

IMBALANCE IN CO-PRODUCTION RELATIONS

DCMS has identified a significant and ongoing imbalance in co-production relations under the following treaties -

UK/France Treaty

UK/Italy Treaty

European Convention on Cinematographic Co-production in relation to -
Italy
Denmark
Iceland

There is a need to address this imbalance problem. The UK is getting too small a share of film-making work (as measured by spend on UK film-making facilities and personnel). This is undermining the general principles of co-production which are intended to benefit the film industries of the co-producing countries equally. All co-production Treaties expect balance in co-production relations. DCMS has announced that co-productions made under the UK/France and UK/Italy Treaties or which are made under the European Convention on Cinematographic Co-production which involve Italy, Denmark or Iceland, will be subject to the following rule –

With regard to the film-making contribution on a bilateral co-production, UK co-producers are required to ensure at least 40% spend on UK film-making facilities and personnel. In these circumstances, any UK co-producer who plans to spend less than 40% on UK film-making facilities and personnel can expect their application to be refused. Where there is a third co-producer, UK co-producers will be required to ensure at least 35% spend on UK film-making facilities and personnel. Where there is a fourth or more co-producers UK co-producers will be required to ensure at least 30% spend on UK film-making facilities and personnel. Where there is location filming in a third country and/or spend on personnel from third countries, under any of the above scenarios the film-making contributions from the co-producing countries should be reduced pro rata, ie in proportion with their film-making contribution, but UK co-producers will be required to ensure at least 30% spend on UK film-making facilities and personnel, even when there are three or more co-producers. This requirement will come into effect with regard to completed applications for 'provisional' status received in DCMS on or after 1 July 2004. This change will not affect completed applications received before that date which will be assessed on the basis of the current minimum financial and film-making contribution, where this is preferred. Exceptions to the 40/35/30% contributions in this paragraph may be granted where DCMS is satisfied that the nature of the production itself prevents the minimums being spent in the UK, and the production provides outstanding cultural and/or artistic benefits to both the UK and the other country(s) concerned.

The above solution allows co-productions to continue to be approved, so long as they do not exacerbate the imbalance problem. The solution allows exceptions to the minimum contributions where DCMS is satisfied that the nature of the production itself prevents the minimums being spent in the UK, and the production

provides outstanding cultural and/or artistic benefits. DCMS would take advice from the UK Film Council on any co-production where we thought this might be the case, although we anticipate this being a rare exception.

Review of certification and co-production

The above is a temporary administrative solution. DCMS, working with the UK Film Council, has recently initiated a review of the working of its framework of co-production treaties. Co-production is an increasingly important way for producers to make their film productions, and the UK is keen to ensure that the treaties are working for the maximum benefit of both the UK and our co-production partners. DCMS and the UK Film Council will be discussing with our co-production partners at Cannes the need for an overhaul of the framework and content of co-production treaties to ensure they deliver the appropriate benefits to each country.