

# 1. QUALIFYING BRITISH FILMS

## SYNOPSIS OF ELIGIBILITY CRITERIA under Schedule 1 of the Films Act 1985

For a film to be certified as a British film by the Secretary of State for Culture, Media and Sport, it must fulfil either the conditions set out under Schedule 1 to the Films Act 1985 or the terms of an international co-production agreement to which the UK is party. (Information on co-production agreements is separately available from DCMS).

The Schedule 1 criteria are summarised below:

### i) THE MAKER TEST

a film must be **made** by a company that is registered and centrally managed and controlled in the UK, in another state of the European Union/European Economic Area or in a country with which the European Community has signed an Association Agreement\*. The "maker" means the person (or company) undertaking the arrangements for making the film;

### ii) THE PRODUCTION COSTS TEST

70% of the production cost of the film must be spent on film making activity in the UK (If the costs of one or two people are deducted from the total labour costs -as described at iii) below- then the same costs must be deducted from the total production cost before the 70% test is applied);

### iii) THE LABOUR COSTS TEST

(a) 70% of the total labour cost (minus - if desired - the cost of one person whose nationality must be non-Commonwealth/EU/EEA/Association Agreement country) must have been paid to citizens or ordinary residents of the Commonwealth, EU/EEA or a country with which the European Community has signed an Association Agreement\*; or

(b) 75% of the total labour cost - after deducting the cost of two persons whose nationality must be non-Commonwealth/EU/EEA/Association Agreement country, and one of whom must be an actor (and engaged in making the film in no other capacity) - must have been paid to citizens or ordinary residents of the Commonwealth, EU/EEA or a country with which the European Community has signed an Association Agreement\*;

**Note on Living Expenses:-** for the labour costs test, the labour costs of a film are deemed to exclude such living expenses as a person incurs because it is not reasonably practicable for him to reside at his usual place of residence while directly engaged in the making of the film, and which are reasonable in the opinion of the Secretary of State.

### iv) PREVIOUSLY FILMED MATERIAL

no more than 10% of the playing time of the film should comprise a sequence of visual images from a previously certified film or from a film by a different maker. In the case of documentary films this limit may be extended if an acceptable case is made to the Secretary of State.

## NOTES

1. Films cannot be certified before they are completed.

2. Series may comprise up to 26 parts and 26 hours.

3. \*Iceland, Liechtenstein, Norway belong to the EEA (European Economic Area) in addition to the countries of the EU. The EC has Association Agreements with Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania and Slovakia

4. The Isle of Man and the Channel Islands are not part of the UK or part of the EU/EEA for the purposes of Schedule 1. They are part of the Commonwealth. Their citizens are British nationals; persons ordinarily resident there are ordinarily resident in the Commonwealth.

5. The full Guidance Notes are available on request from DCMS, and on-line at: [www.culture.gov.uk](http://www.culture.gov.uk)