

# New Zealand Screen Production Rebate

## Criteria for International Productions

1 November 2023

This document sets out the eligibility criteria for the available New Zealand Screen Production Rebates for International Productions and outlines the relevant application process for a New Zealand Screen Production Rebate.

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

### Key updates to Criteria:

#### Throughout the Criteria:

- Change in terminology from the term 'grant' to a 'rebate';
- Change in terminology from the term 'NZSPG Panel' to 'Rebate Panel';
- Changes to reflect new QNZPE threshold for PDV Productions;
- Changes to incorporate the 5% Uplift into the existing application and assessment process;
- Changes to reflect new criteria for the 5% Uplift (i.e., a replacement Appendix 3);

#### Section 1 - Introduction

- Change to amount of International Rebate (for PDV Productions) - clause 5;
- Changes to transitional arrangements - clause 6;

#### Section 5 – Application process

- Changes to confidentiality and privacy – clause 33;
- Changes to use of information for research purposes – clause 34;

#### Appendix 2 – PDV Activity

- Changes to the scope of Picture-Post production activities – paragraph 1.1;
- Changes to the scope of Sound-Post Production activities – paragraph 1.3.

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## SECTION 1 – INTRODUCTION

### 1 Introduction

The New Zealand Screen Production Rebate, originally named the New Zealand Screen Production Grant, was introduced by the New Zealand Government on 1 April 2014. There are two sets of criteria: (i) the NZSPR Criteria for International Productions; and (ii) the NZSPR Criteria for New Zealand Productions.

These criteria are the NZSPR 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 NZSPR Criteria for New Zealand Productions.

There are three International Rebates available under the NZSPR for International Productions:

- the Production Rebate;
- the 5% Uplift; and
- the PDV Rebate.

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

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

### 2 Definitions

Definitions of terms used in these criteria are set out in Appendix 1, and/or where defined terms are used only in relation to specific criteria, those terms are defined within that criteria.

### 3 Purpose and intent

The overall purpose of the International Rebates is to provide economic and industry development benefits to New Zealand by incentivising screen production (and the resulting production expenditure in New Zealand) that would not have otherwise been made in New Zealand.

It is expected that only experienced producers will apply for an International Rebate. Applications must 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 Rebate Panel's opinion, are structured in a way that is inconsistent with the purpose or intent of the Criteria, can be rejected by the Rebate Panel at its sole discretion.

### 4 Exercise of discretion

Where in these criteria there is a reference to the exercise of a discretion by the NZFC or the Rebate Panel, the exercise of that discretion by the NZFC or the Rebate Panel (as the case might be) will be undertaken acting reasonably and in good faith having regard to:

- (a) the circumstances of that application;
- (b) all information about the applicant and the production available to the NZFC or the Rebate Panel; and
- (c) the purpose and intent of the Criteria.

The NZFC or the Rebate Panel are not under any obligation to exercise their discretion in a manner favourable to the applicant. Nor will the NZFC or Rebate Panel be bound by previous exercise of the same discretion in respect of other applications.

## 5 Amount of International Rebate

The amount of each available International Rebate is:

- (a) **PDV Rebate:** an amount equal to 20% of QNZPE for a PDV Production;
- (b) **Production Rebate:** an amount equal to 20% of QNZPE for a Live Action Production;
- (c) **5% Uplift:** an amount equal to 5% of QNZPE for a Live Action Production. A Live Action Production that qualifies for the 5% Uplift in addition to the Production Rebate will receive a total amount equal to 25% of QNZPE.

## 6 Effective date, transitional provisions and historical costs

### *Effective date*

Except for the specific criteria for the PDV Rebate listed directly below, these criteria are effective on and from **1 November 2023**.

In respect of the PDV Rebate, the following changes take effect on and from **31 August 2023**:

- (a) a flat rate of 20% applies to a PDV Production that meet the QNZPE threshold; and
- (b) the QNZPE threshold is \$250,000.

Despite the above changes to the PDV Rebate taking effect on and from 31 August 2023, the criteria in this document will be referred to as the NZSPR Criteria – International Productions (1 November 2023).

### *Transitional provisions*

PDV Productions that start PDV Activity **before** 31 August 2023 will be assessed under the NZSPG Criteria – International Productions dated 1 July 2017 (Updated 2019) (the **2019 Criteria**).

PDV Productions that start PDV Activity **on or after** 31 August 2023 will be assessed under these criteria (NZSPR Criteria – International Productions (1 November 2023)), unless that production has received a Provisional Certificate dated **on or before** 30 August 2023 and starts PDV Activity before the expiry of that Provisional Certificate. In that case, the production will be assessed under the 2019 Criteria.

Live Action Productions that start Principal Photography **before** 1 November 2023 will be assessed under the 2019 Criteria.

Live Action Productions that start Principal Photography **on or after** 1 November 2023 will be assessed under these criteria (NZSPR Criteria – International Productions (1 November 2023)), unless that production has received a Provisional Certificate dated **on or before** 31 October 2023 and starts Principal Photography before the expiry of that Provisional Certificate. In that case, the production will be assessed under the 2019 Criteria.

### *Historical costs*

In general, costs paid more than 10 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 10 years prior to the start of Principal Photography or PDV Activity (as applicable), the applicant must apply for a Provisional Certificate and the Rebate Panel will determine, at its sole discretion, taking into account the current status of the production, whether there are exceptional circumstances that allow these costs to be claimed as QNZPE.

## 7 Eligibility for International Rebate

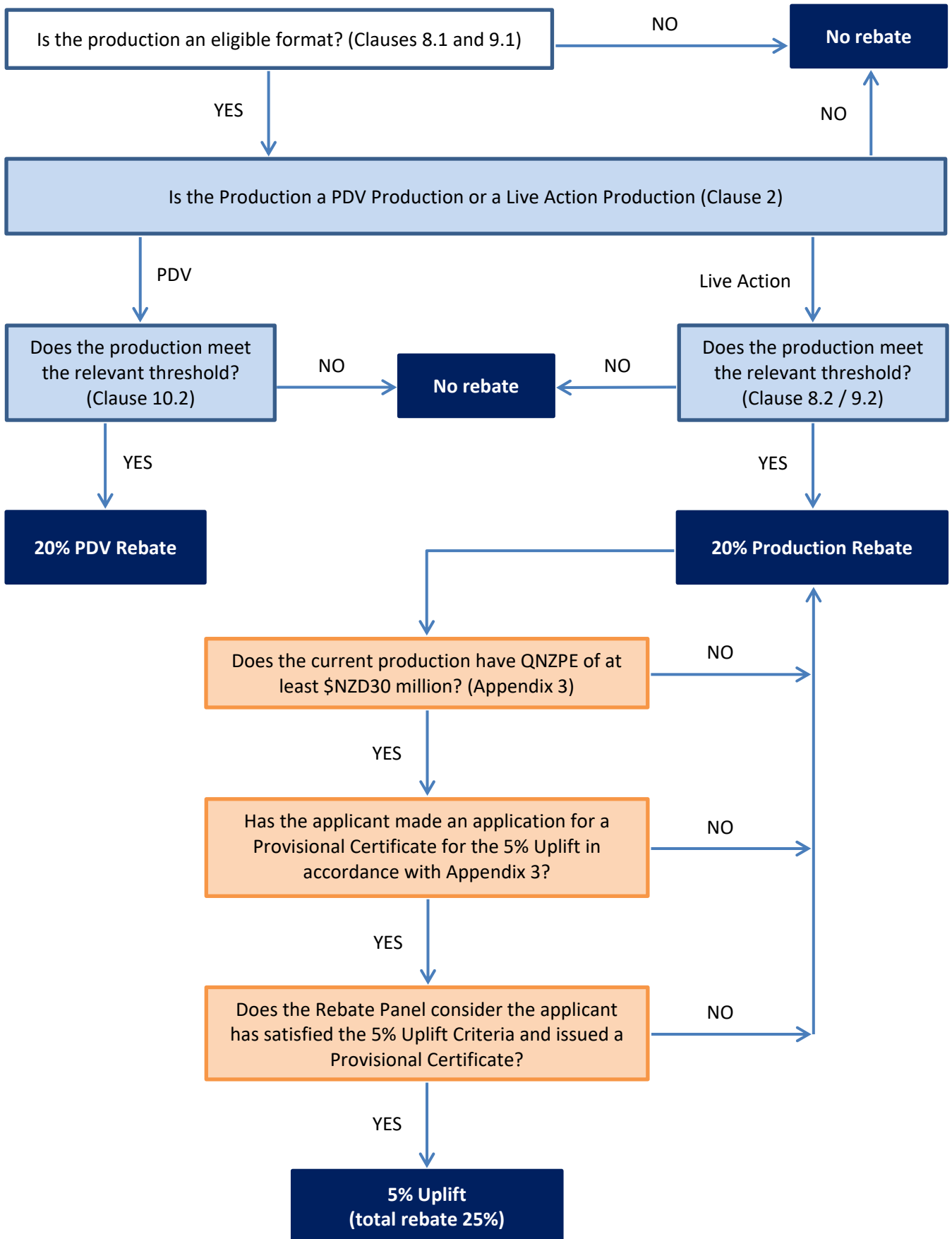
To be eligible for an International Rebate, productions and applicants must:

- (a) register with the NZFC, on the registration form, in the timeframe stated in clause 26;
- (b) satisfy all of the requirements of the applicable criteria (except to the extent that the NZFC or Rebate Panel exercise a discretion in the criteria to waive a requirement);

- (c) provide all information the applicant is required to provide to the NZFC or the Rebate Panel under the criteria and the relevant application form; and
- (d) conform with the purpose and intent of the applicable International Rebate.

To be eligible to receive an International Rebate, an applicant must comply with New Zealand law (including health and safety law) in respect of all the applicant's activities in New Zealand and in respect of any activities not undertaken in New Zealand but otherwise subject to New Zealand law. By submitting an application in respect of an International Rebate, the applicant agrees to be bound by the terms of these criteria.

# Visual Overview of the NZSPR for International Productions



## SECTION 2A – SPECIFIC ELIGIBILITY CRITERIA

### 8 Feature films

#### 8.1 Format

- (a) An eligible feature film is a production that is not excluded under clause 8.1(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, can be eligible if the production meets the requirements of clause 9.
- (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 programme, news programme, 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 17.3(b)(iv)); or
  - (vi) a production of a public event, including a sports event.

#### 8.2 Expenditure threshold

For the Production Rebate, a feature film must have QNZPE of \$15 million or more.

For the 5% Uplift, refer to Appendix 3 for required QNZPE.

For the PDV Rebate, refer to clause 10.2 for required QNZPE.

#### 8.3 Simultaneous or concurrent shooting of feature films

Applicants can seek approval to treat more than one feature film as a single production for the purposes of applying for and receiving an International Rebate in the following circumstances:

- (a) 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; and
- (b) all feature films are being budgeted as a single production and reported on that basis; and
- (c) all feature films share the same or substantially similar setting and characters and an overarching narrative (e.g., parts of a trilogy, prequels, sequels).

The NZFC will treat multiple feature films as a single production for administrative purposes only.

For the Production Rebate or the PDV Rebate, each feature film within the group of films must still satisfy the relevant eligibility threshold or must satisfy the bundling criteria. The average QNZPE per film will be used to determine whether each film satisfies the expenditure threshold. For the 5% Uplift, the multiple feature films will be treated as a single production for assessing whether it meets the eligibility threshold for the 5% Uplift (that is to say, each feature film within the group of films does not need to individually satisfy the eligibility threshold). Criteria applicable to the 5% Uplift will be applied on the basis that the multiple feature films are a single production.



This clause does not entitle any production costs to be QNZPE if they would not have been QNZPE if each feature film had been treated as a separate production. For the purposes of clause 17.3(b), the date of Completion will be the date the last feature film approved for such treatment is Completed.

Requests under this clause 8.3 must be made in writing to the NZFC and must state how the films meet the requirements of the clause. Requests will be considered by the NZFC on a case-by-case basis.

## **9 Television and other non-feature films**

### **9.1 Format**

- (a) An eligible television or other non-feature film is a production that is not excluded under clause 9.1(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; or
  - (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 might exceed 24 months due to the specific requirements of the production (e.g., documentaries covering a long time period or complex animation projects), applicants can seek approval from the NZFC to extend the 24-month period. Requests must be made in writing to the NZFC and must state the reasons why the production requires an extension. Requests 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 programme, news programme, 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 17.3(b)(iv));
  - (vi) a production of a public event, including a sports event; or
  - (vii) a production principally made for the New Zealand market.

### **9.2 Expenditure threshold**

For the Production Rebate, 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.

For the 5% Uplift, refer to Appendix 3 for required QNZPE.

For the PDV Rebate, refer to clause 10.2 for required QNZPE.

### **9.3 Simultaneous or concurrent shooting of television or non-feature films**

Applicants can seek approval to treat more than one television or non-feature film as a single production for applying and receiving the purposes of an International Rebate in the following circumstances:

- (a) 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 the multiple television or non-feature films; and
- (b) the multiple television or non-feature films are being budgeted as a single production and reported on that basis; and
- (c) the multiple television or non-feature films share the same or substantially similar setting and characters and an overarching narrative (e.g., parts of a trilogy, prequels, sequels).

The NZFC will treat multiple television or non-feature films as a single production for administrative purposes only.

For the Production Rebate or the PDV Rebate, each television or non-feature film within the group of television or non-feature films (as applicable) must still satisfy the relevant eligibility threshold for a television or non-feature film or must satisfy the bundling criteria. The average QNZPE per television or non-feature film will be used to determine whether each television or non-feature film satisfies the expenditure threshold. For the 5% Uplift, the multiple television or non-feature films will be treated as a single production for assessing whether it meets the eligibility threshold for the 5% Uplift (that is to say, each television or non-feature film within the group of films does not need to individually satisfy the eligibility threshold). Criteria applicable to the 5% Uplift will be applied on the basis that the multiple television or non-feature films is a single production.

This clause does not entitle any production costs to be QNZPE if they would not have been QNZPE if each television or non-feature film had been treated as a separate production. For the purposes of clause 17.3(b), the date of Completion will be the date the last television or non-feature film approved for such treatment is Completed.

Requests under this clause 9.3 must be made in writing to the NZFC and must state how the multiple television or non-feature films meet the requirements of the clause. Requests will be considered by the NZFC on a case-by-case basis.

## **10 PDV Production**

### **10.1 Format**

A PDV Production must be one of the formats in clauses 8.1 or 9.1.

### **10.2 Expenditure threshold**

A PDV Production must have QNZPE of \$250,000 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.

## **11 Bundling**

### **11.1 Format**

Each production within a bundle must be one of the formats in clauses 8.1 or 9.1.

### **11.2 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
- (c) the total bundle has QNZPE of \$30 million or more.

A production that has already been the subject of a successful final application, whether as part of a bundle or by itself, is not eligible to form part of another final application as part of a bundle. Bundling is not available for the 5% Uplift.

### **11.3 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 must be a New Zealand Citizen or New Zealand Permanent Resident.

## SECTION 2B – GENERAL ELIGIBILITY CRITERIA

### 12 Special Purpose Vehicle

#### 12.1 Applicant to be SPV

An applicant must be a special purpose vehicle (SPV) established principally in relation to making the production, with the following characteristics:

- (a) the applicant must have its own GST and payroll registration numbers and its own bank account; and
- (b) 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 IRD 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.

#### 12.2 Exceptions

An applicant is not required to be a SPV if one of the following exceptions 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 can 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 can 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 can be re-used for each production provided that a separate tax location\* is 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 Rebate (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 can 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 can 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 can be re-used for each production provided that a separate tax location\* is used for each production.
- (d) *PDV Rebate Exception (will usually apply when the producer or production administrator is applying for the PDV Rebate)*: for PDV Rebate 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.

*Notes on clause 12.2(d):*

- (i) Tax location numbers must not be re-used.
- (ii) If this exception applies, the production does not need to have a separate bank account.
- (iii) 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.

\* A tax location number is a separate identifier within the applicant's principal GST and payroll registration number that enables the applicant to submit separate GST and payroll returns under that number without having to set up a separate entity. An applicant must contact IRD for information on the steps required to obtain a separate tax location number for an individual production.

### **12.3 Application for exception**

- (a) Applicants who wish to rely on an exception under clause 12.2 must apply to the NZFC for confirmation that the applicant meets the requirements of the exception relied upon. Applications must include such information as is reasonably required by the NZFC to make a determination under the exception.
- (b) Applicants seeking to rely on the exception under clause 12.2(d) can apply to the NZFC at any time (provided they have already registered the production as required under clause 26), however, the NZFC strongly recommends that such application is 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 Rebate).

## **13 Residency status**

### **13.1 Residency of applicant**

An applicant must be either:

- (a) a New Zealand company, which in this clause 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 New Zealand Residents; 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 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 an International Rebate application and when the International Rebate is paid). Advice can be obtained from IRD on whether a company is a fixed establishment in New Zealand for the purposes of lodging an income tax return.

## **14 Responsible entity**

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

Only one entity per production can be eligible for an International Rebate.

## **15 Other Rebates and New Zealand incentives**

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

A production cannot receive more than one International Rebate:

- (a) except where a Live Action Production receives the Production Rebate and the 5% Uplift; or
- (b) unless the first International Rebate was for the pilot of a series, in which case the subsequent series can also receive an International Rebate (provided that the pilot and the subsequent series each satisfy the applicable eligibility criteria).

A production seeking an International Rebate 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)

### 16 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 20. Arrangements should be made as early as possible to separate expenditure that is QNZPE from expenditure that is not QNZPE. Where necessary, invoices from a supplier must 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 relevant final application form as early as possible.

### 17 QNZPE

#### 17.1 What is QNZPE?

QNZPE is expenditure incurred by the applicant on the production that:

- (a) falls within the definition in clause 17.2 (**General QNZPE**); or
- (b) is listed as a specific inclusion in clause 17.3 (a **specific inclusion**); and
- (c) is not specifically excluded under clause 17.4 (a **specific exclusion**).

#### 17.2 General QNZPE definition

Expenditure will qualify as General QNZPE if it is incurred by the applicant on the production, where that expenditure is incurred on, or is attributable to:

- (a) goods purchased, hired or leased in New Zealand where those goods are sourced from within New Zealand; or
- (b) the use of a good that is sourced from overseas, provided that:
  - (i) the Rebate Panel reasonably considers that good is not otherwise available to the production in New Zealand; and
  - (ii) that good is located in New Zealand at the time that the good is used in the making of the production; and
  - (iii) that good is purchased, hired or leased in New Zealand from a New Zealand Resident who is a habitual supplier of those goods in New Zealand; or
- (c) services provided in New Zealand; or
- (d) the use of land located in New Zealand.

#### 17.3 Specific inclusions

The following expenditure will qualify as a specific inclusion where expenditure is incurred by the applicant on the production:

- (a) *New Zealand copyright acquisition*
  - (i) If the original owner of copyright in a pre-existing work is, or was, a New Zealand Resident, then the cost of acquiring copyright or licensing copyright in that pre-existing work for use in the production if the cost is deductible under the Income Tax Act 2007, or the depreciation if allowable under the Income Tax Act 2007.
  - (ii) If a work is created in New Zealand for use in the production, then the cost of commissioning and purchasing copyright (or an interest in copyright) in that work if the cost is deductible under the Income Tax Act 2007 or the depreciation if allowable under the Income Tax Act 2007.

(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 prior to 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 direct incoming journey to New Zealand is QNZPE if undertaken for the purposes of the production by:

- (i) cast; or
- (ii) non-cast personnel who are New Zealand Residents; or
- (iii) non-cast personnel who are not New Zealand Residents but who work on the production in New Zealand for 14 or more days in total.

The cost of a direct incoming journey is equivalent to 100% of a one-way fare or 50% of a return fare on a commercial airline. If an incoming journey is not direct (e.g., it includes a stopover or a dog-leg) the Rebate Panel will determine the cost of an equivalent direct journey and the cost determined by the Rebate Panel will be the QNZPE for that journey.

#### **17.4 Specific exclusions**

The following expenditure is a specific exclusion and will not qualify as QNZPE under any circumstances:

(a) *Remuneration of non-cast personnel for short-term visits*

Remuneration and all other costs (including travel) relating to the services of non-cast personnel who are not New Zealand Residents and who have not worked on the production in New Zealand for 14 or more days in total.

(b) *Acquisition or licensing of copyright*

- (i) If the original owner of copyright in a pre-existing work is not, or was not, a New Zealand Resident, the cost of acquiring or licensing copyright in that pre-existing work.
- (ii) If copyright in a work is not, or was not, created in New Zealand, the cost of commissioning and purchasing copyright (or an interest in copyright) in that work for use in the production.
- (iii) The costs of stock or archive footage above 20% of QNZPE or \$500,000, whichever is the lesser, except in exceptional circumstances as determined by the Rebate Panel, at its sole discretion and on a case-by-case basis.

(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*  
Costs generally considered by the NZFC to be ‘business overheads’ above 5% of the QNZPE or \$500,000 whichever is the lesser (and not determined by how any particular expenditure is categorised within a production’s budget).
- (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 24 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 must ensure that their legal advisors provide a breakdown of their fees.
- (k) *Unspent contingency*  
Unspent contingency cannot qualify as QNZPE.
- (l) *Production insurance*  
The cost of production insurance, including: Pre-production insurance, cast/producers/directors insurance, production equipment insurance, digital data insurance, props, sets and wardrobe insurance, extra expense insurance, errors and omissions insurance, key person insurance, money insurance, office equipment insurance, general liability insurance, umbrella liability insurance, fidelity guarantee insurance, public liability insurance, statutory liability insurance, guild/union accident insurance, workers compensation insurance, foreign workers compensation insurance, accidental death/disablement cover, and transit cover.
- (m) *Completion bond fees*  
Completion bond fees.
- (n) *Freight*  
The cost of international freight (including excess baggage and freight within a country other than New Zealand).
- (o) *Above The Line Costs*  
Any expenditure on Above The Line Costs in excess of 20% of total QNZPE.
- (p) *Overseas Guild payments*  
Except for New Zealand guilds or industry associations, any payment to a screen industry guild or association or to any fund, trust or plan administered by a screen industry guild or association.

- (q) *Overseas taxes*  
Except for payments to the New Zealand Government, any payments made towards an applicant's or a production's tax obligations.
- (r) *Application fees*  
Expenditure on any application fees in relation to an International Rebate.
- (s) *Others*  
Cast and Crew Perks, gifts, fines, Entertainment and Gratuities and any historical costs (see clause 6 for an explanation of historical costs).
- (t) *Costs involved in taking over the production from a prior entity*  
Any costs incurred by the applicant in taking over the production from a prior entity or entities.

### **17.5 Priority**

In the case of conflict, the exclusions will take priority. In other words, if any expenditure incurred by the applicant on the production:

- (a) could qualify as General QNZPE or could qualify as a specific inclusion; and
- (b) could also qualify as a specific exclusion,

then the expenditure will be excluded from QNZPE.

## SECTION 4 – TREATMENT OF EXPENDITURE

### 18 Income tax

An International Rebate 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 Rebate.

An International Rebate is treated as excluded income for the purposes of income tax.

### 19 GST

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

### 20 Currency exchange

All production expenditure incurred and paid in a foreign currency must be converted into New Zealand dollars on a monthly basis at the mid-month exchange rate published on IRD's website for the month in which the payment was made.

### 21 Non-arm's length expenditure

The basis of the arm's length principle is to ensure that amounts charged between the applicant and any associated 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, any bulk discount that might reasonably be expected to apply 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 Rebate Panel then considers that any costs are calculated or that the production is structured in a way that is inconsistent with the purpose or intent of the criteria, the application may be rejected by the Rebate 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 must be at commercial rates (taking into account any bulk discount that might reasonably be expected to apply) and be at a level consistent with the charges of other parties providing goods or services to the production who are not also investing in the production.

## 22 Non-accrual basis of expenditure

To be QNZPE a cost 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 making a final application for an International Rebate (for example, paid in cash, by cheque or electronic transfer). Credits must not be off-set against any QNZPE to be claimed on the production.

## 23 Expenditure by prior entities

An applicant that takes over the production from another entity (or entities) and completes the production (e.g., a completion guarantor) can be eligible for an International Rebate. The applicant is taken to have incurred the production expenditure of the previous entity (or entities) for the purposes of an International Rebate. 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 those entities in order to qualify as QNZPE, provided the expenditure also qualifies under clause 17.

## 24 Depreciating assets

Where an applicant purchases an asset for use in the production, uses it to make the production and sells or disposes of that asset at Completion of the production or at completion of 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) can 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 an International Rebate is the same as that used by IRD.

Further information about the treatment of depreciating assets under Subpart EE of the *Income Tax Act 2007* can be downloaded from the IRD website at [ird.govt.nz](http://ird.govt.nz).

## 25 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

### 26 Registration

Applicants **must** use the then current version of the registration form provided on the NZFC website to have the production registered with the NZFC:

- (a) in the case of a Live Action Production (applying for the Production Rebate and/or the 5% Uplift), before the start of Principal Photography in New Zealand; or
- (b) in the case of PDV Productions, the applicant must register the production with NZFC within 20 working days of a 'qualifying bid' being accepted by the applicant (a 'qualifying bid' is a bid by a supplier to carry out PDV Activity that would result in the aggregate QNZPE for the production exceeding the \$250,000 threshold); or
- (c) in the case of a PDV Production that does not initially meet the minimum \$250,000 QNZPE threshold (as set out in clause 10.2) the production may still be registered after undertaking PDV Activity in New Zealand if its QNZPE rises above the threshold during production. The applicant must register the production with NZFC within 20 working days of a 'qualifying bid', as defined in (b) above, being accepted by the applicant.

An applicant that has not registered its production **will not be eligible** to apply for an International Rebate.

An application will only be considered registered when the applicant receives written confirmation of registration from the NZFC.

Despite the two preceding paragraphs, the NZFC may allow the registration of a PDV Production where the registration deadline is missed. Requests for the NZFC to consider an application in this circumstance must be made in writing to the NZFC and explain the reasons why the deadline was missed. Requests will be considered by the NZFC on a case-by-case basis.

### 27 Notification of changes in estimated QNZPE

Applicants must inform the NZFC in writing as soon as practicable if, following registration, the estimated QNZPE for a production changes by \$10 million or more. A delay in notifying NZFC of a change in the estimated QNZPE may result in delays in approval and payment of an International Rebate.

On a quarterly basis following registration, the NZFC and/or MBIE may request information from the applicant about the amount of estimated QNZPE incurred to date and forecasted QNZPE to Complete.

### 28 Application for a Provisional Certificate

All applicants must register their productions with the NZFC in accordance with the requirements set out in clause 26.

If an applicant is applying for the 5% Uplift, it **must** apply for a Provisional Certificate prior to commencement of Principal Photography. Applicants are advised to review the 5% Uplift Application Form for a Provisional Certificate and contact the Head of Incentives at the NZFC before submitting an application. Please refer to Appendix 3 for further information on the application process for the 5% Uplift.

If an applicant who is applying for any other International Rebate wishes to subsequently apply for a provisional certificate (a **Provisional Certificate**), they may do so at any time before or during production but prior to Completion.

The purpose of a Provisional Certificate is to provide a non-binding view as to whether a production meets the Specific Eligibility Criteria (Section 2A) and General Eligibility Criteria (Section 2B), or if an applicant is applying for the 5% Uplift, whether it also meets the 5% Uplift Criteria.

A Provisional Certificate is not a guarantee that a production will receive interim or final certification for the applicable International Rebate.

### **28.1 Fee**

A fee, as determined by the NZFC from time to time and published on its website, may be payable for making an application for a Provisional Certificate. If a fee is payable, the NZFC will not begin processing an application for a Provisional Certificate until the NZFC receives the full amount of the fee.

### **28.2 Validity of Provisional Certificate**

A Provisional Certificate will lapse **six months** from the date of issue, unless the production has commenced Principal Photography within that time period. In exceptional circumstances applicants can apply to the NZFC for an extension to their Provisional Certificate, in which case an extension fee may be charged. The amount of any extension fee will be published on the NZFC website.

In any event, applicants can submit a new application for a Provisional Certificate. A re-application fee may be charged. The amount of any fee will be published on the NZFC website.

If an applicant holds a Provisional Certificate and a material element of the production changes (e.g., changes to creative personnel, cast, filming locations) the applicant **must** contact the NZFC to see if those changes might affect the eligibility of the production for an International Rebate.

## **29 Exchange rate fluctuation and pre-qualification**

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

The applicant must, once it has registered the production with the NZFC under clause 26, submit an application for a Provisional Certificate under clause 28 and at the same time must:

- (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 a Provisional Certificate in respect of this clause 29 must be received by the NZFC no earlier than three months before the start of Principal Photography in New Zealand or PDV Activity in New Zealand (as the case may be). In the event that the start date is delayed, the applicant can reapply.

On the date the NZFC receives the application for a Provisional Certificate it will obtain the relevant exchange rate/s published on the IRD website. This rate or rates will become the 'preset exchange rate/s'. If at the time the applicant submits its final application for an International Rebate, the QNZPE is below the relevant threshold, the NZFC will apply the 'preset exchange rate/s' against the QNZPE incurred in the nominated non-New Zealand 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 Rebate will be calculated and paid on actual QNZPE incurred (using the actual exchange rates as per clause 20 to convert any non-New Zealand dollar QNZPE).

## 30 Final applications and interim applications

### 30.1 Non-bundled productions

For non-bundled productions, applicants for an International Rebate can submit to the NZFC:

- (a) *a final application*: once all QNZPE on the production is completed or all that is intended to be claimed is completed; or
- (b) *an interim application*: each time the QNZPE for the production has exceeded a multiple of \$50 million provided that there is evidence that the production will be Completed. If applying for the Production Rebate and the 5% Uplift, the total International Rebate payable will be calculated at 25% of QNZPE, but at the time of interim application will only be paid at the rate of 20% of QNZPE (i.e., the Production Rebate). The difference (i.e., a 5% rebate on approved QNZPE) will be identified but held back until the applicant has a Final Certificate that includes the 5% Uplift amount, because it is not possible to apply for an interim payment of the 5% Uplift.

If an applicant makes an interim application, a final application setting out the remaining QNZPE must also be provided once all QNZPE for the production is completed.

Applicants must submit a final application within **six months** after Completion of the production.

### 30.2 Bundled productions

For bundled productions, applicants for an International Rebate (excluding the 5% Uplift) can submit to the NZFC:

- (a) *a final application*: once all QNZPE on all productions in the bundle is completed or all that is intended to be claimed is completed; or
- (b) *an interim application*: each time the QNZPE for the bundle has exceeded a multiple of \$50 million provided that there is evidence that all productions in the bundle will be Completed.

Applicants must make a final application within **six months** after Completion of the last production in the bundle.

### 30.3 Interim assessment of status as a Live Action Production or PDV Production

If an applicant makes an interim application as a Live Action Production but the Rebate Panel is not satisfied that the production will qualify as a Live Action Production when a final application is made, the Rebate Panel can elect to treat the production as a PDV Production for the purpose of calculating the amount of the interim payment.

If, when a final application is made, a production that was treated as a PDV Production for the interim application qualifies as a Live Action Production, the amount of the final payment will include any additional amount that would have been paid if the production was treated for the purpose of the interim payment as a Live Action Production rather than a PDV Production. This clause applies both where the applicant makes an interim application as a Live Action Production and where the applicant makes an interim application as a PDV Production.

### 30.4 Fee

A fee, as determined by the NZFC from time to time and published on its website, may be payable for making a final application or an interim application. If a fee is payable, the NZFC will not begin processing a final or interim application until the NZFC has been paid the full amount of the fee.

### **31 Application requirements**

In respect of all applications, an application must be made on the relevant application form.

In respect of a final and interim application for an International Rebate, all contracts provided by an applicant as part of an application must be fully executed by all relevant parties.

The following must be included in a final application and an interim application (unless otherwise specified):

#### **31.1 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 can 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.

#### **31.2 Credit list, proof of distribution, sample footage**

An interim application for an International Rebate must include a draft credit list.

A final application for an International Rebate must include:

- (a) a full final credit list;
- (b) proof of compliance with the requirements of clause 32; and
- (c) 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.

#### **31.3 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. Please note that under New Zealand law there are specific legal requirements for certification of statutory declarations.

#### **31.4 Further information as requested**

The NZFC reserves the right to require any further information the NZFC deems necessary to complete the assessment process. This information must be provided at the applicant's expense within 14 days of the NZFC's request, although the applicant can write to the NZFC seeking an extension of time. The period of time between the NZFC's request for information and the applicant providing a satisfactory response will not be counted towards the NZFC's processing times notified by the NZFC from time to time.

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



### **32 Credit and promotional materials**

All applicants must provide in the Completed production an on-screen end credit and an on-screen NZFC logo, each readable in ordinary circumstances. Unless otherwise agreed by the NZFC in writing, the credit must be:

*The filmmakers acknowledge the assistance of the New Zealand Government's Screen Production Rebate*

Unless otherwise agreed by the NZFC in writing, the logo must be the current version of the NZFC logo. In exceptional circumstances, the NZFC can agree to waive the on-screen credit and/or logo 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. From time to time the NZFC may request a licence or permission to use certain of the promotional materials. The applicant must consider any such request in good faith, having regard to any contractual restrictions in relation to such material. These promotional materials and requests for licence or use are separate to any additional promotional material and terms of use set out in the 5% Uplift Criteria.

### **33 Confidentiality and Privacy**

Certain information (including Personal Information) supplied by the applicant to the NZFC or independent consultants will be provided to the Rebate Panel, IRD, MBIE, MCH, and the NZFC and independent consultants of those entities where reasonably necessary during, and for the purposes of, the application and approval processes. Once an International Rebate has been approved and paid, the NZFC and/or MBIE may publish or announce the following information:

- the names of successful applicants;
- the amount of the QNZPE incurred by each applicant; and
- the amount of the International Rebate paid to each applicant.

Once an International Rebate has been approved and paid, the amount of the QNZPE and the amount of an International Rebate may be announced or published on the NZFC website and in any other publications selected by the NZFC or by any other part of the New Zealand Government.

Except where disclosure is permitted by clauses 33 to 35 (inclusive), the NZFC will use reasonable efforts to maintain the confidentiality of the information provided by the applicant. The NZFC, IRD, MBIE and MCH are government entities, which are subject to various disclosure requirements, for example disclosure of information under the *Official Information Act 1982*. None of them will be liable for any disclosure it believes (acting reasonably) it is required to make.

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

In respect of any personal information included in an application, an applicant must obtain prior consent from third parties for the inclusion of their personal information in an application, as required by the [NZFC's Privacy Policy](#).

### **34 Information for research purposes**

Information provided by the applicant may be used by the NZFC and provided to other parts of the New Zealand Government for research purposes, monitoring and evaluation, or to inform policy. Except as otherwise set out in the Criteria, only non-identifying or aggregated information will be made public.

### **35 Exit survey**

When making a final application, applicants will be required to complete a survey about their experience of making a production in New Zealand. This information will be used for research, monitoring and evaluation, and marketing purposes, or to inform policy, and, unless the applicant agrees otherwise or as otherwise set out in the Criteria, it will be treated confidentially and only non-identifying or aggregated information will be made public.

The NZFC will not begin processing a final application until the NZFC has received a complete exit survey.

### **36 Further information**

For further information on these criteria and the process of applying for an International Rebate please contact the Incentives Team on +64 4 382 7680, or email [nzspr@nzfilm.co.nz](mailto:nzspr@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 [ird.govt.nz](http://ird.govt.nz), or IRD screen production desk's website at [ird.govt.nz/industry-guidelines/screen-production/](http://ird.govt.nz/industry-guidelines/screen-production/).

### **37 Application forms**

Application forms can be found on the NZFC website at [nzfilm.co.nz](http://nzfilm.co.nz).

Applications, including all required documentation, must be submitted by the method specified on the NZFC website.

## **SECTION 6 – ASSESSMENT PROCESS**

### **38 Assessment process**

Once the NZFC receives an application, it will check to ensure that the application is complete and includes all relevant documents (as per the checklist at the back of the application form).

Once the application is complete, the applicant is sent an acknowledgement letter. The date of this letter is the start of the assessment process.

The complete application may be sent to an independent consultant contracted by the NZFC, or assessed internally at the NZFC. The independent consultant's role is to assess the application against the requirements of the criteria. All independent consultants are subject to a contractual duty of confidentiality.

If necessary, the NZFC, the Rebate Panel, and/or independent consultant may contact the applicant to obtain further information about the application, production or applicant. A delay in providing further information on request may impact processing time.

If the request for information relates to non-arm's length issues, the independent consultant may seek information on the process and methodologies adopted to show that the amounts charged accord with the arm's length principle.

The NZFC will prepare a report, based on the independent consultant's report (only where an independent consultant has undertaken the assessment), for the Rebate Panel to consider. It is the Rebate Panel's role to assess whether the application satisfies the applicable criteria in respect of an International Rebate.

### **39 Processing time**

The NZFC will process applications within the processing times notified by the NZFC from time to time. The processing time for an application will not begin until the NZFC has sent the applicant an acknowledgement letter, as per clause 38.

If the NZFC or an independent consultant requests further information from the applicant, the time between the request for information and the applicant providing a satisfactory response will not be counted towards the NZFC's stated processing time in respect of the application.

### **40 Rebate Panel**

The NZSPR is administered by the NZFC on behalf of MBIE. Applications for an International Rebate will be assessed by the Rebate Panel, a panel made up of industry practitioners and representatives from the NZFC and MBIE. The Rebate Panel will determine whether applications satisfy the applicable criteria. A representative from IRD and from MCH is invited to attend all Rebate Panel meetings.

### **41 Assessment of 5% Uplift**

Further information on the assessment process for the 5% Uplift is set out in Appendix 3.

### **42 IRD verification and payment of International Rebate**

Payment of an International Rebate is dependent on:

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

Once a complete final application has been received, the NZFC will provide the application to IRD for IRD verification. The NZFC will endeavour to process the application within three months. Payment of an International Rebate will generally be made within 10 business days by MBIE upon advice from the NZFC and receipt of an invoice and formal verification of bank account details from the applicant. An International Rebate can only be paid in New Zealand dollars to the applicant company to their New Zealand bank account.

## APPENDIX 1 – DEFINITIONS AND INTERPRETATION

### Definitions

Where used in these criteria, the terms below shall have the meaning below:

**\$** means New Zealand dollars.

**5% Uplift** means the rebate set out in clause 5(c), available for Live Action Productions that satisfy the applicable NZSPR Criteria.

**5% Uplift Criteria** means the criteria set out in Appendix 3.

**5% Uplift Points Test** means section 3 of the 5% Uplift Criteria.

**Above The Line Costs** means:

- Development Expenditure;
- Remuneration of the writer(s), director(s), producer(s) and lead cast; and
- Travel costs of the writer(s), director(s), producer(s) and lead cast,
- 

as each of those terms are defined in this criteria, and in each case not determined by how any particular expenditure is categorised within a production's budget.

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

**Complete, 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 in any form or format. For different formats, this means:

- (a) *feature film* – when the film 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 recording (or digital equivalent) with credits ready for broadcast;
- (c) *series* – when all of the episodes in the series are finished to master recording (or digital equivalent) with credits ready for broadcast;
- (d) *season of a series* – when all of the episodes are finished to master recording (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 a production.

**Criteria** or **criteria** means sections 1 – 6, and the appendices attached to this document.

**Development Expenditure** means expenditure incurred prior to Pre-production on development of the production, and includes expenditure on any of the following:

- location surveys and other activities undertaken to assess locations;
- storyboarding;
- scriptwriting / purchase of story rights;
- research;
- casting;
- budgeting; and

- scheduling.

**Entertainment** includes alcohol, wrap parties, and meals outside a 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 Rebate and the amount of that International Rebate.

**Financing Expenditure** includes expenditure connected with raising and servicing finance for the production, such as interest payments on loans to cashflow the International Rebate, development loans and pre-sales or gap funding cashflowed to the production budget (but not deferrals). Financing Expenditure does not include fees or premiums associated with the provision of any equity funding.

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

**Guaranteed Deferrals** 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.

**International Rebate** means a rebate available under the NZSPR to productions that meet the applicable eligibility criteria under the NZSPR Criteria for International Productions.

**IRD** means the Inland Revenue Department.

**LBSPG** means the Large Budget Screen Production Grant scheme that was introduced by the New Zealand Government in 2003 and that was replaced by the NZSPR (formerly the NZSPG) in April 2014.

**Live Action Production** means a production with QNZPE relating to filming with real people or animals and in which expenditure on Visual Effects Production is no more than 55% of QNZPE.

**MBIE** means the Ministry of Business, Innovation and Employment.

**MCH** means the Ministry for Culture and Heritage.

**New Zealand Citizen** or **Citizen** means a natural person who has acquired New Zealand citizenship under the Citizenship Act 1977.

**New Zealand Permanent Resident** or **Permanent Resident** means a person who meets the definition of a permanent resident under the Immigration Act 2009.

**New Zealand Production** means a production with Significant New Zealand Content.

**New Zealand Rebate** means the rebate available to New Zealand Productions under the NZSPR Criteria for New Zealand Productions.

**New Zealand Resident** or **Resident** means:

- (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.

**NZFC** means the New Zealand Film Commission.

**NZSPG** means the New Zealand Screen Production Grant scheme introduced by the New Zealand Government effective from 1 April 2014 (and renamed to the NZSPR on 31 August 2023).

**NZSPR** means the New Zealand Screen Production Rebate scheme.

**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.

**Personal Information** has the meaning given to that term in the [NZFC's Privacy Policy](#).

**PDV Activity** means, in general, the post, digital and visual effects production activities including but not limited to those listed in Appendix 2 (as may be updated from time to time) to the extent they occur in New Zealand.

**PDV Rebate** means the rebate set out in clause 5(a), available to PDV Productions that satisfy the applicable NZSPR criteria.

**PDV Production** means a production that is not a Live Action Production and that meets the criteria in clause 10 of Section 2A.

**Pre-production** means the period or stage of a production that occurs after the development of the production, typically starting from the time that the production crew commences work and ending once Principal Photography commences.

**Principal Photography means:**

- (a) *for scripted productions*: 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 unscripted productions and documentaries (whether scripted or unscripted)*: 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 PDV Productions*: the period from the day on which an ongoing schedule of PDV Activity commences until the day that PDV Activity is completed.

**Production Rebate** means the rebate set out in clause 5(b), available for a Live Action Production that satisfies the applicable NZSPR criteria.

**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 an application for a Provisional Certificate, a production is likely to qualify for an International Rebate.

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

**Qualifying Person** means a person who is a New Zealand Citizen or a New Zealand Permanent Resident at the time the production is made and who is credited in the production for their applicable role or position.

**Rebate Panel** means the New Zealand Screen Production Rebate Panel.

**Related Entity** generally means an entity that has 50% or more shareholding in common with the applicant. 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.

**Remuneration** means all contractual entitlements to fees, accommodation, per diems and childcare and other allowances but excluding travel.

**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).

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

**SPIF** means the Screen Production Incentive Fund that was introduced by the New Zealand Government in 2008 and that was replaced by the NZSPR (formerly the NZSPG) in April 2014.

**Visual Effects Production** means the activities set out in paragraph 2 of Appendix 2.

### **Interpretation**

In the Criteria, except where the context requires otherwise:

- (a) headings and sub-headings do not affect the meaning of the Criteria;
- (b) where words or expressions are defined, other grammatical forms of that word or expression have corresponding meanings;
- (c) the singular includes the plural and vice versa;
- (d) the words 'include', 'includes' and 'including' are to be construed without limitation;
- (e) any reference to any statute or regulation means that statute or those regulations as amended or replaced from time to time;
- (f) any reference to a document is a reference to that document as amended or replaced from time to time; and
- (g) any reference to a person includes its legal personal representatives, successors and permitted assignees and licensees.



## **APPENDIX 2 – 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 fees and expenses of personnel, hire of studio and office space, purchase of hire or equipment, depreciation of assets (see clause 10.2).

### **1 Post-Production**

#### **1.1 Picture Post-Production**

Picture post-production includes the following activities:

- picture look development
- lab dailies colour grading, processing, and backup
- secure dailies streaming and digital asset management
- picture editorial
- digital intermediate
- digital opticals/cleanup
- graphics, idents and logos, textless backgrounds
- colour grading
- main titles sequence, main on end titles, subtitles and credits
- motion graphics
- master exports
- creation of master delivery items (as would be detailed in delivery materials documentation - not including distribution copies)
- data management, archive and movement (provided the cost of data movement is charged to a New Zealand entity and the data originates from New Zealand)
- film handling, scanning, telecine, restoration, and film recording
- stereoscopic 3D conversion and/or alignment
- quality control (human and AI)
- LTO lab access archive

#### **1.2 Music**

Music recording includes:

- composing
- scoring
- performing and recording a new piece of music composed for the film
- creating a new arrangement/score of an existing piece of music, specifically for the film

#### **1.3 Sound post-production**

Sound post production includes:

- sound editorial
- music editorial
- ADR/voiceover recording and editing (including remote ADR recording via remote connections provided the cost is charged to a New Zealand entity)
- sound design including any additional sound recording recorded by a sound editor
- SFX recording and editing
- foley recording and editing
- Loop Group recording and editing

- digital clean-up and post processing
- sound mixing/re-recording (including temp, pre and final mixes, M & E, but not including international versioning for distribution)
- creation of master sound delivery items (as would be detailed in delivery materials documentation, not including distribution copies or international versioning)

For the avoidance of doubt, sound post-production does not include proprietary licence fees e.g., Dolby.

#### **1.4 *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., interpositive and internegatives (not including distribution copies)
- digital negative developing, processing and print from digital negative

## **2 Visual Effects Production**

### **2.1 *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

### **2.2 *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

### **2.3 *VFX Photography and Data Capture***

- virtual camera including motion capture, performance capture or facial capture (see note below)
- creation, shooting and delivery of models and miniatures
- creation, shooting and delivery of animatronics
- aerial plates
- green/blue screen photography not involving lead 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

## **2.4 CGI/2D/3D**

- 2D and 3D animation (see note 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

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.

## **3 Other**

- film scanning for visual effects
- licence fees for stock footage (provided copyright is held by a New Zealand Resident)
- library and sound clearances (provided copyright is held by a New Zealand Resident)

## **APPENDIX 3 – 5% UPLIFT (INCLUDING THE 5% UPLIFT POINTS TEST)**

### **NEW ZEALAND SCREEN PRODUCTION REBATE FOR INTERNATIONAL PRODUCTIONS**

#### **5% Uplift Criteria**

**1 November 2023**

## New Zealand Screen Production Rebate - International

### 5% Uplift Criteria

#### 1 Introduction

This Appendix sets out additional criteria for an applicant seeking to apply for the 5% Uplift.

An applicant will be eligible to apply for the 5% Uplift if:

- the production is a Live Action Production, and the applicant will be applying for the Production Rebate; and
- the production will incur a minimum of \$30 million in QNZPE.

This Appendix must be read in conjunction with the full criteria for the NZSPR, because that also applies to the 5% Uplift.

A capitalised term in this Appendix has the meaning given to it in Appendix 1 or, if not included in Appendix 1, has the meaning given to it in the Uplift Points Test.

#### 2 Minimum requirements for 5% Uplift

To be eligible to apply for the 5% Uplift, an applicant must demonstrate that its production will incur a minimum of \$30 million in QNZPE.

To qualify for the 5% Uplift, an applicant must obtain:

- at least 40 points out of a potential 85 points, which must include the mandatory points in Section A1, as set out in the Uplift Points Test; and
- a Provisional Certificate for the 5% Uplift.

In order to receive the 5% Uplift, an applicant must receive a Final Certificate that includes the 5% Uplift.

To receive a Final Certificate that includes the 5% Uplift, the Rebate Panel will assess whether the applicant has satisfied all applicable NZSPR Criteria and delivered on the activities that are required for the claimed points to be awarded.

Applicants must ensure that an authorised person of the applicant is available to engage with and provide further information to the NZFC and the Rebate Panel during the assessment process.

The application forms for the 5% Uplift and guidance for the Uplift Points Test are available on the NZFC's website. Applicants should contact the NZFC Head of Incentives prior to submitting any application.

## 1 Uplift Points Test

Section	Criteria	Points Available	Additional information and/or definitions
<b>A – Sustainability</b>			
<b>A1</b>	<p><b>Sustainability Action Plan and Sustainability Report</b></p> <p><b>Plan:</b> Submission of a Sustainability Action Plan. The Sustainability Action Plan must conform to (i) an internationally recognized template, standard, or criteria, or (ii) to a template or criteria that is approved by the NZFC.</p> <p>The Sustainability Action Plan must include that:</p> <ul style="list-style-type: none"> <li>• a person is appointed in a sustainability officer role; or</li> <li>• a person from the production is responsible for overseeing the implementation of the Sustainability Action Plan as part of their position description.</li> </ul> <p><b>Report:</b> Submission of a final Sustainability Report that is completed post-production by the production. The Sustainability Report must include:</p> <ul style="list-style-type: none"> <li>• a summary or narrative of how the production implemented its Sustainability Action Plan; and</li> <li>• a carbon emissions report with the production’s Carbon Footprint in tCO<sub>2</sub>e.</li> </ul>	<p><b>3</b></p> <p><b>(Mandatory)</b></p>	<p>This section is mandatory.</p> <p>In this section A1 and in section A2, these terms have these meanings:</p> <p><b>Sustainability Action Plan:</b> <i>A sustainability action plan is a document outlining the production’s goals and sustainability measures to minimise its environmental impact and carbon emissions associated with its production activities.</i></p> <p><b>Sustainability Report:</b> <i>A sustainability report is a document which outlines how a production implemented each of the sustainability measures and steps outlined in its Sustainability Action Plan and includes the production’s carbon emissions.</i></p> <p><b>Carbon Footprint:</b> <i>The amount of gross greenhouse gases (GHG), measured in tonnes of carbon dioxide equivalents (tCO<sub>2</sub>e) released into the atmosphere due to activities associated with the New Zealand production activity.</i></p> <p>Refer to Guidance for further information.</p>
<b>A2</b>	<p><b>Sustainability Officer</b></p> <p>The appointment of an experienced sustainability officer to the production, who meets the requirements set out below.</p> <p>The sustainability officer must be appointed in the Pre-production phase and:</p> <ul style="list-style-type: none"> <li>• oversee the implementation of the production’s Sustainability Action Plan from Pre-production through to post-production; and</li> </ul>	<p><b>2</b></p>	<p>The experienced sustainability officer responsible for the overall delivery of the Sustainability Action Plan does not need to be a Qualifying Person.</p> <p>The sustainability training or internship can be undertaken as part of the internships criteria (see Section D4).</p> <p>Refer to Guidance for further information.</p>

Section	Criteria	Points Available	Additional information and/or definitions
	<ul style="list-style-type: none"> <li>• train an appointed sustainability trainee or intern for a minimum of 40 hours duration. The appointed sustainability trainee or intern must be a New Zealand Citizen or a New Zealand Resident at the time the production is made; and</li> <li>• deliver a behind-the-scenes video (minimum two minutes duration) detailing the sustainability measures undertaken by the production while shooting in New Zealand; and</li> <li>• oversee the delivery of a seminar on the sustainability measures undertaken by the production while shooting in New Zealand; and</li> <li>• provide a summary of the production’s learnings in the final Sustainability Report regarding the effectiveness of various measures or initiatives trialled by the production OR meet with relevant bodies in New Zealand for a follow-up discussion on the production’s learnings.</li> </ul>		
<b>A3</b>	<p><b>Carbon Emissions Review</b></p> <p>An independent carbon emissions review, which reviews and verifies the gross carbon emissions generated through activities associated with the New Zealand production activity.</p> <p>The carbon emissions review must be undertaken by a pre-approved service provider in New Zealand.</p>	<b>2</b>	<p>In section A3, a <b>carbon emissions review</b> or verification is a thorough check by an independent service provider to ensure that the gross carbon emissions associated with the New Zealand production activity have been measured completely and accurately.</p> <p>Refer to Guidance for pre-approved independent service providers and other information.</p>
<b>Total – Section A</b>		<b>Maximum of 7 points (minimum of 3 points required)</b>	
<b>B – New Zealand Production Activity</b>			
<b>B1</b>	<p><b>New Zealand Studio Lease</b></p> <p>The production will be filmed or partially filmed in a New Zealand</p>	<b>2</b>	<p>The term ‘<b>Related Entity</b>’ is defined in Appendix 1.</p> <p>Refer to Guidance for further information.</p>

Section	Criteria	Points Available	Additional information and/or definitions
	studio facility leased by the production or a Related Entity with the tenure of that lease being at least three years.		
<b>B2</b>	<p><b>Previous QNZPE</b></p> <p>The applicant or its Related Entity has had a total of approved QNZPE of at least \$100 million for previous productions in New Zealand in the five years prior to the date of the applicant's application.</p>	<b>2</b>	<p>The term '<b>Related Entity</b>' is defined in Appendix 1.</p> <p>Refer to Guidance for further information.</p>
<b>B3</b>	<p><b>Associated Content</b></p> <p>The production is a sequel or prequel to, or is a spin-off from, a production that has previously shot in New Zealand in the last three years.</p>	<b>1</b>	<p>In this section B3, these terms have these meanings:</p> <p><i>A <b>prequel</b> means a film that is made about an earlier stage of a story or a character's life when the later part of the story or a character's life already has been made into a film. This meaning applies equally to a television series, or other non-feature film.</i></p> <p><i>A <b>sequel</b> means a second film that continues the story of or a character's life in a previous film. This meaning applies equally to a television series, where a subsequent season is considered to be a sequel.</i></p> <p><i>A <b>spin-off</b> means a film that centres around a central character from, or story of, a previous film. This meaning applies equally to a television series, or other non-feature film.</i></p>
<b>B4</b>	<p><b>Shooting in New Zealand</b></p> <p>Principal Photography takes place in New Zealand, whether on location or in studio (1 point for 75%, 2 points for 90%).</p>	<b>2</b>	<p>The % requirement relates to the number of days during which Principal Photography is carried out in New Zealand out of the total number of days of Principal Photography. The total number of days of Principal Photography will be measured by the number of days for Principal Photography as set out in the shooting schedule.</p> <p>Refer to Guidance for further information.</p>



Section	Criteria	Points Available	Additional information and/or definitions
<b>B5</b>	<p><b>Shooting in Regions</b></p> <p>25% of Principal Photography in New Zealand is Regional Filming.</p>	<b>2</b>	<p>In this section B5, these terms have these meanings:</p> <p><b>Regional Filming</b> is where Principal Photography occurs in a location outside the Greater Wellington or outside of the Greater Auckland Region.</p> <p><b>Greater Wellington Region</b> means Wellington, Porirua – Tawa, Lower Hutt, Upper Hutt, Kāpiti Coast, and the Wairarapa, being the districts within the <a href="#">Wellington regional boundary</a>.</p> <p><b>Greater Auckland Region</b> means Rodney, Albany, Waitemata and Gulf, North Shore, Waitakere, Whau, Albert-Eden-Roskill, Orakei, Maungakiekie-Tamaki, Howick, Manukau, Manurewa-Papakura, Franklin, being the wards within the <a href="#">Auckland regional boundary</a>.</p>
<b>B6</b>	<p><b>Picture Post-Production in New Zealand</b></p> <p>Picture post-production takes place in New Zealand (1 point for 30%, 2 points for 50%, 3 points for 75%).</p>	<b>3</b>	<p>The % requirement relates to the amount of expenditure that is QNZPE for picture post-production carried out in New Zealand out of the total budget for picture post-production.</p> <p>Refer to Guidance for what is included as picture post-production.</p>
<b>B7</b>	<p><b>Sound Post-Production in New Zealand</b></p> <p>Sound post-production takes place in New Zealand (1 point for 30%, 2 points for 50%, 3 points for 75%).</p>	<b>3</b>	<p>The % requirement relates to the amount of expenditure that is QNZPE for sound post-production carried out in New Zealand out of the total budget for sound post-production.</p> <p>Refer to Guidance for what is included as sound post-production.</p>
<b>B8</b>	<p><b>Digital or Visual Effects in New Zealand</b></p> <p>Digital or Visual Effects takes place in New Zealand (1 point for 50%, 2 points for 75%, 3 points for 90%).</p>	<b>3</b>	<p>The % requirement relates to the amount of expenditure that is QNZPE for Digital or Visual Effects carried out in New Zealand out of the total budget for Digital or Visual Effects.</p> <p>Refer to Guidance for what is included as digital or visual effects.</p>

Section	Criteria	Points Available	Additional information and/or definitions
B9	<p><b>Concept Design and Physical Effects in New Zealand</b></p> <p>(If applicable) Concept Design and Physical Effects takes place in New Zealand (1 point for 50%, 2 points for 75%, 3 points for 90%).</p>	3	<p>The % requirement relates to the amount of expenditure that is QNZPE for Concept Design and Physical Effects carried out in New Zealand out of the total budget for Concept Design and Physical Effects.</p> <p>Refer to Guidance for what is included as concept design and physical effects.</p>
<b>Total – Section B</b>		<b>Maximum of 21 points</b>	
<b>C – New Zealand Personnel</b>			
C1	<p><b>Cast</b></p> <p>80% or more of total cast for the production are Qualifying Persons.</p>	2	<p>In this section and in section C2, <b>cast</b> means all the actors and performers that appear in the production but excludes:</p> <ul style="list-style-type: none"> <li>• extras;</li> <li>• stunt doubles/stunt performers, unless the stunt double or stunt performer is engaged on an acting contract; and</li> <li>• body doubles, unless the body double is engaged on an acting contract.</li> </ul> <p>An <b>extra</b> 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.</p> <p>A <b>stunt double</b> or <b>stunt performer</b> means a skilled professional who performs dangerous or challenging physical acts, on behalf of actors or other performers. Stunt performers may specialise in specific areas such as martial arts, driving, or high falls.</p> <p>A <b>body double</b> stands in for a primary actor's shots. To appear as the same character, the body double's face is obscured, and they wear clothing, accessories, or wigs to appear as the actor they're meant to represent. A body</p>

Section	Criteria	Points Available	Additional information and/or definitions
			<p><i>double may also be contracted to perform nude/sex scenes when the actor is not contracted to perform that action.</i></p> <p>Refer to Guidance for further information.</p>
<b>C2</b>	<p><b>Crew</b></p> <p>80% or more of total crew for the production are Qualifying Persons.</p>	<b>1</b>	<p>In this section and in section C3, <b>crew means:</b></p> <ul style="list-style-type: none"> <li>• <i>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; and</i></li> <li>• <i>those who do appear in the production as a stunt double/stunt performer or a body double.</i></li> </ul> <p>Refer to Guidance for further information.</p>
<b>C3</b>	<p><b>Māori</b></p> <p>10% or more of crew (being Qualifying Persons from C2) is Māori.</p>	<b>1</b>	<p>This section depends on a crew member stating they are Māori, for example, at the time other Personal Information about that crew member is being collected.</p> <p>Refer to Guidance for further information.</p>
<b>C4</b>	<p><b>Above-The-Line Crew</b></p> <p>Above-the-line crew: Director / Producer/ Executive Producer / Associate Producer / Co-Producer / Writer / Showrunner (up to 3 positions are Qualifying Persons, 3 points each).</p>	<b>9</b>	<p>Refer to Guidance for further information and FAQs for this section.</p>
<b>C5</b>	<p><b>Below-The-Line- Crew</b></p> <p>Below-the-line crew: Director of Photography / 1st Assistant Director / Editor / VFX Supervisor / Costume Designer / Composer / Production Designer (up to 4 positions are Qualifying Persons, 1 point each).</p>	<b>4</b>	
<b>C6</b>	<p><b>More Below-The-Line Crew</b></p> <p>Below-the-line crew: 2nd Assistant Director / Supervising Art</p>	<b>4</b>	

Section	Criteria	Points Available	Additional information and/or definitions
	Director / Financial Controller / Production Accountant / Sound Designer / Sound Editor / Sound Mixer / Special Effects Supervisor / Line Producer or Unit Production Manager / Art Director / Hair / Make up / Stunt Coordinator / Choreographer (up to 8 positions are Qualifying Persons, 0.5 points each).		
<b>C7</b>	<p><b>Lead cast</b></p> <p>Lead cast (1 position is a Qualifying Person, 3 points).</p>	<b>3</b>	<p>In this section and in section C10, <b>lead cast</b> means:</p> <ul style="list-style-type: none"> <li>• <i>in a film, one of the main characters that the narrative centres around.</i></li> <li>• <i>in a television series, one of the main characters that the narrative centres around and who appears in half or more of the episodes in the season.</i></li> </ul> <p>The actor must receive a credit and appear in the final production.</p> <p>Refer to Guidance for further information.</p>
<b>C8</b>	<p><b>Supporting cast</b></p> <p>Supporting cast (up to 3 positions are Qualifying Persons, 1 point each).</p>	<b>3</b>	<p>In this section, <b>supporting cast</b> means <i>next in importance after the lead role(s). Supporting cast will be vital to the storytelling, but not the central role(s).</i></p> <p>The actor must receive a credit and appear in the final production.</p> <p>Refer to Guidance for further information.</p>
<b>C9</b>	<p><b>Casting</b></p> <p>Casting Director (2 points) OR Casting Associate (1 point) is a Qualifying Person and is credited for their position.</p> <p>For both the Casting Director and Casting Associate role, the person is invited to the casting process at the time when significant casting decisions for lead and supporting roles are still being made and is provided with the opportunity to present New Zealand actors.</p>	<b>2</b>	Refer to Guidance.

Section	Criteria	Points Available	Additional information and/or definitions
<b>C10</b>	<p><b>Lead cast or above-the-line crew is Māori</b></p> <p>At least one lead cast or above-the-line crew (from C4 or C7) is Māori (at least 1 position, 2 points).</p>	<b>2</b>	<p>This section depends on the lead cast or above-the-line crew stating they are Māori.</p> <p>Refer to Guidance for further information.</p>
<b>Total – Section C</b>		<b>Maximum of 31 points</b>	
<b>D – Skills and talent development</b>			
<b>D1</b>	<p><b>Masterclass</b></p> <p>Masterclass(es) are delivered by key production personnel (which can include above the line cast, key crew, or heads of department) to participants in the New Zealand screen sector.</p> <p>To qualify for these points, a masterclass must be for a minimum duration of:</p> <ul style="list-style-type: none"> <li>• for productions with QNZPE of \$100 million or under, a half day (4 hours); or</li> <li>• for productions with QNZPE above \$100 million, a full day (8 hours).</li> </ul>	<b>2</b>	<p>A masterclass is a one-off, special class, taught by personnel who are experts in their subject-matter or fields in the screen sector, to attendees who have a level of experience in that same subject matter or field.</p> <p>Shorter and separate masterclasses will satisfy this requirement if overall the total duration of all such masterclasses meets the required duration.</p> <p>A masterclass cannot also be an educational seminar under section D2 or a workshop under E1.</p> <p>Refer to Guidance for further information.</p>
<b>D2</b>	<p><b>Educational seminars</b></p> <p>Educational seminars (in-class and/or on set) for secondary school, vocational education, or tertiary students, developed and delivered by key production personnel in consultation with the New Zealand Film Commission and relevant New Zealand educational institution(s).</p> <p>To qualify for these points, for a production with:</p> <ul style="list-style-type: none"> <li>• QNZPE under \$50 million, the applicant will need to deliver 1 x 90-minute seminar; or</li> <li>• QNZPE between \$50 million and \$100 million, the applicant will need to deliver 2 x 90-minute seminars; or</li> </ul>	<b>1</b>	<p>An educational seminar is a seminar, demonstration, or presentation, which is tailored to attendees of the relevant educational level (i.e., a seminar for a secondary school will not be as complex as a seminar for a tertiary institution).</p> <p>Where more than one seminar is required to be delivered, those seminars can be delivered at one educational institution or at different educational institutions. If at the one educational institution, the content of the seminars cannot be the same.</p> <p>An educational seminar cannot also be a masterclass under section D1.</p> <p>Refer to Guidance for further information.</p>

Section	Criteria	Points Available	Additional information and/or definitions
	<ul style="list-style-type: none"> <li>• QNZPE over \$100 million, the applicant will need to deliver 3 x 90-minute seminars.</li> </ul>		
<b>D3</b>	<p><b>Attachment positions</b></p> <p>Paid and credited Attachment positions for Qualifying Persons with existing sector experience.</p> <p>To qualify for these points, for a production with:</p> <ul style="list-style-type: none"> <li>• QNZPE of \$100 million or under, a minimum of 2 attachment positions is required; or</li> <li>• QNZPE over \$100 million, a minimum of 4 attachment positions is required.</li> </ul>	<b>2</b>	<p>Attachments are positions for New Zealand professionals to gain experience on international level productions that may help them take the next step in their careers, or gain experience at a scale they have not had the opportunity to be involved in.</p> <p>Refer to Guidance for further information.</p>
<b>D4</b>	<p><b>Internships</b></p> <p>Paid internships appointed to Qualifying Persons.</p> <p>To qualify for this point, for a production with:</p> <ul style="list-style-type: none"> <li>• QNZPE of \$50 million or under, a minimum of 4 positions is required; or</li> <li>• QNZPE of \$150 million or under, a minimum of 8 positions is required; or</li> <li>• QNZPE over \$150 million, a minimum of 10 positions is required.</li> </ul> <p>Each internship must be paid at the New Zealand living wage (or higher).</p> <p>Each internship must include:</p> <ul style="list-style-type: none"> <li>• a minimum of 200 hours (around 4-6 weeks) of work with the spread of hours to be negotiated between the production and intern; and</li> <li>• either rotation across at least four different parts of the</li> </ul>	<b>1</b>	<p>A potential candidate is eligible to complete up to three internships under these criteria.</p> <p>Refer to Guidance for further information.</p>

Section	Criteria	Points Available	Additional information and/or definitions
	<p>production OR a focus on one specific area; and</p> <ul style="list-style-type: none"> <li>• that at least 40 hours are spent in either Pre-production or post-production; and</li> <li>• support for the intern provided by a nominated and specified intern-supervisor on the production.</li> </ul>		
<b>Total – section D</b>		<b>Maximum of 6 points</b>	
<b>E –Innovation and Infrastructure</b>			
<b>E1</b>	<p><b>Transfer of knowledge of production method or technology</b></p> <p>A production method or technology not commonly used in (international or domestic) productions in New Zealand (a ‘<b>production method or technology</b>’) is used in the production and:</p> <ul style="list-style-type: none"> <li>• crew on the production (who are Qualifying Persons and for whom the production method or technology is relevant) are trained in the use of the production method or technology that is being used in the production; and</li> <li>• a workshop on the production method or technology that is used in the production is made available to the screen sector and, where relevant, adjacent sectors.</li> </ul> <p>To qualify for these points, a workshop must be for a minimum duration of:</p> <ul style="list-style-type: none"> <li>• for productions with QNZPE of \$100 million or under, 2 hours; or</li> <li>• for productions with QNZPE above \$100 million, 4 hours.</li> </ul>	<b>2</b>	<p>Refer to Guidance for further information for each element to this section.</p> <p>A workshop is an in-person demonstration or collaborative session (compared to a masterclass under Section D1).</p> <p>A workshop cannot also be a masterclass under D1.</p>
<b>E2</b>	<p><b>Commercial agreement for creation or development of new production method or technology</b></p> <p>Entry by the applicant and/or a Related Entity into a commercial</p>	<b>3</b>	<p>A key outcome for this section is that the New Zealand entity retains a distinct and ongoing benefit that it can exploit or leverage in the future, as a result of its creative or</p>

Section	Criteria	Points Available	Additional information and/or definitions
	<p>agreement with a New Zealand entity to create or develop new production methods or technologies.</p> <p>To qualify, the commercial agreement(s) must be of value equivalent to:</p> <ul style="list-style-type: none"> <li>• 0.25% or higher of QNZPE for 1 point; or</li> <li>• 0.5% or higher of QNZPE for 2 points; or</li> <li>• 1% or higher of QNZPE for 3 points.</li> </ul>		<p>development work under the commercial agreement. Where this distinct and ongoing benefit is something other than the right to retain and exploit the intellectual property created, the NZFC has discretion to consider whether this outcome has been met.</p> <p>Refer to Guidance for this section.</p> <p>The applicant and/or a Related Entity can enter into multiple agreements, so long as the value of these agreements add up to the applicable QNZPE requirement.</p> <p>Points in this section are not cumulative.</p>
<b>E3</b>	<p><b>Investment in New Zealand infrastructure</b></p> <p>Investment in New Zealand infrastructure, where that investment is for new and/or upgraded infrastructure and/or ancillary facilities, and a New Zealand vendor commits to taking ownership for the infrastructure and/or ancillary facilities at the conclusion of production activity for at least 3 years.</p> <p>To qualify, the investment must be:</p> <ul style="list-style-type: none"> <li>• \$500,000 to \$999,999 for 1 point; or</li> <li>• \$1 million to \$2 million for 2 points; or</li> <li>• over \$2 million for 3 points.</li> </ul>	<b>3</b>	<p>A New Zealand vendor is a New Zealand entity that will make the relevant infrastructure and/or ancillary facilities available for use in New Zealand. A New Zealand vendor cannot be a Related Entity of the applicant.</p> <p>Points in this section are not cumulative.</p> <p>Refer to Guidance.</p>
<b>Total – section E</b>		<b>Maximum of 8 points</b>	
<b>F - Marketing, promoting, and showcasing New Zealand</b>			
<b>F1</b>	<p><b>Premiere</b></p> <p>A New Zealand premiere for the production is held in New Zealand (2 points)</p> <p>OR</p>	<b>3</b>	<p>For a feature film or non-feature film:</p> <ul style="list-style-type: none"> <li>• an event will be a New Zealand premiere where the purpose of the event is to promote and screen the film for the first time to a New Zealand audience, and: <ul style="list-style-type: none"> <li>○ three or more above the line personnel including</li> </ul> </li> </ul>



Section	Criteria	Points Available	Additional information and/or <i>definitions</i>
	The world premiere for the production is held in New Zealand (3 points)		<p>cast attend the event; and</p> <ul style="list-style-type: none"> <li>○ members of the New Zealand or Australian press attend.</li> <li>● an event will be a world premiere where the purpose of the event is to promote and screen the film for the first time to a worldwide audience, and: <ul style="list-style-type: none"> <li>○ at least five above the line personnel including cast attend; and</li> <li>○ members of the international press and New Zealand press attend.</li> </ul> </li> </ul> <p>For a television series:</p> <ul style="list-style-type: none"> <li>● an event will be a New Zealand premiere where the purpose of the event is to promote and screen the first episode of a television series or new season of a television series for the first time to a New Zealand audience, and: <ul style="list-style-type: none"> <li>○ three or more above the line personnel, including cast, attend the event; and</li> <li>○ members of the New Zealand or Australian press attend.</li> </ul> </li> <li>● an event will be a world premiere where the purpose of the event is to promote and screen the first episode of a television series or new season of a television series for the first time to a worldwide audience, and: <ul style="list-style-type: none"> <li>○ at least five above the line personnel including cast attend; and</li> <li>○ members of the international and New Zealand press attend.</li> </ul> </li> </ul>

Section	Criteria	Points Available	Additional information and/or definitions
F2	<p><b>Film marketing partnership</b></p> <p>A marketing partnership is agreed with the New Zealand Film Commission delivering at least four of the following activities:</p> <ul style="list-style-type: none"> <li>• Delivery of, and a right to use, agreed content from or relating to the production that highlights the production being undertaken in New Zealand. Example content includes: clips of production footage, trailers, still images, testimonials/imagery from key cast and crew, behind-the-scenes footage of the production. The applicant and/or Related Entity will agree a content brief with NZFC and deliver content that is consistent with that brief.</li> <li>• Delivery of, and a right to use, a promotional video of shooting locations and/or the production being shot in New Zealand. The applicant and/or Related Entity will agree a creative brief with NZFC and deliver promotional video that is consistent with that brief.</li> <li>• Delivery of, and a right to use, a promotional video of testimonials from above the line crew, head of departments, an/or cast testimonial in respect of their experience shooting the production in New Zealand. The applicant and/or related party will agree with the NZFC as to who, and/or which roles, of crew and cast will be involved.</li> <li>• Partnering (at the studio level) with NZFC at an event (which may be an existing event) at an agreed location overseas to promote New Zealand as a screen production destination. This would involve funding/sponsorship of a component of the event and attendance by studio executives or key talent.</li> <li>• Organisation of a minimum of three members of the international press to visit the production in New Zealand and be given access to the cast and crew for interviews</li> </ul>	3	Refer to Guidance for further detail.

Section	Criteria	Points Available	Additional information and/or definitions
	<p>while on location shooting in New Zealand. The location and timing for the visit by international press must be agreed with NZFC.</p> <ul style="list-style-type: none"> <li>• Access for at least one member of the New Zealand press to the set to interview key cast and crew. The location and timing for the access must be agreed with NZFC.</li> <li>• Access for members of the New Zealand press to the production's press junket in New Zealand and access for at least one member of the New Zealand press to the world premiere in New Zealand or overseas (if a world premiere is held).</li> </ul>		
<b>F3</b>	<p><b>Tourism marketing partnership</b></p> <p>A tourism marketing partnership is agreed with Tourism New Zealand (<b>TNZ</b>) that delivers a high impact marketing plan leveraging the production to raise New Zealand's tourism profile in key target markets. The applicant and/or Related Entity must then execute the plan.</p> <p>The plan must include:</p> <ul style="list-style-type: none"> <li>• distribution of content by the applicant and/or Related Entity in at least three markets OR there is significant media distribution (reach) of the content. The content and the applicable markets or the level of media distribution must be agreed with TNZ; and</li> <li>• three of the following activities, to be agreed with TNZ: <ul style="list-style-type: none"> <li>○ Delivery of, and a right to use, agreed content from or relating to the production that highlights the production being undertaken in New Zealand. Example content includes: clips of production footage, trailers, still images, testimonials/imagery from key cast and crew, behind-the-scenes footage of the production. The</li> </ul> </li> </ul>	<b>3</b>	Refer to Guidance for further detail.

Section	Criteria	Points Available	Additional information and/or definitions
	<p>applicant will agree a content brief with TNZ and deliver the content that is consistent with that brief. (For clarity, this brief will be different to the brief agreed with NZFC under section F2.)</p> <ul style="list-style-type: none"> <li>○ Access to talent (that has been approved by TNZ) to enable TNZ to invite those selected to participate in tourism and destination experiences in New Zealand.</li> <li>○ Opportunities to access the fan base of the production in order to market New Zealand locations to that fan base.</li> <li>○ Access for members of the International press (that represent TNZ’s key markets) to visit the production set on location and access to TNZ to invite International press to participate in New Zealand tourism and destination experiences.</li> </ul>		
<b>F4</b>	<p><b>Bespoke partnership with Tourism New Zealand</b></p> <p>A high value bespoke partnership is agreed with Tourism New Zealand.</p>	<b>3</b>	Refer to Guidance.
<b>Total – Section F</b>		<b>Maximum of 12 points</b>	
<p><b>Maximum total points claimable is 85.</b></p> <p><b>Minimum points to meet the test is 40 (which must include the mandatory points from section A1).</b></p>			

