

New Zealand Screen Production Grant

Criteria

for

International Productions

1 August 2015

Key changes from 1 April 2014 version

Post, Digital and Visual Effect (PDV) Grant

- PDV Activity definition amended – clause 2
- PDV threshold reduced to \$500,000 – clause 9.2
- PDV Annexure updated – Appendix 3

Other

- Effective Date, Transitional Provisions and Historical Costs – clause 5
- Bundling provisions amended – clause 10.3
- Clarification to non-arm's length expenditure – clause 20
- Provisional applications for 5% Uplift to be submitted prior to Principal Photography – clause 26
- More detail on assessment of 5% Uplift applications – clause 38
- Amendments to Significant Economic Benefits guidelines – Appendix 2

This document sets out the eligibility criteria for the New Zealand Screen Production Grant for International Productions and outlines the application process.

These criteria are subject to change from time to time. Before submitting an application applicants should check with the New Zealand Film Commission to make sure they are using the correct version of the criteria and the correct application form.

CONTENTS

SECTION 1 – INTRODUCTION	4
1 Introduction	4
2 Key Definitions	4
3 Purpose	4
4 Amount of International Grant	5
5 Effective Date and Transitional Provisions	5
6 Eligibility for International Grant	5
VISUAL OVERVIEW OF THE INTERNATIONAL GRANT	6
SECTION 2A – SPECIFIC ELIGIBILITY CRITERIA	7
7 Feature Films	7
8 Television and Other Non-feature Films	8
9 PDV Production	8
10 Bundling	9
SECTION 2B – GENERAL ELIGIBILITY CRITERIA	10
11 Special Purpose Vehicle	10
12 Residency Status	11
13 Responsible Entity	12
14 Other Grants and New Zealand Incentives	12
SECTION 3 – QUALIFYING NEW ZEALAND PRODUCTION EXPENDITURE (QNZPE)	13
15 Expenditure Statement	13
16 QNZPE	13
SECTION 4 – TREATMENT OF EXPENDITURE	16
17 Income Tax	16
18 GST	16
19 Currency Exchange	16
20 Non-Arm’s Length Expenditure	16
21 Non-Accrual Basis of Expenditure	16
22 Expenditure by Prior Entities	16
23 Depreciating Assets	17
24 Transfer Pricing	17
SECTION 5 – APPLICATION PROCESS	18
25 Provisional Applications for Baseline Grant	18
26 Provisional Applications for 5% Uplift	18
27 Exchange Rate Fluctuation and Pre-qualification	18
28 PDV Grant SPV Exception 2	18
29 Information Before and During Production	19
30 Final Applications	19
31 Credit and Promotional Materials	20
32 Confidentiality	20
33 Information for Research Purposes	20
34 Exit Survey	20
35 Further Information	21
36 Application Forms	21
SECTION 6 – ASSESSMENT PROCESS	22

37	NZSPG Panel	22
38	Assessment of Eligibility for the 5% Uplift	22
39	Independent Consultants	22
40	IRD Verification and Payment of International Grant	22
APPENDIX 1 – FURTHER DEFINITIONS AND INTERPRETATION		23
APPENDIX 2 – SIGNIFICANT ECONOMIC BENEFITS GUIDELINES		25
APPENDIX 3 – PDV ACTIVITY		41

SECTION 1 – INTRODUCTION

1 Introduction

Effective from 1 April 2014, the New Zealand Government introduced the New Zealand Screen Production Grant scheme. This scheme enhances and combines the Large Budget Screen Production Grant scheme and the Screen Production Incentive Fund. There are two sets of criteria – the NZSPG Criteria for International Productions and the NZSPG Criteria for New Zealand Productions.

These criteria are the NZSPG Criteria for International Productions. **International Productions** are generally those productions that do not have Significant New Zealand Content and/or that are of a larger scale than productions that apply under the NZSPG Criteria for New Zealand Productions.

A visual overview of the eligibility criteria for the International Grant is provided at the end of this Section.

Productions that have Significant New Zealand Content should refer to the NZSPG Criteria for New Zealand Productions to see whether they are eligible for a New Zealand Grant under those criteria.

2 Key Definitions

In these criteria the following terms or symbols have the meaning set out below. Further definitions of other terms used in these criteria are in Annexure 1. If a word or phrase is capitalised it is defined below or in Annexure 1.

\$ means New Zealand dollars.

5% Uplift means an increase to the International Grant of 5% over the baseline grant of 20% of QNZPE. This is only available to eligible productions that pass the Significant Economic Benefits Test.

IRD means the New Zealand Department of Inland Revenue.

International Grant means the grant available under the NZSPG to productions that meet the eligibility criteria under the NZSPG Criteria for International Productions. It includes the PDV Grant.

New Zealand Grant means the grant available to New Zealand Productions under the NZSPG Criteria for New Zealand Productions.

New Zealand Productions means productions with Significant New Zealand Content.

NZFC means the New Zealand Film Commission.

NZSPG means the New Zealand Screen Production Grant scheme introduced by the New Zealand Government from 1 April 2014.

PDV Activity means, in general, the post, digital and visual effects production activities including but not limited to those listed in Annexure 3 (as may be updated from time to time) to the extent they occur in New Zealand.

PDV Grant means the grant available under the NZSPG to eligible PDV Productions.

PDV Productions means productions that meet the criteria in clause 9 of Section 2A.

QNZPE means Qualifying New Zealand Production Expenditure as defined in Section 3.

Significant Economic Benefits Test means the test used to determine whether a production brings significant economic benefits to New Zealand. This test is included in the Significant Economic Benefits Guidelines in Annexure 2.

Significant New Zealand Content means significant New Zealand content for the purposes of the NZSPG Criteria for New Zealand Productions as determined in accordance with those criteria.

3 Purpose

The purpose of the NZSPG for International Productions is to provide economic benefits to New Zealand by incentivising screen production (and the resulting production expenditure in New Zealand) that would not have otherwise been made here.

The purpose of the PDV Grant is to specifically foster capacity and new business development for large budget PDV Productions in New Zealand.

In establishing the NZSPG for International Productions, the New Zealand Government recognises that large budget screen productions and PDV Activity contribute to New Zealand's economic development by providing valuable economic, employment and skill development opportunities for the New Zealand screen production industry. The International Grant will ensure that New Zealand remains competitive in attracting large budget screen productions and PDV Activity from offshore.

It is anticipated that only experienced producers will apply for an International Grant. As a consequence of this, it is expected that applications will be prepared to a high standard and in accordance with both the letter and intent of these criteria. Applications that do not meet these standards or that technically meet the criteria but that, in the NZSPG Panel's opinion, are structured in a way that is inconsistent with the intent of the criteria, may be rejected by the NZSPG Panel at its sole discretion.

4 Amount of International Grant

The International Grant is 20% of QNZPE.

Productions that qualify for the 5% Uplift will receive a total International Grant of 25% of QNZPE.

5 Effective Date, Transitional Provisions and Historical Costs

Effective Date

These criteria are effective from 1 August 2015.

Transitional Provisions

International Productions that have started Principal Photography **before** 1 August 2015 or PDV Productions that have started PDV Activity in New Zealand **before** 1 August 2015 will be assessed under the NZSPG criteria dated 1 April 2014.

International Productions that start Principal Photography **on or after** 1 August 2015 or PDV Productions that have started PDV Activity in New Zealand **on or after** 1 August 2015 will be assessed under these criteria.

The International Grant on any QNZPE relating to goods or services provided on a production before 1 April 2014 will be paid at the previous rate of 15%.

Historical Costs

Any expenditure on a screen production incurred before 1 April 2003 is excluded. Only QNZPE incurred on or after 16 July 2007 on PDV Production undertaken after 16 July 2007 shall be eligible for the PDV Grant.

In general, costs paid more than ten years prior to the start of Principal Photography or PDV Activity cannot be claimed as QNZPE. If an applicant wishes to claim costs paid more than ten years prior to the start of Principal Photography or PDV Activity, they must apply for provisional certification and the NZSPG Panel will determine, at its sole discretion, taking into account the current status of the production, whether there are exceptional circumstances to allow these costs to be claimed as QNZPE.

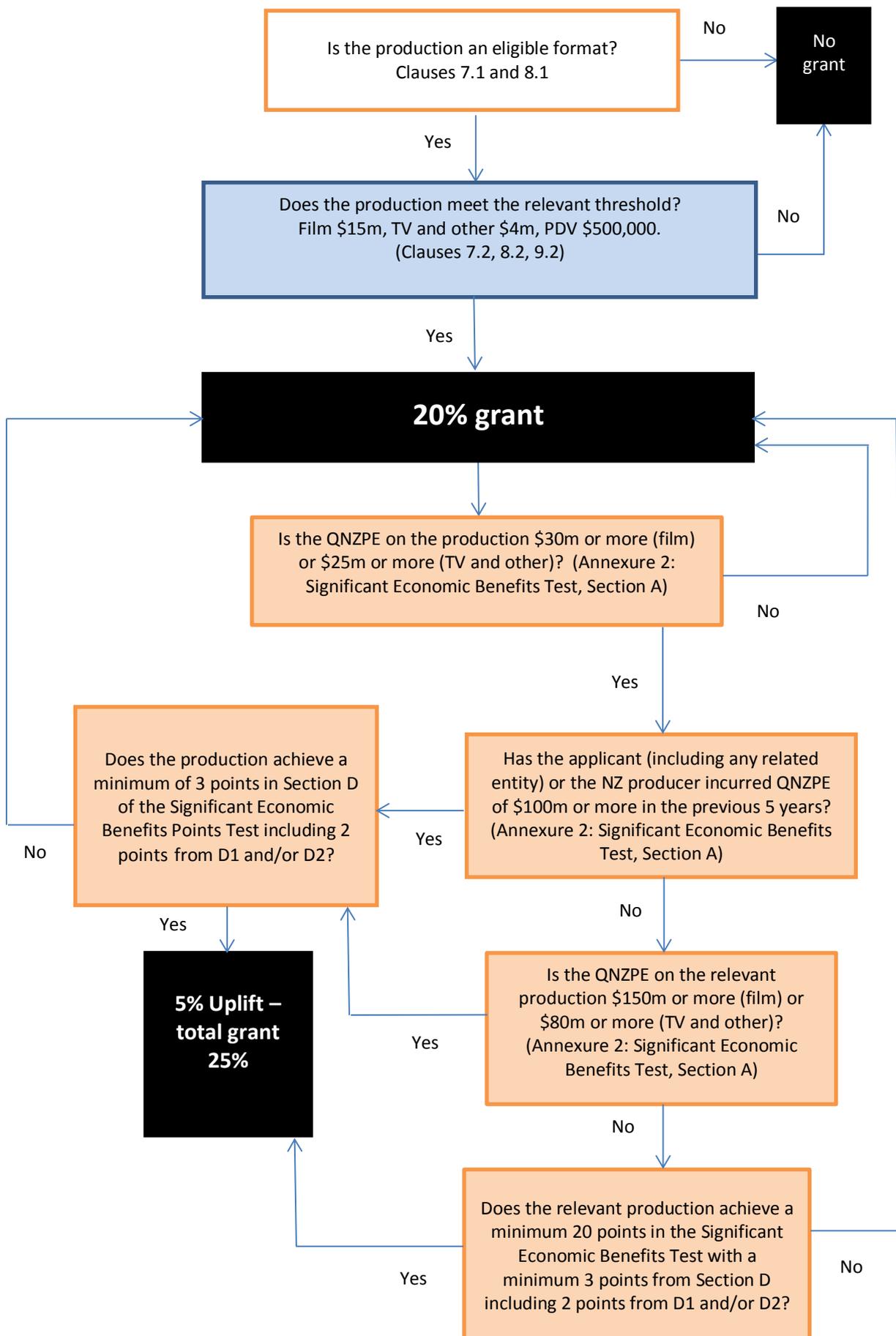
6 Eligibility for International Grant

To be eligible for an International Grant, productions and applicants must satisfy:

- (a) the relevant specific eligibility criteria in Section 2A; and
- (b) the general eligibility criteria in Section 2B.

To be eligible for the 5% Uplift, productions and applicants must also pass the Significant Economic Benefits Test.

Visual Overview of the International Grant



SECTION 2A – SPECIFIC ELIGIBILITY CRITERIA

7 Feature Films

7.1 Format

- (a) A feature film is a production that is not excluded under clause 7.1(b) and is:
- (i) commonly screened as the main attraction in commercial cinemas;
 - (ii) not less than 60 minutes, or in the case of a large format (IMAX) film not less than 40 minutes; and

is shot and processed to commercial release standards primarily for exhibition to the public in cinemas. Feature length content that is not intended primarily for exhibition to the public in cinemas, e.g. telefeatures or home entertainment releases, may be eligible if they meet the requirements of clause 8.1.

- (b) A production that fits into any of the following categories (or to a substantial extent fits into the following categories) is specifically excluded from eligibility:
- (i) an advertising programme or commercial;
 - (ii) a discussion programme, current affairs, news, a panel programme, or a programme of a like nature;
 - (iii) pornography;
 - (iv) a training programme;
 - (v) an interactive digital game (other than transmedia content as per clause 16.2(b)(iv)); or
 - (vi) a production of a public event, including a sports event.

7.2 Expenditure threshold

A feature film must have QNZPE of \$15 million or more.

7.3 Simultaneous or Concurrent Shooting of Feature Films

Applicants may seek approval to treat more than one feature film as one production for the purposes of the International Grant in the following circumstances:

- (a) Where all aspects of the production (pre-shoot-post) are being treated by the producers as a single production and there is no separation of resources between feature films;
- (b) Where all feature films are being budgeted as a single production and reported on that basis;
- (c) Where all feature films share the same or substantially similar setting and characters and an overarching narrative (e.g. parts of a trilogy, prequels, sequels).

Where the above applies to more than one film, the NZFC will treat all feature films as one production for administrative purposes only. Each feature film within the package will need to meet the relevant eligibility threshold for a feature film or the bundling criteria. The average QNZPE per film will be used to determine eligibility. This clause will not entitle any production costs to be QNZPE if they would not otherwise have been QNZPE if each feature film had been treated as a separate production. However, for the purposes of clause 16.2(b), the date of Completion of the production will be the date the last feature film approved for such treatment is completed. Requests should be made in writing to the NZFC stating how the films meet the criteria in this clause and these will be considered on a case-by-case basis.

8 Television and Other Non-feature Films

8.1 Format

- (a) A television or other non-feature film is a production that is not excluded under clause 8.1(b) and is either:
- (i) *a single episode programme* (including a telefeature or feature length content that is not primarily intended for exhibition to the public in cinemas) whether scripted or unscripted including but not limited to drama, documentary, factual, reality, children's and animation;
 - (ii) *a series or season of a series* whether scripted or unscripted including but not limited to drama, documentary, factual, reality, children's and animation being a programme with a common theme or themes consisting of at least two episodes that are intended for release together in a national market or markets and with individual episodes that have completed Principal Photography within 24 months from the start of Principal Photography, and

is shot and processed to commercial technical distribution standards and intended to be released on a distribution platform other than cinema. Distribution platforms include all forms of television, DVD/Blu-ray, internet, video-on-demand, mobile phone or any other public mass distribution medium device.

Where the Principal Photography of episodes in a series or season of a series may exceed 24 months due to the specific requirements of the production (e.g. documentaries covering a long time period or complex animation projects), applicants may seek approval from the NZFC to extend the 24-month period. Requests should be made in writing to the NZFC stating the reasons why the production requires an extension and these will be considered on a case-by-case basis.

- (b) A production that fits into any of the following categories (or to a substantial extent fits into the following categories) is specifically excluded from eligibility:
- (i) an advertising programme or commercial;
 - (ii) a discussion programme, current affairs, news, a panel programme, or a programme of a like nature;
 - (iii) pornography;
 - (iv) a training programme;
 - (v) an interactive digital game (other than transmedia content as per clause 16.2(b)(iv));
 - (vi) a production of a public event, including a sports event; or
 - (vii) a production principally made for the New Zealand market.

8.2 Expenditure threshold

A television or other non-feature film production must have total QNZPE of \$4 million or more. There is no per episode or per hour QNZPE requirement.

9 PDV Production

9.1 Format

A PDV Production must be one of the formats in clauses 7.1 or 8.1.

9.2 Expenditure threshold

A PDV Production must have QNZPE of \$500,000 or more. QNZPE in relation to PDV Productions only, means QNZPE that is spent directly on or is necessarily related to PDV Activity. QNZPE necessarily related to PDV Activity includes but is not limited to:

- (a) the fees and expenses of personnel working on PDV Activity;
- (b) the hire of studio and office space for PDV Activity;
- (c) the purchase or hire of equipment used for PDV Activity; and
- (d) the depreciation of assets used for PDV Activity.

10 Bundling

10.1 Format

Each production within a bundle must be one of the formats in clauses 7.1 or 8.1.

10.2 Expenditure threshold

A bundle consists of two or more productions where:

- (a) each production has QNZPE of \$3 million or more;
- (b) all productions have completed Principal Photography (or PDV Activity for a PDV Production) within 36 months following the date that the first of those productions commenced Principal Photography or PDV Activity (as the case may be), and

the total bundle has QNZPE of \$30 million or more.

10.3 Applicant for a bundle

Each production within a bundle must either:

- (a) have an applicant that is the same entity or a Related Entity to other applicants in the bundle; or
- (b) have the same Creative Producer who is a New Zealand citizen or permanent resident.

SECTION 2B – GENERAL ELIGIBILITY CRITERIA

11 Special Purpose Vehicle

11.1 Applicant to be SPV

An applicant must be a special purpose vehicle (**SPV**) established principally in relation to making the production. The applicant must have its own GST and payroll registration numbers and its own bank account. If the applicant is part of a group of companies, then the applicant's GST and payroll returns must not be grouped with any other company within that group for tax purposes. The requirement for separate GST registration is conditional on Inland Revenue accepting that the relevant production is eligible to be registered as a separate registered person under section 56(2) of the *Goods and Services Tax Act 1985*.

11.2 Exceptions

An applicant is not required to be a SPV where one of the following applies:

- (a) *Series*: the production is a series or a season of a series. In this case a new SPV is not required for each series or season of the production and the applicant's existing GST and payroll registration numbers and bank account may be re-used for the new series or season, **provided that** there is no overlap in QNZPE to be claimed on each series or season. It is expected that all GST and payroll returns from the start of the new series or season will predominantly include expenditure relating to that series or season. Minor expenditure relating to other series or seasons may be included in those returns but this expenditure must be clearly identified and excluded from QNZPE. If there is overlap in QNZPE to be claimed on each series or season then a new SPV is not required for each series or season and the applicant's existing GST and payroll registration numbers and bank account may be re-used for each production **provided that** separate tax locations* and a separate back account must be used for each series or season.
- (b) *Repurposing (non-concurrent use)*: the applicant has incurred all QNZPE to be claimed on a previous production and/or has applied for an International Grant (or a SPIF or LBSPG grant) in respect of that previous production. In this case, the applicant's existing GST and payroll registration numbers and bank account may be re-used for the new production. It is expected that all GST and payroll returns from the start of the new production will predominantly include expenditure relating to that production. Minor expenditure relating to the previous production may be included in those returns but this expenditure must be clearly identified and excluded from QNZPE.
- (c) *Bundling*: the production is part of a bundle. In this case, a new SPV is not required for each production in the bundle and the applicant's existing GST and payroll registration numbers and bank account may be re-used for each production **provided that** separate tax locations* and a separate bank account must be used for each production.
- (d) *PDV Grant Exception 1 (will usually apply when the Producer or Production Administrator is applying for the PDV Grant)*: for PDV Grant applications, the NZFC has waived the requirement for a SPV on the basis that the NZFC has determined that the application is likely to have all of the following characteristics:
 - (i) a small number of PDV suppliers who are not associated with the applicant;
 - (ii) a small number of large-value transactions;
 - (iii) no live action shoot elements (studio or location);
 - (iv) no direct labour costs incurred by the applicant; and
 - (v) the applicant has obtained a separate tax location* for the relevant screen production.

*An applicant must contact the IRD for information on the steps required to obtain a separate tax location number for an individual production. This number is a separate identifier within the

applicant's principal GST and payroll registration number and enables the applicant to submit separate GST and payroll returns under that number without having to set up a separate entity.

Notes on clause 11.2(d):

- Tax location numbers should not be re-used.
 - If this exception applies, the production does not need to have a separate bank account.
 - If the applicant engages additional PDV suppliers after the NZFC has waived the requirement for a SPV under this clause, the NZFC waiver will continue to apply.
- (e) *PDV Grant Exception 2 (will usually apply when the PDV supplier is applying for the PDV Grant):* for PDV Grant applications, the NZFC has waived the requirement for a SPV on the basis that the NZFC has determined that the application is likely to have all of the following characteristics:
- (i) a total QNZPE of less than \$10 million for a single production;
 - (ii) the applicant has been engaged to supply all services on the production in New Zealand (any services to be provided or sub-contracted by the applicant outside New Zealand must be contracted separately);
 - (iii) the applicant is not associated with the entity to whom the services are being provided in any way; and
 - (iv) there is an arm's-length contractual arrangement between the applicant and the entity to which the services are being provided that clearly specifies that the applicant has the right to apply for and retain 100% of the PDV Grant for the production.

Where the exception in this clause 11.2(e) applies, the QNZPE for the production shall be deemed to be equivalent to the arm's-length amount actually paid to the applicant prior to the submission of the final PDV Grant application for the services provided on the production in New Zealand (the **purchase price**) divided by 80% (or, where the production qualifies for the 5% Uplift, 75%). Where any amount is due but not paid for legitimate commercial reasons, then these will be considered on a case-by-case basis. The PDV Grant will be paid on the QNZPE calculated by this method, however, the NZFC reserves the right to review the expenditure incurred by the applicant to ensure that the purchase price has been paid solely in relation to QNZPE incurred by the applicant on the production. If the purchase price is not in NZD and is near the PDV expenditure threshold of \$500,000 the applicant should use the provisional application process to pre-qualify an exchange rate.

The application process for a final application under clause 11.2(e) is set out in clause 28 of these criteria.

Applicants seeking a waiver of the requirement for a SPV under clauses 11.2(d) and (e) may apply to the NZFC at any time, however, the NZFC strongly recommends that such application be made prior to the start of PDV Activity on the production in New Zealand (so that applicants have sufficient comfort that they will qualify for an International Grant). Applications for a waiver must include such information as may be reasonably required by the NZFC to make a determination under the relevant exception.

12 Residency Status

12.1 Residency of applicant

An applicant must be either:

- (a) a New Zealand resident company, which in this context, means a company that:
 - (i) is incorporated in New Zealand, or

- (ii) carries on business in New Zealand and has either its central management or control in New Zealand, or its voting power controlled by shareholders who are residents of New Zealand; or
- (b) a New Zealand resident partnership (a partnership is a New Zealand resident if a majority of the partners in the partnership are New Zealand Tax Residents); or
- (c) a foreign corporation operating with a fixed establishment in New Zealand for the purposes of lodging an income tax return (both when it lodges the International Grant application and when the International Grant is paid). Advice can be obtained from the IRD on whether a company is a fixed establishment in New Zealand for the purposes of lodging an income tax return.

13 Responsible Entity

An applicant must be the entity responsible for all activities involved in making the production in New Zealand or, for the PDV Grant, all PDV Activity on the production in New Zealand.

Only one entity per production can be eligible for the International Grant.

14 Other Grants and New Zealand Incentives

A production cannot receive an International Grant and a New Zealand Grant.

A production may not receive more than one International Grant unless the first International Grant was for the pilot of a series in which case the subsequent series may also receive an International Grant (provided that the pilot and the subsequent series each satisfy the eligibility criteria).

A production seeking an International Grant is not eligible for any other New Zealand government finance or tax incentives in relation to the production (including year 1 deductions under section DS 2 of the *Income Tax Act 2007* or funding through government screen agencies such as the NZFC, NZ On Air, Te Māngai Pāho). Productions will, however, be eligible for development funding or non-production funding provided by the New Zealand Government or its non-screen agencies.

SECTION 3 – QUALIFYING NEW ZEALAND PRODUCTION EXPENDITURE (QNZPE)

15 Expenditure Statement

All costs claimed as QNZPE must be presented in an audited expenditure statement attached to the final application. The audited expenditure statement must be in New Zealand dollars with all foreign currency converted as per clause 19. Arrangements should be made to track expenditure that relates to QNZPE and non-QNZPE as early as possible. Where necessary, invoices from any supplier should be broken down to show New Zealand and non-New Zealand activity with computerised accounts formatted to show this split. This will also facilitate the independent audit of the expenditure statements. You should familiarise yourself with the requirements of the final application form as early as possible.

16 QNZPE

16.1 General QNZPE definition

QNZPE is expenditure spent by the applicant on the production, where that expenditure is incurred on, or is attributable to:

- (a) goods and services provided in New Zealand; or
- (b) the use of land located in New Zealand; or
- (c) the use of a good that is located in New Zealand at the time that the good is used in the making of the production; or
- (d) the specific inclusions set out in clause 16.2, but not including the expenditure set out in clause 16.3.

16.2 Specific inclusions

(a) *New Zealand Copyright Acquisition*

The cost if deductible under the *Income Tax Act 2007*, or the depreciation, if allowable under the *Income Tax Act 2007*, of acquiring copyright or the licensing of copyright in a pre-existing work for use in the production is QNZPE if the original owner of copyright in the pre-existing work is, or was, a New Zealand Tax Resident.

The cost, if deductible under the *Income Tax Act 2007*, or the depreciation, if allowable under the *Income Tax Act 2007*, of commissioning and purchasing copyright (or an interest in copyright) in a work created for use in the production is QNZPE if the work is, or was, created in New Zealand.

(b) *Additional Audiovisual Content*

Costs incurred in New Zealand on audiovisual content that is intended to be released with the production in some form are QNZPE where they are incurred by the applicant before Completion of the production. Examples of additional audiovisual content for release with the production are:

- (i) director or cast commentary tracks;
- (ii) 'making of' documentaries;
- (iii) material for extended versions;
- (iv) any transmedia content released on a second screen where that content is developed and produced in conjunction with the production to be viewed contemporaneously with the production and shares a unified narrative with the production.

(c) *Travel to New Zealand*

The cost of each incoming journey to New Zealand undertaken for the purposes of the production is QNZPE. The cost of an incoming journey is equivalent to 100% of a one-way fare or 50% of a return fare on a commercial airline.

(d) *Production Insurance*

The cost of production insurance, excluding errors and omissions insurance, is QNZPE if paid to a New Zealand entity.

(e) *Completion Bonds*

Completion bond fees are QNZPE regardless of whether they are paid to an entity within New Zealand or outside New Zealand, but provided they are paid on an arm's-length basis to a third party who is a recognised completion guarantor (as determined by the NZFC).

(f) *Freight*

The cost of international freight (including excess baggage) is QNZPE if paid to a New Zealand entity.

16.3 Non-QNZPE

(a) *Costs relating to short-term visits for non-cast personnel*

The fees and per diems relating to the services of non-cast personnel who travel to New Zealand and work on the production for thirteen days or less (in total). However, costs relating to travel to New Zealand in accordance with clause 16.2(c) are QNZPE.

(b) *Acquisition or licensing of copyright*

The cost of acquiring or licensing copyright in a pre-existing work where the original owner of copyright in such work is not, or was not, a New Zealand Tax Resident and the cost of commissioning and purchasing copyright (or an interest in copyright) in a work for use in the production where the work is not, or was not, created in New Zealand.

(c) *Publicity and promotional costs incurred after Completion*

Publicity and promotional costs incurred after Completion of the production.

(d) *Additional audiovisual content incurred after Completion*

Costs incurred on additional audiovisual content after Completion of the production and/or on additional audiovisual content not intended to be released with the production.

(e) *Advances*

Recoverable advance payments in respect of Guaranteed Deferments, Participation Payments or Residuals.

(f) *Financing Expenditure*

All Financing Expenditure.

(g) *Business overheads cap*

Business overheads above 5% of the QNZPE or \$500,000 whichever is the lesser.

(h) *Guaranteed Deferments, Participation Payments, Residuals*

Guaranteed Deferments, Participation Payments, and Residuals.

(i) *Acquisition of Depreciating Asset*

Except for copyright acquisition expenditure that qualifies as QNZPE, the costs of acquiring a depreciating asset and any capital costs invested in that asset. See clause 23 for the definition and treatment of a depreciating asset.

(j) *Legal*

Legal fees that are NOT related to:

- (i) the drafting and/or negotiation of production and financing documents; or
- (ii) legal advice on issues arising in the normal course of the making of a production.

Applicants should ensure that their legal advisors provide a breakdown of their fees.

(k) *Others*

Cast and Crew Perks, gifts, fines, Entertainment and Gratuities and any historical costs listed in clause 5.

SECTION 4 – TREATMENT OF EXPENDITURE

17 Income Tax

The International Grant will be given standard grant treatment for income tax purposes. That is, the cost base of the production will be reduced by the amount of the International Grant.

The International Grant is treated as excluded income for the purposes of income tax.

18 GST

All figures set out in these criteria are net of GST. As such, the International Grant is calculated in relation to amounts that are net of GST. However, New Zealand tax law requires that the International Grant is paid GST inclusive. For this reason, the International Grant will be made to eligible applicants on a GST plus basis with applicants having to return the GST component in their next GST return.

19 Currency Exchange

All production expenditure incurred in foreign currencies must be converted into New Zealand dollars at the spot rate on the date of payment or, if this is not practicable, on a monthly basis at the mid-month exchange rates published by the Inland Revenue (www.ird.govt.nz).

20 Non-Arm's Length Expenditure

The basis of the arm's length principle is to ensure that amounts charged between the applicant and any associate entities (including parent and subsidiary entities) for the provision of goods or services are commercially reasonable.

Where the applicant incurs expenditure under a non-arm's length arrangement that inflates the cost of a particular good or service in relation to the production, then only the commercial rate for that good or service is QNZPE. The commercial rate will be taken to be the amount that would have been incurred if the parties were dealing at arm's length with each other charging what they would ordinarily charge to an unrelated party and/or paying what they would ordinarily agree to pay an unrelated party. Factors such as the length of the hire, supply and demand issues and overall cost-effectiveness will be taken into account when considering the commercial rate.

The arm's length principle applies to any act or transaction directly or indirectly connected with any expenditure incurred by the applicant - i.e. the principle still applies if a non-arm's length deal between other parties otherwise inflates the expenditure of a particular good or service purchased by the applicant.

Where there is significant non-arm's length expenditure in an application, the total budget will be considered against the total likely income earned by the production along with the overall feasibility of the production without the non-arm's length expenditure. If the NZSPG Panel then considers that the production is structured in a way that is inconsistent with the intent of the criteria, it may be rejected by the NZSPG Panel at its sole discretion as per clause 3.

Where parties providing goods or services to the production are also investing in the production, the charges for those goods or services should also be at commercial rates and be at a consistent level with the charges of other parties providing goods or services to the production who are not also investing in the production.

21 Non-Accrual Basis of Expenditure

To be QNZPE an expenditure item must have actually been incurred on the making of the specific production for which the application is made. In addition, the applicant must have actually discharged in full its liability to pay at the time of final application for the International Grant (for example, paid in cash, by cheque or electronic transfer). Credits should not be off-set against any QNZPE to be claimed on the production.

22 Expenditure by Prior Entities

Eligibility for the International Grant extends to an applicant that takes over the production from another entity (or entities) and completes the production, such as a completion guarantor. The applicant is taken to have incurred the production expenditure of the previous entity (or entities) for the purposes of the

International Grant. Any costs incurred by the applicant in the takeover of the production are excluded from QNZPE. Costs incurred by entities prior to a SPV being set up must be reimbursed by the SPV to be QNZPE.

23 Depreciating Assets

Where an applicant purchases an asset for use in the production and sells or disposes of that asset on the Completion of the production or on completion of the QNZPE, the net cost of that asset can be claimed as QNZPE (provided the depreciation occurred in New Zealand).

Where an applicant holds a depreciating asset (other than copyright), uses it to make the production and retains it at the Completion of the production, then QNZPE (provided the depreciation occurred in New Zealand) may include so much of the decline in value over the effective life of the asset as is attributable to its use on the production (for tax purposes).

The definition of a 'depreciating asset' for the purposes of the Grant is the same as that used by the IRD. Further information about the treatment of depreciating assets under Subpart EE of the *Income Tax Act 2007* may be downloaded from the IRD website at www.ird.govt.nz.

24 Transfer Pricing

When considering the issue of transfer pricing, it is difficult to be prescriptive as transfer pricing analysis is extremely fact-intensive. However, IRD would favour the use of cost plus methodology for a low risk production contract, the mark-up varying with the degree of risk assumed, and functions performed, by the applicant and the timing of payments received for services provided.

SECTION 5 – APPLICATION PROCESS

25 Provisional Applications for Baseline Grant

Applicants may (but do not have to) apply for provisional certification of eligibility for an International Grant unless they are applying for the 5% Uplift (see clause 26).

Applicants with television or other non-feature film productions are strongly advised to apply for provisional certification to ensure that the proposed format meets the relevant criteria.

A Provisional Certificate will provide a non-binding view as to whether a production meets the criteria. It will lapse six months from the date of issue, unless the production has commenced Principal Photography within that time period. In exceptional circumstances applicants may apply to the NZFC for an extension to their Provisional Certificate and may, in any event, submit a new application for provisional certification.

26 Provisional Applications for 5% Uplift

Applicants who wish to apply for the 5% Uplift **must** submit a complete provisional application prior to commencement of Principal Photography. Applicants should review the provisional application form and contact the Head of Incentives at the NZFC before submitting a provisional application.

27 Exchange Rate Fluctuation and Pre-qualification

Applicants concerned that they may not meet the expenditure threshold for an International Grant solely due to fluctuations in exchange rates may 'pre-qualify' for the International Grant by following the process below.

The applicant should seek provisional certification under clause 25 and at the same time should:

- (a) notify the NZFC that, solely for the purpose of meeting the expenditure threshold, they may require any non-New Zealand dollar QNZPE converted at the 'preset exchange rate' (defined below); and
- (b) nominate the relevant non-New Zealand dollar currency or currencies.

The application for provisional certification must be received by the NZFC within three months of the start of Principal Photography or PDV Activity (as the case may be). In the event that the start date is delayed, the applicant may reapply.

On the date the NZFC receives the application for provisional certification it will obtain the relevant exchange rate/s from the Reserve Bank of New Zealand. This rate or rates will become the 'preset exchange rate/s'.

If at the time the applicant submits its application for the International Grant, the QNZPE is below the relevant threshold, the NZFC will apply the 'preset exchange rate/s' against the QNZPE incurred in the nominated non-NZ dollar currency or currencies to recalculate the applicant's ability to meet the threshold.

In the event that the threshold is then met and the application is approved, the amount of the International Grant will be calculated and paid on actual QNZPE incurred (using the actual exchange rates as per clause 19 to convert any non-NZ dollar QNZPE).

28 PDV Grant SPV Exception 2

Where the SPV requirement exception under clause 11.2(e) applies, the final PDV Grant application and verification process shall be as set out in this clause.

The final application for a PDV Grant in respect of the production may only be made once all PDV Activity on the production in New Zealand has been completed. The application may not be made later than three months after Completion of the production.

The total PDV Grant will not exceed 20% (or 25% if the applicant qualifies for the 5% Uplift) of the deemed QNZPE calculated in accordance with clause 11.2(e).

The following information must be included with each application form:

- (a) Approved auditor's opinion verifying the purchase price;
- (b) A copy of the completed production or sample footage;

- (c) Statutory declaration;
- (d) Further information as requested.

IRD verification of the information provided to the NZFC will be different to verification of other productions, and will likely focus more on invoices, receipts, and bank statements, as well as review of tax compliance of the processes of the applicant.

29 Information Before and During Production

For planning purposes applicants should provide advance notice by email to nzspg@nzfilm.co.nz of their intention to apply for an International Grant or PDV Grant and, if shooting is to occur in New Zealand, the estimated shoot dates.

On a quarterly basis, the NZFC may request information on estimated QNZPE incurred to date and forecast QNZPE for the New Zealand Government's financial planning purposes only.

30 Final Applications

Applicants may submit a final application for an International Grant to the NZFC:

- (a) once all QNZPE on the production is completed or all that is intended to be claimed is completed; or
- (b) each time the QNZPE for the production has exceeded a multiple of \$50 million (an **interim application**) provided that there is evidence that the film will be Completed. Where this occurs, a final application setting out the remaining QNZPE must also be provided once all QNZPE for the production is completed,

provided that an applicant may not apply for an International Grant later than three months after Completion of the production (or Completion of the last production within a bundle).

An application must be made on the relevant application form.

In the case of bundled screen productions, applicants may only submit an application once QNZPE on all productions within a bundle is completed. However, an interim application may be made in respect of any individual production that has either: (a) completed QNZPE where such QNZPE exceeds the relevant expenditure threshold; or (b) incurred QNZPE of \$50 million or more. Applicants may not apply for an International Grant later than three months after Completion of the last production within the bundle.

The following information must be included with each final application form:

30.1 Audited expenditure statement

All costs claimed as QNZPE must be presented in an audited expenditure statement. The audit must be prepared by a person who is:

- (a) qualified under the *Companies Act 1993* to audit companies;
- (b) not an officer, partner or employee of the applicant, or a related body corporate of the applicant (but may be contracted by them from time-to-time on a non-permanent basis). A related body corporate of an applicant would be a subsidiary of an applicant, the holding entity of an applicant or a subsidiary of the holding entity of the applicant; and
- (c) approved by the NZFC (as published on the NZFC website from time to time).

The auditor's report is provided at the applicant's expense, with the name of the auditor and auditor's company or firm, qualifications, and contact details to be provided in the relevant section of the application form.

30.2 Credit list, proof of distribution, sample footage

A final application for an International Grant must include:

- (a) a full final credit list; and
- (b) proof of distribution or exhibition arrangements.

If the production has not been released to the public or international marketing for its imminent release has not occurred, the NZFC may request a copy of the completed production or a dated selection of

footage. Applications for a PDV Grant need not include proof of distribution or exhibition arrangements, a final credit list or a copy of the completed production unless applying under PDV Grant SPV Exception 2.

30.3 Statutory declaration

The information provided in a final application must be certified in a statutory declaration by an authorised person from the applicant - normally this would be the producer or a director of the applicant entity.

30.4 Further information as requested

The NZFC reserves the right to require any further information deemed necessary to complete the application process. This information must be provided at the applicant's expense within 28 days of the NZFC's request, although the applicant may write to the NZFC seeking an extension of time.

Applicants should familiarise themselves with the relevant application form and the further information requested in that form.

31 Credit and Promotional Materials

All applicants must provide an on-screen end credit in the completed production. An example follows:

"The filmmakers acknowledge the assistance of the New Zealand Government's Screen Production Grant"

In exceptional circumstances (such as where the provision of a credit is not within the control of the applicant), the NZFC may agree to waive the on-screen credit requirement.

Unless specifically waived by the NZFC, applicants must provide promotional materials to the NZFC in accordance with the [Promotional Materials Schedule](#) available on the NZFC website.

32 Confidentiality

Certain information supplied by the applicant will be provided to the NZSPG Panel, the IRD, the Ministry of Business, Innovation & Employment, the Ministry for Culture & Heritage and independent consultants where reasonably necessary during the application and approval process.

The NZFC will use reasonable efforts to maintain the confidentiality of the information provided by the applicant. The NZFC notes however that it is subject to various disclosure requirements, for example under the *Official Information Act 1982*, and shall not be liable for any disclosure it believes (acting reasonably) it is required to make.

As such, the applicant should clearly indicate those parts of its application that it regards as commercially sensitive and confidential. In processing a request under the *Official Information Act 1982*, the NZFC will consult the relevant applicant prior to a decision on release of information.

33 Information for Research Purposes

The NZFC may wish to use information provided by the applicant for research purposes; for example, as part of a study on the broader economic effects of a production. Information would only be used with the written agreement of the applicant.

34 Exit Survey

In the final application form, applicants may be asked to complete an online survey about their experience of making a production in New Zealand. This information will be used for research and marketing purposes and, unless the applicant agrees otherwise, it will be treated confidentially and only non-identifying aggregate information will be made public.

35 Further Information

For further information on these criteria and the process of applying for an International Grant please contact the Incentives Executive on tel: +64 (0)4 382 7680, email: nzspg@nzfilm.co.nz.

For information about taxation and other obligations of entities commencing business in New Zealand, filing business activity statements and annual income tax returns consult the IRD website at www.ird.govt.nz, or IRD's screen production desk's website at www.ird.govt.nz/industry-guidelines/screen-production/.

36 Application Forms

Application forms can be downloaded from the NZFC website at <http://www.nzfilm.co.nz/funding/feature-films/production-funding/nzspg-international-productions>

Applications, including all required documentation, should be sent to:

Incentives Executive
NZ Film Commission
PO Box 11 546
Manners Street
Wellington 6142
New Zealand

Courier address:
Level 3
119 Ghuznee Street
Wellington 6011
New Zealand

Email address:
nzspg@nzfilm.co.nz

SECTION 6 – ASSESSMENT PROCESS

37 NZSPG Panel

The NZSPG is administered by the NZFC. Applications for an International Grant will be assessed by a panel made up of industry practitioners and representatives from the NZFC and the Ministry of Business, Innovation & Employment (**NZSPG Panel**). The NZSPG Panel will assess whether applications satisfy the criteria. A representative from the IRD and the Ministry for Culture & Heritage is invited to attend all NZSPG Panel meetings.

A separate verification panel will be responsible for assessing whether productions and applicants pass the Significant Economic Benefits Test. See clause 38 for details.

38 Assessment of Eligibility for the 5% Uplift

The Significant Economic Benefits Verification Panel (**SEB Verification Panel**) will determine whether a production and applicant pass the Significant Economic Benefits Test and are therefore eligible for the 5% Uplift. The SEB Verification Panel will endeavour to make this determination within four weeks of receiving a complete application.

Due to the nature of the Significant Economic Benefits Test (particularly Section D), applicants should ensure that an authorised person of the applicant is available to engage with and provide further information to the NZFC and SEB Verification Panel during the assessment process. Proposals included in the application must be valid for three months from the application date.

Applicants who pass the Significant Economic Benefits Test will receive provisional certification and will be required to enter into a memorandum of understanding (**MOU**) with the New Zealand Government that will set out the basis upon which the applicant will satisfy the Significant Economic Benefits Test.

The MOU must be finalised within 12 weeks of provisional certification unless the NZFC agrees in writing to extend the time period where there are exceptional circumstances. Any extension will be considered on a case-by-case basis and be entirely at the discretion of the NZFC. The New Zealand Government and relevant agencies will be entitled to publish a summary of the MOU (agreed with the applicant) following execution of the MOU.

39 Independent Consultants

The NZSPG Panel and the SEB Verification Panel may seek the advice of one or more independent consultants to provide an independent assessment of any matters relating to the criteria, the International Grant or the Significant Economic Benefits Test.

Where necessary the consultant may seek further information from the applicant or its auditor. Where this information relates to non-arm's length issues, the consultant may seek information on the process and methodologies adopted to show that the amounts charged accord with the arm's length principle. All consultants will be subject to a contractual duty of confidentiality.

40 IRD Verification and Payment of International Grant

Payment of the International Grant is dependent on:

- (a) the IRD verifying the quantum of the potential claim for QNZPE against records held by the IRD; and
- (b) approval by the NZSPG Panel.

Once a complete final application has been received, the NZFC will endeavour to process the application within three months. Payment of the International Grant will generally be made within ten business days by the Ministry of Business, Innovation & Employment upon advice from the NZFC and receipt of an invoice from the applicant. The International Grant can only be paid in New Zealand dollars to the applicant company to their New Zealand bank account.

APPENDIX 1 – FURTHER DEFINITIONS AND INTERPRETATION

Where used in these criteria, the terms below shall have the meaning or be interpreted as follows:

Cast and Crew Perks means benefits (for example; companion airfares, a personal chef) provided to a cast or crew member that are not part of the total contracted remuneration package for that person.

Completed or Completion means when a production is first in a state where it could reasonably be regarded as ready to be distributed, broadcast or exhibited to the general public. For different formats, this means:

- (a) *feature film* – when it is completed to Digital Cinema Package (DCP) format or any replacement format ready for distribution;
- (b) *single episode programme* – when the programme is finished to master video tape stage (or digital equivalent) with credits ready for broadcast;
- (c) *series* – when all of the episodes in the series are finished to master video tape stage (or digital equivalent) with credits ready for broadcast;
- (d) *season of a series* – when all of the episodes are finished to master video tape stage (or digital equivalent) with credits ready for broadcast, completed within one defined time period or “season” of a series.

Creative Producer means an individual with decision-making authority who has a key role in the creative evolution of a production and plays an active role throughout the pre-production, production and post-production of a production and assumes responsibility for the physical process of production and carrying through practical and financial arrangements for the making of the production.

Entertainment includes alcohol, wrap parties, and meals outside the production base unless such meals are in place of standard production catering for cast and crew.

Final Certificate means a certificate issued to an applicant by the NZFC that states whether or not, on the basis of the information included in a final application, a production has qualified for an International Grant and the amount of that International Grant.

Financing Expenditure includes expenditure connected with raising and servicing finance for the production, such as interest payments on loans to cashflow the International Grant, development loans and pre-sales or gap funding cashflowed to the production budget (but not deferrals).

Gratuities includes tips, koha and similar payments for which no invoice or receipt is provided.

Guaranteed Deferments means payments to personnel or the production entity (including payments for story rights) that are quantifiable prior to Completion of the production but are payable after Completion of the production.

LBSPG means the Large Budget Screen Production Grant scheme that was introduced by the New Zealand Government in 2003 and that has been replaced by the NZSPG.

- (a) in the case of a natural person, a person that the *Income Tax Act 2007* treats as a New Zealand resident under section YD 1; or
- (b) in the case of a company, a company that the *Income Tax Act 2007* treats as a New Zealand resident under section YD 2.

Participation Payments means payments to personnel or the production entity (including payments for story rights) that are contingent on gross and/or net receipts of the production.

Principal Photography means:

- (a) *for drama*: the period of time during which the main shooting of the production takes place. It is expected that certain key shooting cast and crew (such as the director, director of photography, key cast,

hair and make-up, continuity) will be present. The period of time is usually a fixed period, however, where a pick-up shoot, second unit shoot or re-shoot meets this criteria, it will also be considered principal photography.

- (b) *for documentaries*: the period of time required to capture the image of the subject matter of the production where the director, or in some cases, the field director, is present for the shoot. The shoot does not need to occur over a fixed period of time. Interviews with key subjects and time critical photography will be considered principal photography. Where there is no shoot element for a documentary, the period of time during which the edit takes place.
- (c) *for animation*: the period from the day on which production of the animated image commences until the day that the animated images are completed.

Provisional Certificate means a certificate issued to an applicant by the NZFC that states whether or not, on the basis of the information included in a provisional application, a production is likely to qualify for an International Grant.

Related Entity generally means an entity that has 50% or more shareholding in common with the applicant. However, it is not intended that separate business units within a group are related entities, e.g. a broadcast or cable company will generally not be considered a related entity to a feature film company despite having the same ultimate ownership. In exceptional circumstances, where a related entity does not meet the shareholding requirement and the applicant can provide evidence of another means of association or control, the NZFC may accept that that entity is related to the applicant for the purposes of the Criteria.

Residuals means any residual payments due to personnel (including those distributed by guilds, unions or other collecting bodies) for exhibition and distribution of a production other than its original release (these are not classified as Participation Payments).

SPIF means the Screen Production Incentive Fund that was introduced by the New Zealand Government in 2008 and that has been replaced by the NZSPG.

APPENDIX 2 – SIGNIFICANT ECONOMIC BENEFITS GUIDELINES

NEW ZEALAND SCREEN PRODUCTION GRANT

International Productions

Assessment of Significant Economic Benefits

Guidelines

1 August 2015

New Zealand Screen Production Grant

Assessment of Significant Economic Benefits – Guidelines

Introduction

The New Zealand Screen Production Grant (**NZSPG**) was introduced by the New Zealand Government on 1 April 2014.

All international productions that meet the relevant specific eligibility criteria and the general eligibility criteria for the NZSPG are able to access a grant equivalent to 20% of QNZPE.

Certain productions may be entitled to an additional 5% (**5% Uplift**) if they can demonstrate significant economic benefits to New Zealand.

These guidelines have been developed to provide information for producers on how assessment of a production's significant economic benefits will be made.

The guidelines reflect that screen productions can raise New Zealand's profile internationally, attract high value tourists, and profile our innovative and creative people and technologies. It is expected that productions with significant economic benefits will be well placed to market, promote and showcase New Zealand. In general, the scale of the benefit to New Zealand should meet or exceed the amount of the 5% Uplift.

This document should be read in conjunction with the full criteria and other documentation for the NZSPG.

Assessment

The assessment of whether a production will bring significant economic benefits to New Zealand will be made on the following basis:

- A production that receives at least 20 points out of a possible 30 points will be considered as bringing significant economic benefits to New Zealand for the purposes of the NZSPG.
- The production must receive a minimum number of points in Section A (Expenditure) and Section D (Wider Economic Benefits).

Certain productions will be able to fast-track to Section D (Wider Economic Benefits) where:

- The production is a feature film with QNZPE of \$30 million or more or a TV series or other format with QNZPE of \$25 million or more **and** the applicant (or a Related Entity) or the New Zealand Creative Producer has incurred QNZPE of \$100 million in the past five years; or
- The production is a feature film with QNZPE of \$150 million or more; or
- The production is a TV series or other format with QNZPE of \$80 million or more.

Assessment of Significant Economic Benefits – Points Test

	Points Available
A – Amount of Past Expenditure or Expenditure on Current Production	
<p>Either:</p> <p>Fast Track based on QNZPE in NZD of past expenditure or expenditure on current production</p> <p>If the production is a feature film with QNZPE of \$30 million or more or a TV series or other format with QNZPE of \$25 million or more and the applicant (or a Related Entity) or the New Zealand Creative Producer has incurred QNZPE of \$100m or more in the past five years; or</p> <p>The production is a feature film with QNZPE of \$150m or more; or</p> <p>The production is a non-feature film with QNZPE of \$80m or more.</p> <p>*See Appendix 1 for definitions of Related Entity and Creative Producer.</p>	Fast Track to Section D
<p>Or:</p> <p>A1 – QNZPE in NZD of expenditure on current production</p> <p>Feature film: A mandatory minimum \$30m QNZPE (1pt). Additional point for each \$10m QNZPE up to \$80m.</p> <p>Non-feature film: A mandatory minimum \$25m QNZPE (1pt). Additional point for each \$10m QNZPE up to \$75m.</p>	Up to 6
Total – Section A (maximum: 6 points and minimum: 1 point)	6
B – New Zealand Production Activity	
B1 – Shooting – Location/Studio (50% for 1, 75% for 2, 90% for 3)	Up to 3
B2 – Picture Post-Production (50% plus)	1
B3 – Sound Post-Production (50% plus)	1
B4 – Digital or Visual Effects (50% for 1, 75% for 2 or \$5m for 1, \$10m for 2)	Up to 2
B5 – If applicable, Concept Design & Physical Effects (Period/Genre) (50% for 1, 75% for 2)	Up to 2
B6 – 75% or more of total budget is QNZPE (1 bonus point available if maximum points not achieved in B1-B5)	1
Total – Section B (maximum: 9 points)	9
C – New Zealand Personnel	
<i>To qualify, individuals must be a New Zealand citizen or permanent resident at the time the production is being made.</i>	
C1 – Director/Producer/Writer (1 point if 1 of 3, 2 points if 2 of 3)	Up to 2
C2 – Lead or Supporting Cast (1 point if 2 supporting cast, 2 points if 1 lead or 3 or more supporting cast)	Up to 2
C3 – Majority of Cast (75% plus)	1
C4 – Key Production Staff – DOP, Editor, Production Designer, Composer, Sound Designer, Sound Editor, Sound Mixer, VFX Supervisor, 1 st Assistant Director, 2 nd Unit Director, Line Producer, Costume Designer, Key Make-up & Hair (0.5 pt per role, maximum of 3 points)	Up to 3
C5 – Majority of Crew (75% plus)	1
C6 – 90% or more of total cast or crew are qualifying persons (1 bonus point available if maximum not achieved in C1-C5)	1

Total – Section C (maximum: 9 points)	
D – Wider Economic Benefits	
<i>Are you able to provide wider economic benefits to New Zealand or the New Zealand screen industry?</i>	
D1 – Marketing, promoting and showcasing New Zealand	Up to 3
D2 – Placement of New Zealand in screen production	Up to 2
D3 – Investment in New Zealand infrastructure	Up to 2
D4 – Investment in innovation, technology or knowledge transfer	1
D5 – Skills and/or talent development	1
<i>For productions that fast track from Section A only.</i>	1
D6 – Other New Zealand post-production or visual effects activity	
Total – Section D (maximum: 6 points and minimum: 3 points which must include 2 points from D1 and/or D2)	6
<p>To qualify as bringing significant economic benefits to New Zealand a production must <u>either</u>:</p> <ul style="list-style-type: none"> • score a minimum of 20 points in the above points test (and meet the minimum points requirements in Sections A and D), or • achieve ‘Fast Track’ status and meet the minimum points requirements in Section D. 	__ (out of 30)

Section A – Amount of Past Expenditure or Expenditure on Current Production

Fast Track – Past Expenditure and Expenditure on Current Production

If the production meets the criteria in this section and scores the minimum points in Section D, then it is considered to have “Fast Track” status and is not required to score any points in Sections B or C.

Past and Current Expenditure

If the applicant (or a Related Entity to the applicant) or the Creative Producer who is a New Zealand citizen or permanent resident* has incurred QNZPE in New Zealand dollars of \$100 million or more on another production or productions in either (at the applicant’s option):

- the five years preceding the date of the provisional application, provided Principal Photography on the current production starts no later than 12 months after the date of the provisional application; or
- the five years preceding the date of the final application for the current production.

*see Appendix 1 for definitions of Related Entity and Creative Producer.

Past QNZPE will be measured on the total QNZPE approved for the applicant (or a Related Entity of the applicant) or the Creative Producer by the Large Budget Screen Production Grant Panel, SPIF Committee or NZSPG Panel.

The production the subject of the application must also have a minimum QNZPE of NZ\$30 million for a feature film or NZ\$25 million for a television series or other non-feature film format.

Expenditure on Current Production

Feature films with QNZPE (in New Zealand dollars) of \$150 million or more.

Non-feature films with QNZPE (in New Zealand dollars) of \$80 million or more.

A1: Points –Expenditure on Current Production

Feature films with QNZPE (in New Zealand dollars) of:

- | | |
|--------------------------------------------------------------------|----------|
| • Greater than or equal to \$30 million but less than \$40 million | 1 point |
| • Greater than or equal to \$40 million but less than \$50 million | 2 points |
| • Greater than or equal to \$50 million but less than \$60 million | 3 points |
| • Greater than or equal to \$60 million but less than \$70 million | 4 points |
| • Greater than or equal to \$70 million but less than \$80 million | 5 points |
| • Greater than or equal to \$80 million | 6 points |

TV and other non-feature films with QNZPE (in New Zealand dollars) of:

- | | |
|--------------------------------------------------------------------|----------|
| • Greater than or equal to \$25 million but less than \$35 million | 1 point |
| • Greater than or equal to \$35 million but less than \$45 million | 2 points |
| • Greater than or equal to \$45 million but less than \$55 million | 3 points |
| • Greater than or equal to \$55 million but less than \$65 million | 4 points |
| • Greater than or equal to \$65 million but less than \$75 million | 5 points |
| • Greater than or equal to \$75 million | 6 points |

For provisional applications, applicants must submit a detailed spreadsheet of the production’s estimated QNZPE in New Zealand dollars. Applicants may use the budgeted exchange rate or the Inland Revenue’s mid-month rate for the month in which the application is lodged (www.ird.govt.nz). Applicants who are concerned that the minimum expenditure thresholds for this test may not be achieved solely due to exchange rate fluctuations may apply to pre-qualify. Please see clause 27 of the criteria for details of this process.

Please note that final assessment of whether a production meets the above thresholds will be based on the level of QNZPE approved at final application stage. If this is below the estimated QNZPE, this may adversely impact on the points scored and may affect the production's eligibility for the 5% Uplift.

Section B – New Zealand Production Activity

Except for Principal Photography, the amount of work on a film-making activity in this section will be calculated by the amount of expenditure on that work. This will include: where a person works on a film, where goods are supplied from and/or where the services are performed.

Where expenditure on a film-making activity is split between activity inside and outside New Zealand then expenditure must be claimed in proportion to the location of that activity.

Information regarding the ownership of any equipment and technical facilities used by an applicant to claim points under this section may be requested.

If, due to exceptional circumstances beyond the applicant's control, the actual percentage of shooting days carried out in New Zealand or the actual percentage of QNZPE is less than the estimated percentage included in a provisional application and this results in the applicant failing to pass this points test, then the applicant may make a case for reconsideration of its eligibility for the 5% Uplift.

B1 – Shooting – Location/Studio

Up to 3 points will be awarded for the location and/or studio shooting carried out in New Zealand, on the following basis:

- 1 point can be awarded if at least 50% of the location and/or studio shooting is carried out in New Zealand.
- 2 points can be awarded if at least 75% of the location and/or studio shooting is carried out in New Zealand.
- 3 points can be awarded if at least 90% of the location and/or studio shooting is carried out in New Zealand.

Location/Studio shooting includes Principal Photography at any studio, location, warehouse or other place where filming takes place. It does not include any shooting done by second or other units or any re-shoots that take place after so-called "wrap" of Principal Photography. It will be measured by reference to the number of days spent on the work as set out in the shooting schedule. In this instance, Principal Photography means the period of time during which the main shooting of the production takes place. It is expected that certain key shooting cast and crew (such as the director, director of photography, key cast, hair and make-up, continuity) will be present.

B2 – Picture Post-Production

1 point will be awarded for the picture post-production if at least 50% of the total budget for picture post-production is QNZPE.

Picture post-production includes the following activities. It does not include dailies or activities normally carried out on-set during the Principal Photography period:

- Picture editorial
- Digital Intermediates (including TV online/colour sessions)
- Graphics, idents, textless backgrounds
- Main, end and textless titles
- Master exports

- Creation of master picture delivery items (not including distribution copies), data management and movement (provided the cost of data movement is charged to a New Zealand entity and the data originates from New Zealand)
- Film scanning/telecine
- Stereoscopic 3D conversion

Picture post-production also includes the following film laboratory activities:

- Film recording
- Film restoration and repair
- Titles, credits
- Stills manipulation
- Grading/colour timing
- Negative inspection, negative pulling, cutting, logging, assembly cutting and pulling and assembling of scan rolls
- Film/digital opticals
- Creation of master film delivery items, e.g. interpositives and internegatives (not including distribution copies)
- Digital negative developing, processing and print from digital negative

B3 – Music Recording, Voice Recording, Sound Post-Production

1 point can be awarded if at least 50% of the total budget for music, voice recording activities and/or sound post-production is QNZPE.

Music includes composing, scoring, performing and recording but does not include source music. The performing and recording of the following qualify: a new piece of music composed for the film; or a new arrangement/score of an existing piece of music, created specifically for the film.

Sound post-production includes:

- Sound and music editorial
- ADR/voiceover recording including remote ADR/voiceover recording including but not limited to ISDN connections provided the cost is charged to a New Zealand entity
- Sound design including any additional sound recording recorded by a sound editor
- Sound tracklay
- Foley effects and recording
- Sound mixing/re-recording (not including international versioning for distribution)
- Creation of master sound delivery items (not including distribution copies or international versioning)

NOT INCLUDED: Proprietary licence fees e.g. Dolby.

For animation only: Work on voice recording will also be eligible. 1 point will be awarded if at least 50% of the total budget for this activity is QNZPE.

B4 – Visual Effects Production

Either:

- 1 point can be awarded if at least 50% of the total budget for Visual Effects Production is QNZPE.
- 2 points can be awarded if at least 75% of the total budget for Visual Effects Production is QNZPE.

Or:

- 1 point can be awarded if at least \$5 million QNZPE is spent on Visual Effects Production.
- 2 points can be awarded if at least \$10 million QNZPE is spent on Visual Effects Production.

Visual Effects Production includes:

Visualisation

- Research and development for visual effects technology used by and charged to the production
- Visual effects design (including concept art and photographing and/or scanning of physical models by the VFX supplier to use as VFX reference)
- Visual effects planning, supervision, management and integration into production
- 3D storyboards outlining placement, movement, shape and elements needed for the completion of VFX shots including for pre-visualisation, technical visualisation or post-visualisation

VFX Photography and Data Capture

- Virtual camera including motion capture, performance capture or facial capture (see note 1 below)
- Creation, shooting and delivery of models and miniatures
- Creation, shooting and delivery of animatronics
- Aerial plates
- Green/blue screen photography not involving principal cast or the main unit director used for the purposes of supporting visual effects and other than Principal Photography
- Plates/elements including but not limited to background, crowd/extras, specialist prosthetics, pyrotechnics and fire, lightning, smoke, dust, water and clouds
- On-set data capture (including environment, prop, human and creature capture) such as 3D scanning and processing of captured data
- Virtual studio and sets

CGI/2D/3D

- 2D and 3D animation (see note 1 below)
- Digital creatures
- Digital doubles
- Digital environments

- Other digital effects
- Rotoscoping
- Digital matte painting
- Compositing
- Film treatment and restoration
- Wire effects removal
- Editing and grading

NOTE 1: For the avoidance of doubt, all costs relating to motion/performance/facial capture and animation activities are QNZPE even if they are incurred during Principal Photography.

For animation only: Costs incurred on shooting, visual design, and layout and storyboarding, will also be eligible.

B5 – Concept Design and Physical Effects

For productions where Concept Design and Physical Effects are a significant part of the production e.g. genre or period:

- 1 point can be awarded if at least 50% of the total budget for Concept Design and Physical Effects is QNZPE.
- 2 points can be awarded if at least 75% of the total budget for Concept Design and Physical Effects is QNZPE.

For the purposes of this section of the test, Concept Design and Physical Effects includes creature design, special effects, mechanical effects, specialist prosthetics, models, special props and costumes supplied by specialist companies rather than by the crew working on the production e.g. art department crew. It does not include fees for the production designer or for personnel in art department, wardrobe or hair and make-up.

B6 – Bonus point for proportion of budget that is QNZPE

1 point can be awarded if at least 75% of the total budget is QNZPE. The total budget must include all above-the-line and below-the-line items usually included in budgets for similar productions.

Section C – New Zealand Personnel

For the purposes of this test, a qualifying person means a citizen or a permanent resident of New Zealand.

To qualify, a person must be a qualifying person at the time the production is made. If a person holds dual nationality he/she may choose either nationality for the purpose of the test.

C1 – Director/Producer/Writer

- 1 point can be awarded if at least 1 of the producer, director or writer are qualifying persons;
- 2 points can be awarded if at least 2 of the producer, director or writer are qualifying persons.

Where there are multiple directors (for example for a series of episodes), 1 point can be awarded if at least 66% of the directors are qualifying persons or if the majority of the episodes are directed by qualifying persons.

Where there is more than one director (for example for a feature film), applicants will be asked to make a case for who is the lead, except where there are joint and equal directors in which case an applicant may choose either to be the lead. The lead director will be determined by taking into account factors including: the person who takes the credit in the production, the creative input and time spent working on the production.

Where there is more than one producer, applicants will be asked to make a case for who are the lead producers. A producer is defined as an individual with decision-making authority who plays an active role throughout the pre-production, production and post-production of a production and assumes responsibility for the physical process of production and carrying through practical and financial arrangements for the making of the production. For feature films, executive producers and associate producers will generally not be considered lead producers. For television series, executive producers may be considered lead producers. The lead producer will be determined by taking into account factors including: the person who takes the credit in the production, the creative input and time spent working on the production. Producers for television series, line producers and unit production managers are considered under C4.

Where there are multiple scriptwriters (for example for a series of episodes) 1 point can be awarded if at least 66% of the scriptwriters are qualifying persons or if the majority of the episodes are written by qualifying persons.

Applicants will be asked to make a case for who are the scriptwriters. A scriptwriter will be determined by taking into account factors including: the person who takes the credit in the production, creative input on the script and time spent working on the script.

C2 – Lead and/or Supporting Cast

- 1 point can be awarded if two of the supporting cast are qualifying persons.
- 2 points can be awarded if one of the lead actors or three of the supporting cast are qualifying persons.

Applicants will be asked to make a case for who are the lead and supporting cast. The lead and supporting cast will be determined by taking into account factors including: the number of days worked in front of the camera, the size and importance of the role (with reference to line count, number of scenes, shoot days, and whether a performer is being paid a weekly rate), how the cast member is described in the relevant contract, amount of screen time, who the actor is taking direction from, marquee value and the centrality of the actor's role in the story. As a guide, an actor who is described as a "day player" or "bit player", or who is not required to speak more than six lines of dialogue or more than fifty words, or who is required to mime, would not be considered supporting cast. The actor must receive a credit and appear in the final production.

For animations only: this will include actors voicing characters.

For documentaries only: this will include the presenter, narrator, or other person who participates or appears in or is otherwise the subject of a documentary.

C3 – Majority of Cast

1 point can be awarded if at least 75% of the cast are qualifying persons.

‘Cast’ means all the actors and performers (including stunt men and women) but not extras that appear in the production.

For the purposes of this test, ‘extras’ means: a person who appears in a production where a non-specific, non-speaking character is required, usually as part of a crowd or in the background of a scene.

For animations only: this will include actors voicing characters.

C4 – Key Production Staff

Up to 3 points will be awarded for key production staff, on the following basis:

- 0.5 points can be awarded for each of the key production staff who are qualifying persons.

Key production staff are: the lead cinematographer, the lead production designer, the lead editor, the lead digital/visual/special effects supervisor, the composer, the lead sound designer, the lead sound editor, the lead sound mixer (either production sound recordist or re-recording mixer, but not both), the first assistant director, the second unit director (if applicable), the line producer or unit production manager, the costume designer, key make-up and key hair (or key make-up and hair if the role is performed by one person).

For animations only, the key production staff are: the animation director, lead layout supervisor, the lead production designer, the lead character designer, the lead editor, the lead sound designer, the lead visual effects supervisor and the lead modelling supervisor.

C5 – Majority of Crew

1 point can be awarded if at least 75% of the production crew are qualifying persons.

Production crew means all the people directly involved in the making of a production but who do not appear in the production. That is, people involved directly in the production and post-production stages but not people involved in providing ancillary services e.g. caterers.

Whether a person is or is not in the production crew will be determined by taking into account factors including: whether he or she is contracted by the production company to perform services on the film; and whether he or she is given industry-standard on-screen credits.

C6 – Bonus point for Total Cast or Crew

1 point can be awarded if at least 90% of the cast (as defined in C3) or production crew (as defined in C5) are qualifying persons.

Section D – Wider Economic Benefits

In the case of each of these categories, the intention is that the benefits will be material and over and above something that might have occurred in the usual course of a production.

All productions must gain a minimum of 3 points in Section D including a minimum of 2 points from D1 and/or D2.

If you wish to apply for the 5% Uplift, please contact the Head of Incentives at the NZFC in the first instance.

D1 – Marketing, promoting and showcasing New Zealand

Intent of benefit

New Zealand has achieved considerable success through being able to associate productions made here with New Zealand and through communicating the message “made in and with New Zealand”. At its most developed, such as *The Hobbit*, New Zealand has been showcased most effectively, with direct benefit for our tourism and screen industries.

Broadly speaking, New Zealand wishes to:

1. Associate the screen production with New Zealand in order to showcase New Zealand; and
2. Link locations used in the production with New Zealand; and
3. Utilise the production to highlight the talents of the New Zealand screen industry involved; and
4. Leverage the production or its associated companies to access channels and markets to showcase New Zealand as more than a screen production destination.

Points

Up to 3 points are available to market, promote or showcase New Zealand resulting in positive brand recognition. Different productions have different showcasing value for New Zealand and this is recognised in the points. One point is available for productions that can work closely with New Zealand government agencies or related entities to showcase New Zealand as a screen production destination. Two points are available to productions that can work closely with New Zealand government agencies or related entities to showcase another aspect of New Zealand e.g. tourism, music, education, investment, technology. The largest number of points is available when a high value strategic partnership can be developed with a number of New Zealand government agencies or related entities.

Imaginative proposals are encouraged including cross-sector marketing or initiatives that may open up new markets to New Zealand or give New Zealand better access to capital, tourism, screen or other markets.

The table below provides further information on the 1 to 3 points scale for D1. Further examples are available on the NZFC website.

Requirements	Points
Agree a detailed marketing strategy with relevant New Zealand government agencies or related entities to enable New Zealand to be showcased as a screen production destination. At a minimum this would include enhanced access to the production (during and post shoot) including the ability to interview key cast and crew, access key production statistics and access to screen production assets (e.g. publicity materials).	1 point
Some productions are better placed than others to be able to showcase New Zealand and provide marketing opportunities of significance. It is expected that applicants able to achieve two or three points in D1 will be able to demonstrate the geographic and demographic markets their production (or content promoting that production or New Zealand in general) will reach and that these align with New Zealand’s interests. They will also be able to demonstrate their capacity to work with New Zealand to realise effective marketing	

partnerships.	
<p>Agree a detailed marketing strategy with a New Zealand government agency or related entity to enable New Zealand to be showcased as more than a screen production destination. This would involve an agreement with one or more non-screen New Zealand government agencies or related entities enabling them to generate its own marketing content. This agreement may include:</p> <ol style="list-style-type: none"> 1. Access to screen production assets including branding, imaging and moving footage for use in paid, owned and earned media. 2. The ability to interview key cast and crew while they are in New Zealand for use in paid, owned and earned media. 3. Opportunities for media to visit and experience location shooting (when appropriate). 4. Opportunities around the premiere and release of the screen production worldwide. 5. Opportunities to access the fan base of the production. 	2 points
<p>As above, but with a larger number of New Zealand government agencies or related entities. <i>The Hobbit</i> is an example of this type of partnership.</p> <p>It is expected that only very large budget, high profile productions would be able to gain three points, e.g. tent-pole films or established series.</p>	3 points

Productions applying for the 5% Uplift must disclose any other funding received by other central or local government agencies for the same production and the SEB Panel can take this into account when deciding if further government funding via the 5% Uplift is warranted.

D2 – Placement of New Zealand in screen production

Intent of benefit

New Zealand recognises that some productions offer the possibility to incorporate New Zealand on-screen, and that this can have equivalent benefits to marketing partnerships if it is of sufficient weight.

Points

Up to 2 points will be awarded if an association of significance with New Zealand can be created on-screen, which would lead to New Zealand brand recognition in a significant geographic and demographic market that aligns with New Zealand's interests.

In order to achieve this, the screen production may utilise:

- New Zealand as a setting and, if identifiable as New Zealand and depending on the significance (e.g. a reasonable amount of screen time, not a passing reference), then points may be awarded;
- a New Zealand performer to play a New Zealand character in a significant and prominent role (lead or supporting) and depending on the significance or prominence of the role, then points may be awarded;

- other possibilities the applicant wishes to propose.

In general, one point will be for the prominent placement of a New Zealand setting **or** character. For television, the number of episodes of the series and the number of episodes that the New Zealand setting or character features in will be taken into account.

In general, two points would be awarded if there is both a New Zealand setting **and** a prominent New Zealand character, e.g. the film or series is mostly set in New Zealand with a lead New Zealand character.

D3 – Investment in New Zealand infrastructure

Intent of benefit

New Zealand is interested in developing its screen industry infrastructure (both physical and business capability) in order to enhance the offering to future productions. We recognise that incoming productions can assist New Zealand with this and in a number of cases, such developments constitute a legacy where, but for the production, this investment would not have occurred.

Points

Up to 2 points will be awarded for:

- physical infrastructure which the applicant is able to facilitate being developed and left in New Zealand to be available to further productions;
- merchandising or ancillary business opportunities for New Zealand companies that will enable those companies to grow in scale or develop new skills or connections (associated games, merchandising contracts, related transmedia production, app developments and so on).

The ability to gain 2 points in this section will depend on the significance of the investment. Major capital investment or ancillary business activity is likely to qualify for 2 points, more minor proposals for 1 point. We also anticipate that significant commercial developments could be undertaken with New Zealand partners.

Examples:

New Zealand is aware of partnerships around the world which have resulted in the construction of specialist soundstages, or specific equipment or facilities such as water tanks. This category can also include providing significant equipment to an educational institution at the end of production.

D4 – Investment in innovation, technology or knowledge transfer

Intent of benefit

New Zealand recognises that some productions will be well-placed to extend New Zealand's knowledge base within the screen sector or to other sectors by:

- use of innovative production technologies not already found in New Zealand;
- transfer of know-how to New Zealand personnel;
- entering into commercial partnerships to develop new technologies or methods;
- research and development initiatives.

Points

1 point will be awarded for productions that can demonstrate one or more of the above outcomes.

Examples of this kind of activity will be published on the NZFC website from time to time.

D5 – Skills and/or talent development

Intent of benefit

New Zealand is keen to grow its capability in key creative roles such as above-the-line personnel and heads of department. It is expected that most productions will take on trainees in junior roles or that crew may "step up" into new roles over a period of time. To gain points under this section, the focus should be on skills and/or talent development that would not happen in the normal course of a production and is focused at developing more senior personnel. The length of the opportunity, the demand for the skills, and the cost to the production will be taken into account when assessing the value of the opportunity.

Although welcome, opportunities like one-off masterclasses or workshops will not in themselves be enough to gain a point.

Points

1 point will be awarded for productions that can demonstrate the above outcomes.

Examples:

- Paid internships (e.g. writing, directing, producing).
- Mentoring opportunities (in areas of high demand e.g. production accountancy, line producing, head of department roles).

For productions that fast-track from Section A only

D6 –New Zealand post-production and visual effects activity

Intent of benefit

New Zealand wishes to encourage productions to undertake as much New Zealand post-production or visual effects activity as possible..

Points

1 point will be awarded if:

- at least 50% of the total budget for picture post-production for the production is QNZPE **and** at least 50% of the total budget for music or sound post-production is QNZPE

OR

- at least 75% of the total budget for either:
 - o picture post-production; or
 - o music; or
 - o sound post-productionis QNZPE

OR

- at least 50% of the total budget for Visual Effects Production is QNZPE.

For definitions of picture post-production, music, sound post-production and Visual Effects Production please refer to Section B.

APPENDIX 3 – PDV ACTIVITY

QNZPE in relation to PDV Productions only, means QNZPE that is directly or necessarily related to PDV Activity. The items below are examples of activities that are considered to be PDV Activity. If an item is not on the list below, please contact the Head of Incentives.

QNZPE necessarily related to PDV Activity includes but is not limited to fees and expenses of personnel, hire of studio and office space, purchase of hire or equipment, depreciation of assets (see clause 9.2).

Post-Production

Picture Post-Production

- Picture editorial
- Digital Intermediates (including TV online/colour sessions)
- Graphics, idents, textless backgrounds
- Main, end and textless titles
- Master exports
- Creation of master picture delivery items (not including distribution copies), data management and movement (provided the cost of data movement is charged to a New Zealand entity and the data originates from New Zealand)
- Film scanning/telecine
- Stereoscopic 3D conversion

Music

- Composing, scoring, performing, recording

Sound Post-Production

- Sound and music editorial
- ADR/voiceover recording including remote ADR/voiceover recording including but not limited to ISDN connections provided the cost is charged to a New Zealand entity
- Sound design including any additional sound recording recorded by a sound editor
- Sound tracklay
- Foley effects and recording
- Sound mixing/re-recording (not including international versioning for distribution)
- Creation of master sound delivery items (not including distribution copies or international versioning)

NOT INCLUDED: Proprietary licence fees e.g. Dolby.

Film Laboratory

- Film recording
- Film restoration and repair
- Titles, credits
- Stills manipulation
- Grading/colour timing
- Negative inspection, negative pulling, cutting, logging, assembly cutting and pulling and assembling of scan rolls
- Film/digital opticals
- Creation of master film delivery items, e.g. interpositives and internegatives (not including distribution copies)
- Digital negative developing, processing and print from digital negative

Visual Effects Production

Physical Effects (only where principal photography is outside New Zealand)

- Specialist prosthetics, models, props and costumes primarily used as on-set visual effects aids
- Specialist prosthetics, models, props and costumes which are scanned or photographed to be used as reference for digital creatures, doubles, environments and other digital effects

Visualisation

- Research and development for visual effects technology used by and charged to the production
- Visual effects design (including concept art and photographing and/or scanning of physical models by the VFX supplier to use as VFX reference)
- Visual effects planning, supervision, management and integration into production
- 3D storyboards outlining placement, movement, shape and elements needed for the completion of VFX shots including for pre-visualisation, technical visualisation or post-visualisation

VFX Photography and Data Capture

- Virtual camera including motion capture, performance capture or facial capture (see note 1 below)
- Creation, shooting and delivery of models and miniatures
- Creation, shooting and delivery of animatronics
- Aerial plates
- Green/blue screen photography not involving principal cast or the main unit director used for the purposes of supporting visual effects and other than Principal Photography
- Plates/elements including but not limited to background, crowd/extras, specialist prosthetics, pyrotechnics and fire, lightning, smoke, dust, water and clouds

- On-set data capture (including environment, prop, human and creature capture) such as 3D scanning and processing of captured data
- Virtual studio and sets

CGI/2D/3D

- 2D and 3D animation (see note 1 below)
- Digital creatures
- Digital doubles
- Digital environments
- Other digital effects
- Rotoscoping
- Digital matte painting
- Compositing
- Film treatment and restoration
- Wire effects removal
- Editing and grading

NOTE 1: For the avoidance of doubt, all costs relating to motion/performance/facial capture and animation activities are QNZPE even if they are incurred during Principal Photography.

Other

- Film scanning for visual effects
- Licence fees for stock footage (provided copyright is held by a New Zealand Tax Resident)
- Library and sound clearances (provided copyright is held by a New Zealand Tax Resident)