



Foreign Film, TV Production & Post-Production Incentive – Sept 2018

The South African Government offers an incentives to promote and support it's film production industry.

The Foreign Film and Television Production and Post Production Incentive, aim to attract foreign-based film productions to shoot on location in South Africa and conduct post-production activities in the country;

The Foreign Film and TV Production and Post-Production Incentives are available to foreign-owned qualifying productions and South African qualifying post-production work as follows:

Foreign Film and TV Production Incentive

There has been some significant changes in the new guidelines. These changes have been motivated by the governments drive for transformation in the film industry.

The most significant change is that the base incentive has increased from 20% to 25% (without having to spend a minimum amount on Post Production in SA).

- The minimum Qualifying SA Production Expenditure (QSAPE) need to be R15 million and above.
- If you make use of a Black Owned Production Company the minimum QSAPE will be R12 million plus. (Advantage Entertainment is a black owned and managed company).
- The production will also qualify for an additional 5% rebate on QSAPE if the post production spend is R1.5 million plus and the Service Company is a black owned managed company).
- All qualifying productions need to have 20% of QSAPE procured with Suppliers that are black owned.
- At least 50% of the principal photography (PP) schedule must be filmed in South Africa.
- At least 21 (calendar) days of the PP must be filmed in SA.
- The application need to be complete and submit not earlier than 45 days prior to PP.

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- PP should not commence until an approved DTI Rebate letter had been received.
- A signed Distribution Agreement need to be submitted on application.
- The incentive is capped at R50,000,000 = \$3,500,000 (Exchange \$1 = ZAR 14.00).

► Advantage Entertainment will qualify for up to 30% rebate due to its shareholding structure if a minimum of R1.5M are spend on post production in SA.

Foreign Film and TV Post Production Incentive

- Doing Post production only in South Africa and conducting post-production with Qualifying South Africa Post-Production Expenditure (QSAPE) of R1,5 million, qualifies for an 25% incentive.
- Qualifying Post Costs – License Fees (Dolby & Music); Artists Fees, Editorial & Sound goods & labour, Post facilities and labour, VFX/Roto outsource work, Grading & outsourced animation services.
- Conducting post-production only in SA - in addition to the 20% incentive, there is an additional 2.5% incentive if R10 million or more are spend on Post Prod
- and a further 2.5% is available for post-production spend of R15 million and up.

Eligible formats qualifying for funding:

- Feature Films
- Tele-movies
- Documentaries, documentary series & documentary feature
- Television drama & mini series
- Animation
- Digital content

Non-Qualifying Production & Post-Production Costs :

- Financing Fees & Advances
- Deferments & Residuals
- SA Executive Producer
- Publicity & Marketing Costs incl. EPK
- Withholding Tax
- SPCV incorporation fees
- Consultation fees
- Entertainment & Wrap Party Costs
- Purchase of software & equipment
- Other

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