

DRAFT

New Zealand
Screen Production Incentive Fund
(SPIF)

DRAFT CRITERIA

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Ministry for Culture and Heritage

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Screen Production Incentive Fund Draft Criteria

SECTION I - INTRODUCTION

1. The New Zealand Government has introduced a Screen Production Incentive Fund ("SPIF") for eligible producers of New Zealand feature film, television and other format screen productions.

The SPIF provides:

- a grant of 40% of the Qualifying New Zealand Production Expenditure (QNZPE) that an applicant has spent on an eligible feature film; or
 - a grant of 20% of the QNZPE that an applicant has spent on an eligible television or other format screen production.
2. The purpose of the SPIF is to:
 - support increased production of medium and larger scale New Zealand cultural screen content, for the benefit of audiences
 - support the retention of New Zealand screen talent, stories and infrastructure by maintaining New Zealand's international competitiveness; and
 - incentivise the New Zealand screen production industry to develop closer market connections and private finance for larger screen productions.
 3. The SPIF will be available only to screen productions qualifying under Section 18 of the New Zealand Film Commission Act 1978 as films having significant New Zealand content. The definition of "film" under the Act includes television, animation and other screen production formats. For the purposes of the SPIF, this assessment will be governed by the Significant New Zealand Content Test attached as Schedule 1 to these criteria. Certified official co-productions will be considered as having significant New Zealand content.
 4. SPIF grants will be given standard grant treatment for income tax purposes. That is, the cost base of the screen production will be reduced by the amount of the grant.
 5. This document sets out the eligibility criteria and definitions for the SPIF and outlines the process requirements for application. The criteria may be subject to change from time to time and applicants should check with the New Zealand Film Commission ("NZFC") which administers the SPIF before making an application.
 6. The criteria apply from 1 July 2008. QNZPE can only include expenditure incurred on or after 1 July 2008, regardless of when any contractual obligation to undertake the expenditure was undertaken. A screen production will not be eligible for a SPIF grant if it has received production funding from a government agency prior to 1 July 2008. Receipt of government development funding (as defined in clauses 32-4 below) will not affect eligibility for a SPIF grant.
 7. A screen production is completed when:
 - feature film - it is completed to answer print stage;

- individual television episode – television programmes finished to master video tape stage with credits ready for broadcast;
- series – episodic television programmes finished to master video tape stage with credits ready for broadcast;
- season of a series – episodic television programmes finished to master video tape stage with credits ready for broadcast, completed within one defined time period or “season” of a series.

SECTION II – ELIGIBILITY CRITERIA

8. To be eligible for the SPIF a screen production must meet the following criteria:

(a) *Expenditure Thresholds;*

(b) *Format;*

(c) *Relevant Entity; and*

(d) *Residency Status.*

(a) Expenditure Thresholds

9. Production expenditure spent on a screen production must fit within certain thresholds:

Format	Minimum QNZPE (maximum \$15 million)	Minimum Length	SPIF
Feature Film	\$5 million total	Usually 60 minutes (IMAX usually 45 minutes)	40% of QNZPE
Single episode programme	\$1 million total \$800,000 per hour	1 commercial hour	20% of QNZPE
Documentary	\$250,000 total	0.5 commercial hour	20% of QNZPE
Series of programmes	\$1 million total \$500,000 per hour	1 commercial hour	20% of QNZPE
Short form animation	\$250,000 total \$1 million per hour	0.25 commercial hour	20% of QNZPE

10. The maximum amount of eligible QNZPE for any individual screen production is \$15 million. The maximum individual SPIF grant will, therefore, be \$6 million. Productions with QNZPE over \$15 million will remain eligible to receive the SPIF, but the grant will not be paid on any QNZPE above \$15 million. The production may be eligible for the Large Budget Screen Production Grant (LBSPG) above \$15 million, however productions are not eligible to receive both the SPIF and LBSPG.

11. Expenditure per hour is determined using the following formula:

$$\frac{\text{Total QNZPE}}{\text{Duration of screen production in hours}}$$

Where:

- duration of screen production in hours means the total length of the production measured in hours

- total QNZPE means the total of the company's qualifying New Zealand production expenditure on the screen production.

12. The definitions for QNZPE are set out in section III.

(b) Format

13. A screen production must be in one of the following formats:

(a) **a feature film**, including theatrical documentary features, animated features and IMAX:

A feature film is intended to mean a screen production of at least sixty minutes in length that is screened as the main attraction in commercial cinemas. For large-format projects such as IMAX it is intended that the screen production be a least 45 minutes in length.

(b) **a single episode programme** (other than a documentary):

A stand-alone programme of at least one commercial hour in length that is exhibited commercially in a medium other than cinema. This includes telemovies or movies-of-the-week, films released direct to DVD or films released on the internet, video-on-demand or a mobile phone delivery platform. A single episode programme other than a documentary may be an animated film.

(c) **a single episode documentary**

A single episode documentary must be at least one commercial half-hour in length. A documentary is defined as a programme that is creative treatment of actuality other than a news, "reality", variety, current affairs, public event, sport coverage, magazine, infotainment or light entertainment programme.

(d) **a series or season**

A series or season of a series is multiple-episode programmes that do not receive a cinema release but are exhibited commercially on another medium, eg straight to DVD or via television or the internet. A series or season of a series must be at least two episodes. Each episode (with the exception of animation) must be a least one commercial half-hour in length.

A series must have a common theme or themes, contain dramatic elements that form a narrative structure, consist of episodes that are intended for exhibition together in a national market or markets and have a new creative concept.

This is intended to include anthology series released under a single title, which are thematically linked but where plot, setting and characters differ.

A series may be comprised of individual "seasons".

In assessing whether there is a "new creative concept" the NZFC will have regard to the degree of difference in the following factors, with respect to other series:

- the title
- the principal characters
- the setting
- the production locations

- the persons involved in the making of the series
- any other matters that the NZFC considers to be relevant.

(e) short form animation

A short-form animation is a programme of one episode or a collection of episodes, predominantly utilising cell, stop motion, digital or other animation of not less than one commercial quarter-hour in total duration.

14. Feature films will be required to secure confirmed commercial cinematic distribution in New Zealand, such as bona fide, legally binding deal memo or distribution agreement, in order to qualify for the SPIF.
15. Other screen formats require a similar agreement on an appropriate platform whereby access to the screen production is available in New Zealand. Examples include New Zealand television broadcast or new media platform (such as online or mobile content). If, subsequent to lodging an application for the grant, distribution does not proceed, the existence of the agreement will indicate the prior intent of the production company which will be sufficient for the screen production to qualify for the SPIF.
16. Screen productions that fit in the following categories (or to a substantial extent fit in the following categories) are specifically excluded from eligibility:
 - reality TV;
 - bundling of screen productions (other than series or seasons as outlined above);
 - an advertising programme or commercial;
 - a discussion programme, current affairs, news, a panel programme, a variety programme, or a programme of a like nature;
 - a production of a public event, including a sports event;
 - a training programme; or
 - computer games.

(c) Relevant Entity

17. An applicant must be the entity responsible for all activities involved in making the production in New Zealand, and must have access to full financial information for the production in New Zealand, which can be made available to the NZFC upon request. Only one entity per screen production can be eligible for the SPIF. Broadcasters are eligible for the SPIF.

(d) Residency Status

18. An applicant must either be:
 - a) a New Zealand resident company (a company is a New Zealand resident company if:
 - the company is incorporated in New Zealand; or
 - although not incorporated in New Zealand, it carries on business in New Zealand and has either its central management or control in New Zealand, or its voting power is controlled by shareholders who are residents of New Zealand); or

- b) a foreign corporation operating with a fixed establishment in New Zealand for the purposes of lodging an income tax return (both when it lodges the SPIF application and when the grant is paid). Advice can be obtained from the Inland Revenue Department (“IRD”) on whether a company is a fixed establishment in New Zealand for the purposes of lodging an income tax return.

Access to Other Incentives

19. Eligible feature film projects that have received government production funding through a New Zealand government agency will remain eligible to receive a SPIF grant on their QNZPE (including for example funding through NZFC, NZ On Air or Te Mangai Paho).
20. Television and other screen production receiving government production funding will not be eligible for a SPIF grant.
21. All applicants will be eligible for development funding (as defined in section III) that is financed by the New Zealand Government.
22. Where co-investment / co-funding is provided by government agencies, special tax rules will apply. In brief, the co-funding will be treated as if it were a grant, but any payments back will be tax deductible.
23. All productions will be ineligible to receive both a SPIF and a LBSPG grant.
24. Productions receiving a SPIF grant will not be eligible for immediate write off tax incentive under sub-part EJ of the Income Tax Act 2007.

Significant New Zealand Content

25. The SPIF will be available only to screen productions qualifying under Section 18 of the New Zealand Film Commission Act 1978, as films having significant New Zealand content. For the purposes of the SPIF, this assessment will be governed by the Significant New Zealand Content Test attached as Schedule 1 to these criteria.
26. A production certified by the New Zealand Film Commission as an ‘official co-production’ under one of New Zealand’s bilateral international film co-production agreements will be considered as having ‘significant New Zealand content’ for the purposes of the SPIF.

SECTION III – DEFINITION OF QUALIFYING NEW ZEALAND PRODUCTION EXPENDITURE (QNZPE)

Introduction

27. This section outlines the definition of QNZPE.
28. QNZPE is generally defined as the production expenditure spent by the applicant on the screen production where that expenditure is incurred for, or is attributable to:
- goods and services provided in New Zealand;
 - the use of land located in New Zealand; or
 - the use of a good that is located in New Zealand at the time that the good is used in the making of the screen production.
29. But note also section (k) below *Production Incurred in a Foreign Country*.
30. All costs claimed as QNZPE must be presented in an audited expenditure statement attached to each application. Arrangements should be made to track expenditure that relates to New Zealand and non-New Zealand production activity as early as possible. Where necessary, invoices from any supplier used should be broken down to show New Zealand and non-New Zealand activity with computerised accounts formatted to accept the forms developed by the NZFC for this process. This will also facilitate the independent audit of the expenditure statements.

Specific Inclusions

31. For the sake of clarity, the following New Zealand expenditure items are specifically noted as being included within QNZPE:
- (a) *New Zealand Development and Pre-production Expenditure*
 - (b) *New Zealand Copyright Acquisition*
 - (c) *New Zealand Business Overheads*
 - (d) *New Zealand Copyrighted Publicity and Promotion Expenditure*
 - (e) *Additional Audiovisual Content*
 - (f) *Travel to New Zealand*
 - (g) *Advances and Remuneration Other Than by Salary*
 - (h) *Fringe Benefits Tax*
 - (i) *Production Insurance and Completion Bonds*
 - (j) *Freight*
 - (k) *Production Incurred in a Foreign Country*
 - (l) *Above the Line Costs*

(a) New Zealand Development and Pre-production Expenditure

32. New Zealand development and pre-production expenditure is defined as expenditure incurred in New Zealand on the development and pre-production stages of the screen production ie prior to the commencement of principal photography. It includes expenditure to cover:

- location surveys and other activities undertaken to identify and assess locations for possible use in the production;
 - storyboarding and script writing;
 - research for the production;
 - casting actors;
 - developing a budget; and
 - developing a shooting schedule for the screen production.
33. The only legal costs that may qualify as New Zealand development and pre-production expenditure are those costs that relate to writers' contracts or to copyright issues, including chain of title.
34. Expenditure on development work undertaken outside of New Zealand cannot be counted as part of QNZPE.

(b) New Zealand Copyright Acquisition

35. The cost, if deductible under the *Income Tax Act 2007*, or the depreciation, if allowable under the *Income Tax Act 2007*, of copyright or licensing of copyright in a pre-existing work for use in the screen production may be claimed as QNZPE if the original owner of the copyright in the pre-existing work is held by a person:
- that the *Income Tax Act 2007* treats as either being resident in New Zealand 7; or
 - who carries on a business in New Zealand through a fixed establishment.
36. The cost, if deductible under the *Income Tax Act 2007*, or the depreciation, if allowable under the *Income Tax Act 2007*, of commissioning and purchasing copyright (or an interest in copyright) in a work created for use in the screen production may be claimed as QNZPE if the cost was incurred in New Zealand.

(c) New Zealand Business Overheads

37. New Zealand business overheads are those general business overheads that qualify as New Zealand expenditure under the definition of QNZPE in clause 28. Expenditure on these overheads may be claimed as QNZPE to the extent that the amount does not exceed the lesser of:
- 5% of the total of the company's QNZPE on the screen production; or
 - NZ\$500,000.

(d) New Zealand Copyrighted Publicity and Promotion Expenditure

38. Publicity and promotion expenditure in relation to the screen production (including press expenses, still photography, video tapes, public relations and other similar expenses) may be included as QNZPE where:
- it was incurred by the applicant company before completion of the production; and

- copyright in the publicity material is held by a person the *Income Tax Act 2007* treats as either being resident in New Zealand 7, or who carries on a business in New Zealand through a fixed establishment.
39. Refer also to section (e) “Additional Audiovisual Content” below for a specific exception to this clause.

(e) Additional Audiovisual Content

40. Usually, QNZPE can only be incurred in relation to producing the first copy of the project. However, expenditure incurred in New Zealand on producing audiovisual content for a subsequent release of the production to the extent that it is incurred prior to completion may also be QNZPE. This provision also acts as an exception on publicity and promotion expenditure from QNZPE. For example, if a trailer to promote the film is manufactured during production, is shot in New Zealand and is intended to be released with the film in some form, expenditure on producing the trailer may be considered QNZPE.

(f) Travel to New Zealand

41. Travel to New Zealand for work undertaken on the screen production may be included as QNZPE where that travel relates to incoming journeys:
- for non-cast personnel whose remuneration qualifies as QNZPE and who work on the screen production in New Zealand for a period totalling fourteen days or more; and
 - for cast personnel whose remuneration qualifies as QNZPE, regardless of the number of days spent working on the screen production in New Zealand.
42. The cost of an incoming journey is equivalent to 50 per cent of a return commercial airline fare.
43. Where the production schedule requires personnel to travel in and out of New Zealand more than once during the making of a screen production then each of those incoming journeys may be claimed as QNZPE.

(g) Advances and Remuneration Other Than By Salary

44. All payments made by way of an advance on a payment in respect of deferrals, profit participation or residuals (as described below) and which are non-recoverable qualify as QNZPE where they satisfy the criteria specified in clause 28 above.
45. If personnel are remunerated other than by a salary, the value of the remuneration is QNZPE only if the remuneration is contractually required and is apportioned for the time the person in question provides services in New Zealand. Where such personnel are New Zealand residents and are required to travel to another country during principal photography, QNZPE is still applicable (as per section (k) below).

(h) Fringe Benefits Tax (FBT)

46. FBT may be claimed as QNZPE where they relate to qualifying goods and services used in making the production in New Zealand.

(i) Production Insurance and Completion Bonds

47. Production insurance, with the exception of Errors and Omissions insurance, and completion bonds may be included within QNZPE.

(j) Freight

48. International freight within and between countries may be included within QNZPE to the extent that the goods will be used in the making of the screen production.

(k) Expenditure Incurred in a Foreign Country

49. For official co-productions undertaken under a treaty or Memorandum of Understanding between the New Zealand government and the government of another country, eligible expenditure made in that other country, which would not normally be QNZPE, will count towards meeting the minimum QNZPE thresholds. This expenditure will not be counted for the purposes of quantifying the value of any grant.
50. Some expenditure incurred outside of New Zealand may be claimed as QNZPE. In such cases the following criteria must be met:
- the expenditure must be incurred during principal photography only;
 - the location being used for principal photography must be reasonably required by the subject matter of the screen production (such as where a certain landscape or place is needed for a story);
 - the expenditure must be for the remuneration of a New Zealand resident or the purchase of goods or services from a New Zealand resident company (see clause 18 for a definition of a resident company);
 - goods and services provided by non-New Zealand residents outside New Zealand or goods and services provided outside New Zealand during pre- or post-production, are not able to be claimed as QNZPE. An exception to this is where the expenditure meets another special rule for the SPIF, such as freight or travel expenditure; and
 - where the remuneration of the person travelling for the screen production is QNZPE under this rule, that person's travel costs to or within any other country are also QNZPE.

(l) Above the Line Costs

51. A maximum of 20 percent of the total screen production expenditure's "Above the Line" expenditure may be claimed as QNZPE. The definition of "Above the Line" includes the following:

- development
- remuneration for the principal director
- remuneration for the producers and the producer's unit
- remuneration for principal cast

Note: Above the Line expenditure in excess of 20 percent does not exclude a screen production's eligibility for the SPIF.

Specific Exclusions

52. The following expenditure items do not qualify as QNZPE and should be excluded:

(a) Financing Expenditure

(b) Costs relating to Short-term Visits for Non-cast Personnel

(c) Costs of Services embodied in Goods

(d) Deferrals, Profit Participation, Residuals

(e) Acquisition of Depreciating Asset

(f) Others

(a) Financing Expenditure

53. Financing expenditure is not to be included as part of QNZPE. Financing of a screen production is not related to the actual production or making of the project. Financing expenditure includes returns payable on amounts invested in the screen production and expenditure connected with raising and servicing finance for the screen production, such as interest payments.

(b) Costs relating to Short-term Visits for Non-cast Personnel

54. Non-cast personnel who travel to New Zealand and work on the screen production for thirteen days or less (in total), cannot have expenditure in relation to their remuneration and other benefits, including travel costs, included as QNZPE.

(c) Costs of Services embodied in Goods

55. If the cost of certain services are embodied in the cost of a good that is delivered to the applicant company, and those services were predominantly (ie greater than 50 percent of cost) performed outside New Zealand, then those services are not provided in New Zealand for the purposes of determining QNZPE.

(d) Deferrals, Profit Participation, Residuals

56. Except where they qualify under clauses 44-5, deferrals, profit participation, and residuals are not to be included as part of QNZPE. QNZPE does not include expenditure that is dependent on the screen production's commercial performance and its earnings – expenditure directly linked to the screen production's commercial

performance cannot be quantified until after the screen production has actually been exhibited. Therefore, expenditure items specifically excluded from QNZPE include:

- Payments deferred until the screen production provides financial returns through box office receipts, earnings or profits (e.g. bonuses paid to directors).
- Payments dependent on eventual profits made on the screen production; and
- Amounts payable in relation to the residual rights of cast members concerning the commercial exploitation of the screen production through future exhibition and distribution.

(e) Acquisition of Depreciating Asset

57. Except for copyright acquisition expenditure that qualifies as QNZPE, the acquisition of a depreciating asset and any capital costs invested in that asset do not qualify as QNZPE. See clauses 67 to 69 for the definition and treatment of a depreciating asset.

(f) Others

58. Errors and Omissions insurance, cast perks, gifts, entertainment and gratuities are not regarded as QNZPE.

SECTION IV— TREATMENT OF EXPENDITURE

Goods and Services Tax (GST)

59. All figures set out in this document are quoted net of GST. As such, the grant is calculated in relation to amounts that are net of GST. However, due to New Zealand tax law it is required that the grant is paid GST inclusive. For this reason, the grant will be made to eligible applicants on a GST plus basis with applicants having to return the GST component during their normal GST returns.

Exchange Rate Fluctuation and Pre-Qualification

60. All production expenditure and QNZPE incurred in foreign currencies must be converted into New Zealand dollars. For the purposes of applying for the grant, this is done in two ways:
- For the purposes of meeting the QNZPE expenditure thresholds, expenditure must be converted using the foreign exchange rate for the day on which principal photography commenced. For a predominantly animated production, the relevant date is the day on which creation of the visual image commenced. This is to provide certainty to applicants in being eligible for the SPIF.
 - For the purposes of calculating the final QNZPE figure upon which the SPIF is based, the exchange rate used for expenditure on foreign currency will be averaged across the period in which QNZPE was incurred.
61. Exchange rates published by the Reserve Bank of New Zealand will be basis on which conversion are made. See www.rbnz.govt.nz.

Arm's Length Expenditure

62. The basis of the arm's length principle is to ensure that amounts charged between the applicant company and any associate companies (including parent and subsidiary companies) for the provision of goods or services are commercially reasonable.
63. Where the applicant incurs expenditure under a non-arm's length arrangement which inflates or deflates the cost of a particular good or service in relation to the screen production, then only the commercial rate for that good or service will be counted towards 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.
64. 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 or deflates the expenditure of a particular good or service purchased by the applicant.

Basis of Expenditure

65. To be included as QNZPE an expenditure item must have actually been incurred on the making of the specific screen production for which the application is made. In addition, the applicant must have actually discharged its liability to pay at the time of application for the grant.

Expenditure by Prior Companies

66. Eligibility for the SPIF extends to an applicant that takes over the screen production from another company (or companies) and completes the screen production. The applicant is taken to have incurred the production expenditure of the previous company (or companies) for the purposes of the SPIF. Any costs incurred by the applicant in the take over of the project are excluded from its calculation of QNZPE.

Depreciating Assets

67. Where an applicant purchases an asset for use in a screen production and sells or disposes of that asset on the completion of the screen production (or on completion of the QNZPE), the net cost of that asset can be claimed as QNZPE (for depreciation which occurs in New Zealand).
68. Where an applicant holds a depreciating asset (other than copyright) and uses it in making a screen production which it retains at the completion of a production (or completion of QNZPE), then QNZPE (for depreciation which occurs in New Zealand) may include so much of the decline in value over the effective life of the asset as is attributable to its use on the production (for tax purposes).
69. The definition of a 'depreciating asset' for the purposes of the SPIF is as outlined by IRD. Further information about the treatment of depreciating assets may be downloaded from the IRD website at www.ird.govt.nz.

Transfer Pricing

70. Consideration of functions, assets and risks is an essential element in any transfer pricing analysis. It is therefore difficult to be prescriptive as such 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 by the New Zealand company and the timing of payments received for services provided.

SECTION V – APPLICATION FOR GRANT PAYMENT

71. The SPIF is administered by the New Zealand Film Commission (NZFC). Applications for the grant will be assessed by a panel established by the NZFC made up from industry practitioners and relevant government agencies. Applications will be considered against the criteria in the criteria including the attached Schedule 1.
72. Three complete copies of the application in its relevant form, including all required documentation, should be sent to:

Manager, SPIF
New Zealand Film Commission
PO Box 11 546
Wellington
New Zealand

Courier address:

Level 3
119 Ghuznee Street
Wellington

Initial Assessment

73. Applicants may seek initial assessment from the NZFC by supplying details of budgeted expenditure and other relevant information, such as format, against the criteria for the SPIF. This will enable the NZFC to provide, in writing, an initial non-binding view as to whether a production meets the criteria.
74. The purpose of the assessment process is to provide an applicant with an initial opinion from the NZFC as to whether a screen production and what portion of its expenditure is likely to meet the SPIF criteria. It will also enable the NZFC to schedule its resources. To assist this process, applicants should also provide a timeframe for the production with their application for assessment.
75. Should the NZFC indicate that an application does not meet the criteria for the SPIF, the applicant may reapply at any other stage of production. This is because actual expenditure may vary against budgeted expenditure making an otherwise ineligible production eligible for the grant in the process, or other production elements may change during the course of the production.

Applications

76. An applicant may submit a SPIF application to the New Zealand Film Commission once all QNZPE for a screen production is completed. An applicant may not apply for a SPIF grant later than three months after completion of the screen production. Each application must be made in the SPIF application form.

77. The following information must be included with each application form:

- (a) *Audited Expenditure Statement*
- (b) *Sample Footage*
- (c) *Statutory Declaration*
- (d) *Further Information as Requested*

(a) Audited Expenditure Statement

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

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

79. The auditor's statement 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.

(b) Sample Footage

80. A dated selection of DVD footage from the screen production, together with a full final credit listing, and proof of distribution or exhibition arrangements for the screen production must be included each SIPF application to verify that the screen production is ready for distribution or exhibition to the general public.

81. The NZFC reserves the right to be supplied with a DVD of the entire screen production or, alternatively, to be invited to a screening of the screen production in its entirety following the production's release. The selected footage and final copy of the production will be kept only for the purposes of the application process.

(c) Statutory Declaration

82. The information provided in an application must be certified in a Statutory Declaration by an authorised person from the applicant company - normally this would be the Producer or the Chief Executive Officer.

(d) Further Information as Requested

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

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

Form of Certification and Application Forms

85. Certification and application forms may be submitted either in hard copy or online through the NZFC's website. Forms and guidelines can be downloaded from the NZFC website at www.nzfilm.co.nz.

Independent Consultants

86. The NZFC panel will be the body responsible for assessing whether the application satisfies the criteria for the SPIF. However, the NZFC panel may seek the advice of one or more independent consultants to:
- provide an independent assessment of whether specific items claimed in an expenditure statement are 'reasonably attributable' to QNZPE;
 - assess whether costs charged for specific items are made on an arm's length basis; and
 - provide advice on the extent to which costs between subsidiary companies and parent/associate companies are commercially reasonable.
87. Where necessary the independent consultants may seek further information from the applicant or its auditor to assist its assessment. Where this information relates to arm's length issues, the consultants may seek information on the process and methodologies adopted to show that the amounts charged accord with the arm's length principle. The consultants will be subject to a contractual duty of confidentiality.

Payment of Grant

88. Payment of final funding will be dependent on the IRD verifying the tax information provided to the NZFC and the panel's decision. Provided that the application for expenditure is complete and verified the NZFC will endeavour to provide payment within 3 months of application.

Confidentiality

89. Certain information supplied by the applicant will be provided to the NZFC panel, Inland Revenue Department, Ministry for Culture and Heritage, and independent consultants where reasonably necessary during the SPIF approval process.
90. The NZFC will use reasonable efforts to maintain the confidentiality of the information provided by the applicant. The NZFC notes however that it is subject to various disclosure requirements, for example under the *Official Information Act 1982*, and shall not be liable for any disclosure it believes (acting reasonably) it is required to make.
91. As such, the applicant should clearly indicate those parts of its proposal which it regards as commercially sensitive and confidential. In processing a request under the *Official Information Act*, the NZFC will consult the relevant applicant prior to a decision on release of documents.

Information for Research Purposes

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

Further information

93. For further information on these criteria and the process of applying for the SPIF contact the Manager of the SPIF in the NZFC on tel: +64 (04) 382 7680, email: **spif@nzfilm.co.nz** or write to:

Manager, SPIF
NZ Film Commission
PO Box 11 546
Wellington
New Zealand

94. For information about taxation and other obligations of companies commencing business in New Zealand, filing business activity statements and annual income tax returns consult the IRD website at www.ird.govt.nz, or IRD's screen production desk's website at www.ird.govt.nz/industry-guidelines/screen-production/. The dedicated phone line is 0800 SCREEN (0800 727 336).