

FILM INCENTIVE BC

CHECKLIST FOR

ELIGIBILITY CERTIFICATE

(Issued prior to the completion of the Production)

NOTE: The Production must be completed no later than 24 months from the end of the taxation year in which principal photography began. **The Production Corporation must apply for and receive the completion certificate within 30 months from the end of the corporation's taxation year in which principal photography began.**

If a completion certificate is not issued within that time period, no further tax credits with respect to the production can be paid and any tax credits already paid must be reimbursed. In addition, if the 30 month time period has elapsed and an eligibility certificate has yet to be issued with respect to the production, an application for an eligibility certificate will be denied and the Production Corporation will not be eligible to receive any FIBC tax credits with respect to the production.

To avoid these situations, it is advisable to submit your application for a Completion Certificate to British Columbia Film within 24 months of the taxation year end in which principal photography of the production began.

If you are applying for an Eligibility Certificate (Production is not complete), British Columbia Film will require the following documentation to complete an eligibility review. In the event you are applying for the Eligibility and Completion Certificate simultaneously (Production is complete), ensure you review the requirements for both stages. Please note that if you are submitting more than one application, each application must contain its own set of documents, as set out in the checklist.

British Columbia Film can also provide an **Interim Letter** for interim financing purposes upon request and payment of an additional administration fee of \$200 (plus GST/HST). This letter will include an estimate of the tax credit(s) for which the Production would be eligible at the time of application as well as a detailed list of all documents used in our assessment. The same documents requested for the Eligibility Certificate are necessary to provide this letter.

Effective July 1, 2010 the Goods and Services Tax (GST) of 5% is replaced by the Harmonized Sales Tax (HST) of 12%.

A. Application

- Administration fee of \$200 (*plus GST or HST*) per production (payable to BRITISH COLUMBIA FILM);
- A fully completed FIBC application form completed by an Authorized Representative of the Production Corporation (Always use the online application form or the current paper version available on BC Film's website);

B. Eligible Production Corporation

- Certificate of an Officer (Schedule "B") of the Production Corporation and all parent corporations. If the Production Corporation (or the parent corporation) is a publicly traded corporation, please submit a Declaration of the Board of Directors (available on BC Film's website);
- Certificate of incorporation and share register for the applicant Production Corporation and all parent corporations;

C. Eligible Production

- Schedule "A" (Declaration of British Columbia Residency) for BC-based Canadian individuals receiving producer or producer-related credits;
- CAVCO Affidavit - Exemption for Non-Canadian Courtesy Credit for all non-Canadians receiving a producer-related credit;
- Deal memos and agreements for all producer and producer-related positions;

Checklist For Eligibility Certificate - continued

- Complete chain of title documentation. For series of more than 13 episodes, a list of writer agreements (including date of agmt) may be provided;
- Co-production agreement(s), when applicable;
- Telefilm preliminary recommendation for international treaty co-productions, when applicable;
- Locked production budget;
- Detailed breakdown of estimated BC labour expenditure;
- Detailed breakdown of non-British Columbia expenditure (labour and non-labour). Note that BC expenditure only includes production costs payable to BC-based individuals or corporations for goods or services **provided in BC** or, in the case of a documentary, BC expenditure only includes production costs payable to BC-based individuals or corporations (a template is available on BC Film's website if needed);
- If applying for the Regional and Distant Location Tax Credits, a copy of the daily production reports verifying the locations of each shooting day, or in the case of documentary or a production that has not completed principal photography, a production schedule detailing dates and locations of each shooting day;
- If applying for the Digital Animation or Visual Effects Tax Credit:
 - a description of the methodology used to determine on-set DAVE labour (if applicable);
 - a description of the methodology used to determine if an effect is created primarily (i.e. greater than 50%) with digital technology (*including calculation based on estimated DAVE costs*); and
 - a detailed breakdown of estimated BC labour expenditure directly attributable to digital animation or visual effects activities;
- Evidence of training commitments (letter or agreement with the institution or organization offering the approved training program) for all individuals claimed under the Training Tax Credit;

D. Financing and Distribution

- Signed agreement(s) with Canadian-controlled distributor and/or broadcaster for consideration at fair market value and which includes a commitment to have the production shown in Canada within 24 months of completion of the production;
- Signed deal memos for all other distribution agreements, broadcast licenses, and exploitation arrangements for all territories and media, as available;
- Signed deal memos for financing arrangements, including equity, loans and assistance, as available;
- CAVCO Part A Certificate, when available (note: this document is required at completion to confirm that the Production has met the Canadian content requirements).**

The Certifying Authority and British Columbia Film reserve the right to request additional documentation to be submitted in a timely manner in order to assess the application.

*All documentation and information received with respect to an application to Film Incentive BC is subject to the confidentiality provisions of the **Freedom of Information and Protection of Privacy Act** and the **Income Tax Act (British Columbia)**, and will be maintained in strictest of confidence by the Certifying Authority and British Columbia Film.*

WARNING: False or misleading information will result in automatic denial of the tax credits, and may lead to prosecution under the *Income Tax Act (British Columbia)*.

CONTACTS:

The Certifying Authority is the Minister of Tourism, Culture and the Arts. Film Incentive BC is administered by British Columbia Film. Inquiries and applications should be directed to British Columbia Film, 2225 West Broadway, Vancouver, BC, V6K 2E4. Tel: 604-736-7997, Fax: 604-736-7290, www.bcfilm.bc.ca

FILM INCENTIVE BC

CHECKLIST FOR COMPLETION CERTIFICATE

(Issued after the completion and audit of the Production)

NOTE: The Production must be completed no later than 24 months from the end of the taxation year in which principal photography began. **The Production Corporation must apply for and receive the completion certificate within 30 months from the end of the corporation's taxation year in which principal photography began.**

If a completion certificate is not issued within that time period, no further tax credits with respect to the production can be paid and any tax credits already paid must be reimbursed. In addition, if the 30 month time period has elapsed and an eligibility certificate has yet to be issued with respect to the production, an application for an eligibility certificate will be denied and the Production Corporation will not be eligible to receive any FIBC tax credits with respect to the production.

To avoid these situations, it is advisable to submit your application for a completion certificate to British Columbia Film within 24 months of the taxation year end in which principal photography of the production began.

Effective July 1, 2010 the Goods and Services Tax (GST) of 5% will be replaced by the Harmonized Sales Tax (HST) of 12%.

UNLESS AMENDED, DO NOT RESUBMIT DOCUMENTATION THAT WAS PREVIOUSLY SUBMITTED FOR THE ELIGIBILITY REVIEW

A. Application

- Administration fee of 0.06% of final production cost (*plus GST or HST*) with a minimum of **\$200** (*plus GST or HST*) per production. Please refer to the Fee Schedule for more information;
- A fully completed FIBC application form completed by an Authorized Representative of the Production Corporation (Always use the online application form or the current paper version available on BC Film's website);

B. Eligible Production Corporation

- Any documentation indicating a change of control of the Production Corporation or of its corporate structure which has occurred since the eligibility review, including an updated Certificate of an Officer (Schedule "B") and share register of the Production Corporation and all parent corporations, as applicable;

C. Eligible Production

- DVD of final Production (for series, 3 representative episodes);
- Complete, final on-screen credit list (head and tail); for series, please ensure credits are provided for each episode or confirm if credits are identical for all episodes;
- Declarations of British Columbia Residency or CAVCO Affidavit - Exemption for Non-Canadian Courtesy Credit for anyone receiving a producer-related credit not identified at eligibility;
- Confirmation of citizenship for any producer-related and key creative personnel not identified at eligibility;
- CAVCO confirmation of non-Canadian courtesy credits, when applicable;
- Telefilm final recommendation for international treaty co-productions, when applicable;
- For all productions:* Detailed final cost report on which the financial statements are based. For co-productions, a separate breakdown of costs between the co-producing jurisdictions is required;
- For productions with total cost between \$250,000 and \$500,000 only:* a review engagement report prepared by a licensed public accountant that states BC expenditure, regional expenditure, training expenditure, and eligible labour costs. Please ensure that all non-BC costs are reported. The review should also detail all unpaid costs at the time of the review;
- For productions with total cost that exceeds \$500,000 only:* audited production cost statements prepared by a licensed public accountant that confirm BC expenditure, regional expenditure, training expenditure, and eligible labour costs. Please ensure that all non-BC costs are reported. The audit should also detail all unpaid costs at the time of the audit;

Checklist For Completion Certificate - continued

- Detailed breakdown of BC labour expenditure which reconciles with the final cost report;
- Detailed breakdown of all non-BC expenditures which reconcile with the final cost report. Note that BC expenditure only includes production costs payable to BC-based individuals or corporations for goods or services **provided in BC** or, in the case of a documentary, BC expenditure only includes production costs payable to BC-based individuals or corporations;
- Final production schedule indicating dates and location of each shooting day, pre-production, production and post-production;
- If applying for the Regional and Distant Location Tax Credits, a copy of the final daily production reports verifying the locations of each shooting day, or in the case of a documentary, the final production schedule detailing dates and locations of each shooting day, **if not already submitted at Eligibility**;
- If applying for the Digital Animation or Visual Effects Tax Credit:
 - o a description of the methodology used to determine on-set DAVE labour (if applicable);
 - o a description of the methodology used to determine if an effect is created primarily (i.e. greater than 50%) with digital technology (*including calculation based on final DAVE costs*); and
 - o a detailed breakdown of BC labour expenditure directly attributable to digital animation or visual effects activities which reconciles with the final cost report;

D. Financing and Distribution

- Distribution, licensing, sales agency and exploitation agreements **not already submitted at Eligibility**;
- Confirmation from broadcaster(s) or distributor(s) of telecast or release date in Canada (whether scheduled or having already occurred);
- Financing agreements from all sources detailed in the financing plan **not already submitted at Eligibility**;
- CAVCO Part A Certificate is required to confirm that the Production has met the Canadian content requirements. Additional documentation will be requested for those Productions that are not otherwise eligible for the CPTC.**

The Certifying Authority and British Columbia Film reserves the right to request additional documentation to be submitted in a timely manner in order to assess the application.

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