



FILM

UKRAINE

**25%**

**CASH REBATE**

**UNIQUE NATURAL AND URBAN LOCATIONS**

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**HIGHLY SKILLED STAFF  
& WELL-DEVELOPED FACILITIES**

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**LOW PRODUCTION COSTS**

## **WHO CAN APPLY FOR CASH REBATES?**

Foreign producers can apply for cash rebates in Ukraine subject to their conclusion of an agreement with a Ukrainian producer engaged in the production of the movie in the territory of Ukraine. The application for cash rebates shall be done through the Ukrainian producer.

## **WHAT IS THE AMOUNT OF THE CASH REBATE?**

- 25% of the qualified expenditures born in Ukrain
- 10% of the total expenditures on non-resident cast and crew members, provided such payments are subject to personal income taxation in Ukraine.

## **WHAT ARE THE QUALIFIED EXPENDITURES?**

The qualified expenditures shall mean **80%** of the payments for goods, works, services, including but not limited to salaries, fees, remunerations related to the movie production paid in Ukraine.

The following are not considered to be the qualified expenditures:

- depreciation of fixed assets
- development costs, administrative costs
- interest paid on credits
- distribution expenses

## **WHICH MOVIES QUALIFY FOR CASH REBATES?**

1. feature length theatrical movie or animation movie with a total duration of not less than 74 minutes
2. feature length made for TV movie or animation movie with a total duration of not less than 74 minutes
3. documentary movie with a total duration of not less than 52 minutes
4. television series or animation series with a total duration of not less than 40 minutes per episode
5. advertising spot or music video with a total duration of not less than 20 seconds

## **TO QUALIFY A MOVIE MUST PASS A POINTS-BASED CULTURAL TEST!**

Movie is considered to pass cultural test if it receives at least 2 points according to the cultural criteria and at least 18 points according to the production criteria.



## HOW MUCH MUST BE SPENT IN UKRAINE?

TYPE OF MOVIE	MINIMUM EXPENDITURE
Feature length theatrical movie or animation movie with a total duration of not less than 74 minutes	7 000 (seven thousand) minimum salaries Appr. 375 000 Euro as of December 01, 2016
Feature length made for TV movie or animation movie with a total duration of not less than 74 minutes	1 750 (one thousand seven hundred fifty) minimum salaries Appr. 94 000 Euro as of December 01, 2016
Documentary movie with a total duration of not less than 52 minutes	1 100 (one thousand one hundred) minimum salaries Appr. 59 000 Euro as of December 01, 2016
Television series or animation series with a total duration of one episode not less than 40 minutes	5 250 (five thousand two hundred and fifty) minimum salaries Appr. 280 000 Euro (for the whole season) as of December 01, 2016
Advertising spot or music video with a total duration of not less than 20 seconds	3 000 (three thousand) minimum salaries Appr. 160 000 Euro as of December 01, 2016

## WHAT TO SUBMIT TO THE UKRAINIAN STATE FILM AGENCY?

Before the end of the production of the movie:

- application (statement) to receive the preliminary decision on passing the cultural test
- director script
- production schedule
- budget of the movie
- agreement between the Ukrainian and foreign producer
- film cast and crew details
- evidence of payment of the application fee (the exact amount to be determined by Government and later by law).

The Ukrainian State Film Agency shall give a preliminary decision within 40 days from the date of receiving the application (statement) and documents.



Within one year from the date of the end of the production of the movie:

- application (statement)
- budget of the movie
- agreement between the Ukrainian and foreign producer
- supporting documents confirming the amount of qualified expenditures to be refunded
- report on production of the movie and performed qualified expenditures
- audit report confirming the amount of the qualified expenditures, completed in accordance with the Ukrainian legislation and standards of audit

The Ukrainian State Film Agency shall take the decision to grant cash rebate within 40 days from the date of receiving the application (statement) and documents. The payment shall be made within 10 banking days from the date of passing the respective decision.

## CULTURAL TEST

### CULTURAL CRITERIA

CRITERIA:	TOTAL NUMBER OF POINTS
1. Story line / script / key topic of movie are based on Ukrainian or European culture / history / mythos / religion	2 (two)
2. Movie is based on character of Ukrainian or European culture / history / religion or Ukrainian / European society	2 (two)
3. Story line of movie is connected with Ukrainian / European environment / location / area / architectural or cultural environment	2 (two)
4. Story line / script / key topic of movie are based on Ukrainian / European literary work	2 (two)
5. Story line / script / key topic of movie are dedicated to modern cultural / social topics of Ukrainian or European society	2 (two)
6. Movie reflects the major Ukrainian / European values: solidarity / equality / human rights / tolerance / environmental protection / respect for cultural or family traditions / critical thinking / law and order	2 (two)
7. Movie is dedicated to Ukrainian / European culture / identity / or Ukrainian / European customs and traditions	2 (two)
8. Story line / script / key topic of movie are dedicated to modern or historical events that influenced European / Ukrainian society	2 (two)



## PRODUCTION CRITERIA

CRITERIA:	TOTAL NUMBER OF POINTS
<p>1. Creators of movie are citizens of Ukraine or European Union such as:</p> <ul style="list-style-type: none"> <li>• director</li> <li>• producer / co-producer</li> <li>• director of photography</li> <li>• scriptwriter</li> <li>• leading actor</li> <li>• supporting actor</li> <li>• composer</li> <li>• production designer</li> <li>• costume designer</li> <li>• make-up designer</li> <li>• production director</li> <li>• postproduction director</li> <li>• visual effects director</li> <li>• stage director (first assistant of director)</li> </ul>	<p>½ point for each of the crew members listed, total – 7 (seven)</p>
<p>2. At least 51% of members of the crew (excluding those, listed in paragraph 1 above) are citizens of Ukraine or European Union.</p>	<p>4 (four)</p>
<p>3. Filming is taking place in Ukraine:</p> <ul style="list-style-type: none"> <li>• if filming is taking place for at least 1 day</li> <li>• if number of shooting days are 10 % of total number of shooting days</li> <li>• if number of shooting days in Ukraine are 25 % of total number of shooting days</li> <li>• if number of shooting days in Ukraine are 50 % of total number of shooting days</li> </ul>	<p>1 (one) 2 (two) 3 (three) 4 (four)</p>
<p>4. Engagement of Ukrainian companies for preproduction</p> <ul style="list-style-type: none"> <li>• if a Ukrainian company was engaged in preproduction for at least one day</li> <li>• if a Ukrainian company was engaged in preproduction for at least 10 % of the total number of preproduction days</li> <li>• if a Ukrainian company was engaged in preproduction for at least 25 % of the total number of preproduction days</li> <li>• if a Ukrainian company was engaged in preproduction for at least 50 % of the total number of preproduction days</li> </ul>	<p>1 (one) 2 (two) 3 (three) 4 (four)</p>



CRITERIA:	TOTAL NUMBER OF POINTS
<b>5. Postproduction:</b> <ul style="list-style-type: none"> <li>• if postproduction works were performed in Ukraine for at least 1 day</li> <li>• if postproduction works were performed in Ukraine for at least 10% of the total number of postproduction days</li> <li>• if postproduction works were performed in Ukraine for at least 25% of the total number of postproduction days</li> <li>• if postproduction works were performed in Ukraine for at least 50% of the total number of postproduction days</li> </ul>	0,5 – 2 (two) 0,5 1 (one) 1,5 (one point five) 2 (two)
<b>6. VFX / CG works (not less than 50% of the total duration in days of computer graphics and effects works) are performed in Ukraine</b>	1 (one)
<b>7. Expenditures on the territory of Ukraine:</b> <ul style="list-style-type: none"> <li>• more than 10% of the movie budget spent in Ukraine</li> <li>• more than 20% of the movie budget spent in Ukraine</li> <li>• more than 30% of the movie budget spent in Ukraine</li> <li>• more than 50% of the movie budget spent in Ukraine</li> </ul>	0,5 – 4 (four) 0,5 1 (one) 2 (two) 4 (four)

N.B. the cash rebate system will come into effect not earlier than January 01, 2017 subject to adoption of special legislation.

It is worth to mention that state support scheme is well developed in Ukraine. It is open, easy and not over regulated.

Ukrainian producers and production companies are obtaining state funding for co-production projects within public competitions.

Therefore number of supported co-production projects have extremely increased during last two years.

Please note that, all types of films and animation, except TV series and advertising, are eligible.



**FILM IN UKRAINE**



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