for further information on our promotional and exhibition rights, and our right to conduct audience research.

Security for our Investment

When we invest in a film project, we have specific requirements to protect our investment. Each project is unique, so additional requirements may apply, but generally where our investment is an equity investment, our security requirements include:

- a General Security Agreement
- a Bank Account Deed.

Please see our FAQs for further information.

CHANGELOG: Updated 22 December 2025 to:

INTRODUCTOIN

- Addition of headings
- Addition of availability of a grant
- Inclusion of reference to the NZFC's AI Principles

BUDGET

- INSURANCE - clarification of insurance requirements, adding in requirements for films coming in for post production funding only
- BUDGET UNDERSPEND – clarification that unused portion of a grant will not be treated as underspend
- TEST SCREENING – increased flexibility as to when a test screening can be requested

FINANCE PLAN

- NZFC INVESTMENT – addition of the availability of a grant. Clarification that the '90% max of NZ government funding requirement' does not apply to (i) an NZFC equity investment \$500k or less (ii) an NZFC equity investment \$1.5m or less where film is being funded under the 'Innovation' ambition. Clarification on what it means for funding to be treated as 'producer equity'.
- RELATED PARTY INVESTMENT – removal of reference to other companies, family, associate, on the basis that for this restriction to apply, the relevant party must be receiving a benefit from the production budget or production activity. No other changes.
- REINVESTMENTS AND HOLDBACKS – recommendation to seek tax advice.

RECOUPMENT

- COLLECTION – NZFC is no longer acting as collection agent.

CLOSING PROCESS

- OVERVIEW – 4-6 weeks timeframe for closing if NZFC is investing by way of a grant, and if a grant, the form of the NZFC Investment Agreement will be a grant agreement
- SPV PRODUCTION COMPANY – clarification that SPV must be incorporated in NZ, and clarification on when individual producer can cease to be director
- NZFC PAYMENT INSTALMENTS – addition of typical payment instalments for payment of a grant or post production equity investment
- PRE-CLOSING ADVANCES – no pre-closing advance for grants
- CAST / CREW CONTRACT – no need to provide to NZFC if these are already agreed and your film is coming in for post production only
- SECURITY – deletion of assignment of copyright.

CHANGELOG: Updated 3rd February to:

GENERAL

- Overall reduction of information to essential terms and requirements associated with application and contracting of equity funding.
- Improved wording for clarity
- Consideration of applicant track record with NZFC

- *Moving additional guidance notes and details into a separate FAQ document.*
- *Updated links.*

BUDGET

- *COMPLETION BOND – added details on factors in consideration to attachment waivers.*
- *TEST SCREENING – increased flexibility – details in FAQ.*
- *DELIVERY ITEMS – reduction of NZFC deliverables, list available on NZFC website.*
- *ARCHIVING – removal of Te Ahi Kā – added archiving obligations in delivery list.*

FINANCE PLAN

- *GAP FINANCE – added details*
- *RELATED PARTY INVESTMENT – added exclusions and definitions.*
- *REINVESTMENTS AND HOLDBACKS – removal of 30% cap. Reinvestments or holdbacks for ATL and PCO fees can recoup ahead of NZFC.*
- *MARKET MONEY – details on expected payment timing*
- *NZSPR – Added a floor amount that must be cash flowed to the project*

RECOUPMENT

- *Non-NZSPR film – producer corridor increased from 40% to 50%*
- *NZSPR Overage – changed from being payable to the ANZ waterfall to being payable to NZSPR applicant*

FILM CLOSING PROCESS

- *Updated wording – expected closing timeframe from six to eight weeks minimum*
- *Updated wording – expectation on parties to NZFC Investment Agreement*
- *SPV – Details now included to FAQ*
- *NZFC payment instalments – expected percentages for payment instalments – decreased the \$30,000 delivery holdback to \$10,000*
- *PRE-CLOSING ADVANCES – Can now be used to pay a portion of PCO and Producer fees. NZFC development funds awarded to date will not count towards the \$300,000 pre-closing advance (but will still be deducted from NZFC's first payment instalment)*
- *CHAIN OF TITLE – Updated legal opinion requirements*
- *COST REPORTING – Removed and details included to FAQ*