

# CO-PRODUCTION GUIDE 2021

CREA CINE COLOMBIA  
CREA CINE COLOMBIA

-CNACC-FDC-



La cultura  
es de todos

Mincultura



Proimágenes Colombia



## ¿WHY CO-PRODUCE WITH COLOMBIA?

“Co-production with Colombian producers during the past years has been characterized by an attitude of productive transparency, openness and a high level of professionalism. On the basis of mutual trust we could ‘walk together’ towards the common goal of realizing the projects of young talented filmmakers.”

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- Paulo de Carvalho y Gudula Mainzolt (Autentika Films - Germany)

Since 2003, a Film Law has been in effect in Colombia, implemented by institutions committed to developing a sustainable and relevant film industry for the country. The Fondo Mixto de Promoción Cinematográfica, “Proimágenes Colombia”, collects funds from a percentage of industry revenues; redistributes them with transparency and efficiency; and organizes the competitive process for incentive awards for Colombian film productions, through the Film Development Fund, “FDC”. With a comprehensive strategy to promote the film sector, Proimágenes Colombia also manages the program for the internationalization of Colombian film and promotes international audiovisual production in Colombia through the National Film Commission, a project created in partnership with the Ministry of Culture and the Ministry of Commerce, Industry and Tourism of Colombia.

The Film Department of the Ministry of Culture in turn, is responsible for fostering the creation of a stable local film industry in Colombia. One of its main activities is to grant the status of domestic projects to Colombian projects and films, and to process tax incentives established in the Film Law for donations or investments in film.

The joint efforts of these institutions have enabled a significant and sustained growth in Colombian film production, whose participation in festivals, markets and accolades has increased thus gaining wider global recognition.

Co-producing a film with a Colombian film company brings you the support of these institutions, their programs, and their staff, as well as opening doors to substantial resources for financing your project through two mechanisms: direct non-repayable incentive grants from the Film Development Fund (FDC), and tax incentives for investors and donors.

This guide explains the requirements that must be met for films to qualify as Colombian co-productions and the benefits available.

# WHAT REQUIREMENTS MUST A FILM MEET TO QUALIFY AS A COLOMBIAN CO-PRODUCTION?

## BASIC REQUIREMENTS

There are three basic requirements that a film must meet to be considered a Colombian co-production:

### ► TECHNICAL

The first requirement establishes the minimum level of participation by Colombian technical personnel in the film.

### ► ARTISTIC

The second requirement sets quotas for the participation of artistic personnel in the production.

### ► FINANCIAL

The third sets a minimum percentage for investment in the film by the Colombian co-production company.



**\$COL ≤ 20%**

### A COLOMBIAN FILM COMPANY

Is one in which Colombian share capital comprises more than 51% of the total, and whose corporate purpose is audiovisual production *(Article 42, Law 397/97)*.

## TECHNICAL REQUIREMENTS

The crew of the film must meet certain requirements to qualify as a Colombian co-production, that vary depending on:

- > The Colombian production **company's share of investment in the film.**
- > **Length:** a feature or short film.
- > **Genre:** fiction, documentary or animation.

## FEATURE FILM

A feature-length Colombian film is a film lasting no less than 70 minutes for theatrical and no less than 52 minutes for television.

*(Article 43 of Law 397/97).*

### FICTION

When the feature film is a fiction film, a minimum number of the technical positions must be Colombian.

- > In co-productions in which the Colombian share of investment is greater than **61%**, of **twelve (12)** eligible technical positions, **four (4)** must be held by Colombians.
- > In co-productions in which the Colombian share of investment is between **41%** and **60%**, of **twelve (12)** eligible **technical positions**, **three (3)** positions must be held by Colombians.
- > In co-productions in which the Colombian share of investment is between **20%** and **40%**, of **twelve (12)** eligible technical positions, **two (2)** positions must be held by Colombians.

Find below the **12** eligible **technical positions** for **fiction feature films**:

1. Camera operator, First Assistant Camera or Focus Puller
2. Gaffer, Best Boy, or Lighting Director
3. Make-up Artist or Costume Designer
4. Set Decorator or Property Master
5. Script Supervisor
6. Assistant Director
7. Casting Director
8. On-set Special Effects (SFX) (if applicable)
9. Visual effects (VFX and/or CGI) (if applicable)
10. Colorist
11. Boom Operator or Mixer/Recordist or Foley Artist
12. Dialogue Editor or Effects Editor or Mixer

### DOCUMENTAL

Regardless of the percentage of Colombian economic participation in the film, of **six (6)** eligible technical positions, **two (2)** must be held by Colombians.

Find below the **6** eligible **technical** positions for **documentary feature films**:

1. Camera Operator
2. First Assistant Camera or Focus Puller (if applicable)
3. Assistant Director
4. Special Effects (if applicable)
5. Boom Operator
6. Sound Editor or Mixer

### ANIMATION




- > In co-productions in which the Colombian share of investment is greater than **61%**, of **eleven (11)** eligible technical positions, **four (4)** must be held by Colombians.
- > In co-productions in which the Colombian share of investment is between **41%** and **60%**, of **eleven (11)** eligible technical positions, **three (3)** positions must be held by Colombians.
- > In co-productions in which the Colombian share of investment is between **20%** and **40%**, of **eleven (11)** eligible technical positions, **two (2)** positions must be held by Colombians.

Find below the **11** eligible **technical positions** for **animation feature films**:

1. Director
2. Chief animator
3. Screenwriter or screenplay adapter
4. Original music composer
5. One (1) voice actor for a main character
6. Storyboard artist
7. Art director
8. Character designer
9. Location designer
10. Layout designer
11. Sound designer, chief sound editor or sound editor

## TECHNICAL REQUIREMENTS

### Economic Share of Investment vs Technical Positions

COLOMBIAN SHARE OF INVESTMENT	FROM 61% ONWARDS	FROM 41% TO 60%	FROM 20% TO 40%
 FICTION	4/12	3/12	2/12
 DOCUMENTARY	2/6	2/6	2/6
 ANIMATION	4/11	3/11	2/11

## ARTISTIC REQUIREMENTS

Artistic personnel of the film must meet certain requirements to qualify as a Colombian co-production, that vary depending on:

- The Colombian production company's **share of investment in the film.**
- **Length:** a feature or short film.
- **Genre:** fiction, documentary or animation.

### FICTION

When the feature film is a fiction film, a minimum number of the artistic positions must be Colombian.

- In co-productions in which the Colombian share of investment is greater than **61%**, of **ten (10)** eligible artistic positions, **four (4)** must be held by Colombians and **one (1)** must be a main character.
- In co-productions in which the Colombian share of investment is between **50%** and **60%**, of **ten (10)** eligible artistic positions, **three (3)** positions must be held by Colombians and **one (1)** must be a main character.
- In co-productions in which the Colombian share of investment is between **31%** and **49%**, of **ten (10)** eligible artistic positions, **two (2)** positions must be held by Colombians and **one (1)** must be a main character.
- In co-productions in which the Colombian share of investment is between **20%** and **30%**, of **ten (10)** eligible artistic positions, **one (1)** position must be held by Colombians and **one (1)** must be a main character.

Find below the **10** eligible **artistic positions** for **fiction feature films:**

1. Director
2. One (1) main character
3. Screenwriter or screenplay adapter
4. Original music composer
5. One (1) supporting actor
6. Director of photography
7. Art director or production designer
8. Soundman
9. Layout designer
10. Sound designer, chief sound editor or sound editor

### DOCUMENTAL

When the feature film is a documentary film, a minimum number of the artistic positions must be Colombian.

- In co-productions in which the Colombian share of investment is greater than **61%**, of **eleven (11)** eligible artistic positions, **four (4)** must be held by Colombians.

► In co-productions in which the Colombian share of investment is between **31%** and **60%**, of **eleven (11)** eligible artistic positions, **three (3)** positions must be held by Colombians.

► In co-productions in which the Colombian share of investment is between **20%** and **30%**, of **eleven (11)** eligible artistic positions, **two (2)** positions must be held by Colombians.

Find below the **11** eligible artistic positions for documentary feature films:

1. Director or filmmaker
2. Screenwriter
3. Original music composer
4. Researcher
5. Presenter, voice-over, or narrator; this may be any one of the characters featured in the documentary (if applicable)
6. Director of photography
7. Production sound mixer
8. One (1) actor (in case of staging)
9. Illustrator (if applicable)
10. Film editor
11. Sound designer, chief sound editor, or sound editor

### ANIMATION

When the feature film is an animation film, a minimum number of the artistic positions must be Colombian.





- In co-productions in which the Colombian share of investment is greater than **61%**, of **eleven (11)** eligible artistic positions, **five (5)** must be held by Colombians.
- In co-productions in which the Colombian share of investment is between **50%** and **60%**, of **eleven (11)** eligible artistic positions, **four (4)** positions must be held by Colombians.
- In co-productions in which the Colombian share of investment is between **31%** and **49%**, of **eleven (11)** eligible artistic positions, **three (3)** positions must be held by Colombians.
- In co-productions in which the Colombian share of investment is between **20%** and **30%**, of **eleven (11)** eligible artistic positions, **two (2)** positions must be held by Colombians.

**11** eligible artistic positions for feature-length **animation films:**

1. Director
2. Chief animator
3. Screenwriter or screenplay adapter
4. Original music composer
5. One (1) voice actor for a main character
6. Storyboard artist
7. Art director
8. Character designer
9. Location designer
10. Layout designer
11. Sound designer, chief sound editor or sound editor

## ARTISTIC REQUIREMENTS

economic share of invest vs technical positions

COLOMBIAN SHARE OF INVESTMENT	FROM 61% ONWARDS	FROM 50% TO 60%	FROM 31% TO 49%	FROM 20% TO 30%
FICTION	4/10+1 	3/10+1 	2/10+1 	1/10+1 
DOCUMENTARY	4/11	3/11		2/11
ANIMATION	5/11	4/11	3/11	2/11

 MAIN CHARACTER

## SHORT FILM

A Colombian short film lasts between 7 and 69 minutes for theatrical exhibition, and no more than 52 minutes for other platforms, in accordance with international standards. (Article 2.10.1.10 Decree 1080 of 2015).

## TECHNICAL REQUIREMENTS

Fiction, documentary or animation short films, directed by Colombian director, **don't require a minimum level of a Colombian technical participation.**

## ARTISTIC REQUIREMENTS

Regardless of the Colombian share of investment, or if it is a fiction, a documentary or an animation film, **three (3) of eighteen (18)** eligible artistic positions must be held by Colombians. In addition, **the director or filmmaker must be Colombian.**

Find below the **18** eligible **artistic positions** for **short films**:

1. Screenwriter or Screenplay Adapter
2. Original Music Composer
3. One (1) Lead Actor
4. One (1) Voice Actor for a main character (animation)
5. One (1) Actor (if applicable for documentaries)
6. Director of Photography
7. Art Director or Production Designer
8. Sound Designer or Sound Director
9. One (1) Chief Animator (animation)
10. Storyboard Artist (animation)
11. Character Designer
12. Location Designer (animation)
13. Layout Designer (animation)
14. Researcher (documentary)
15. Presenter, Voice-over, or Narrator; this may be any one of the characters featured in the documentary
16. Illustrator (documentary)
17. Film Editor
18. Chief Sound Editor



# WHAT BENEFITS ARE AVAILABLE FOR COLOMBIAN CO-PRODUCTIONS?

1

TAX INCENTIVES FOR INVESTMENTS AND DONATIONS

COLOMBIAN CO-PRODUCTION

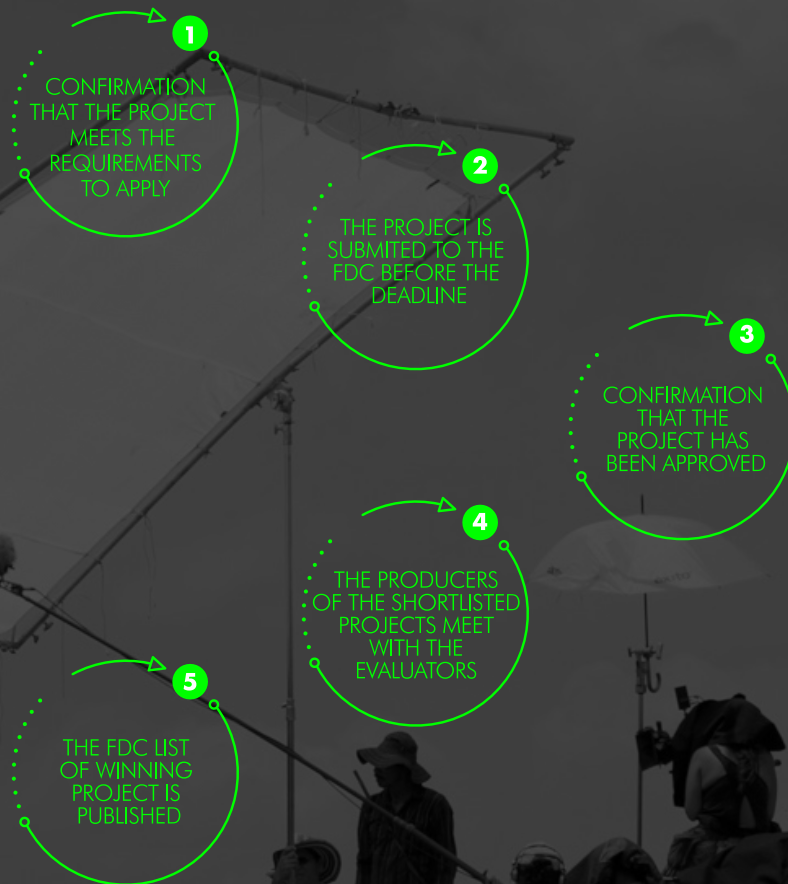
2

INCENTIVES FOR FILM DEVELOPMENT FUND FDC

Through the Colombian producer, a Colombian co-production can benefit from the country's two main mechanisms for public film financing: the resources available from the Film Development Fund and the tax incentives for Colombian investors or donors who provide support to Colombian productions or co-productions. (punto aparte) These two mechanisms are complementary: together they can add up to finance a significant portion of a Colombian film, thereby strengthening its economic viability.

# FDC INCENTIVE GRANTS

The Film Development Fund (FDC) awards yearly, non-repayable grants to Colombian applicants presenting Colombian film projects in every stage-screenplay and project development, production, post-production, promotion, distribution, and exhibition. Both, Colombian productions and co-productions are eligible for these grants.



For 2020 the FDC has available **USD 6 million** to finance projects in the categories of Fiction, Documentary and Animation. FDC incentive awards are granted every year through a competitive process.



To learn more about the FDC's grants, operations, requirements, and application dates, please scan or visit [www.convocatoriafdc.com](http://www.convocatoriafdc.com)

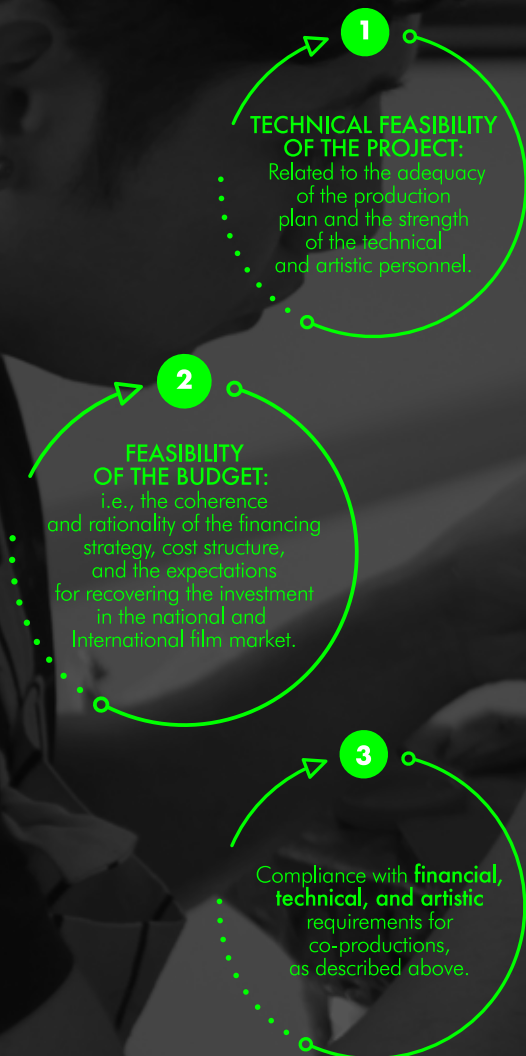


## TAX INCENTIVES FOR INVESTORS AND DONORS

Tax incentives for investors and donors supporting Colombian film projects are a mechanism established by the Film Law, which allows one hundred **sixty-five percent (165%)** of the amount invested or donated to be deducted from gross income (**Law 814/03, article 16, amended by article 195 of Law 0607/12**).

This deduction is a **major incentive for Colombian companies** or individuals to invest in and donate to Colombian film.

For a project to receive these benefits, it must first be approved by the **Film Department of the Colombian Ministry of Culture** and obtain a **"Domestic Project Resolution"**. This resolution can be obtained by submitting documentation that demonstrates fulfillment of the following minimum requirements:



The **documentation attached** to support the project production scheme may include:

- **Engagement letters** for financing the project from foreign funds and institutions
- **Contracts** between the co-producers.
- **Sales and distribution agreements** or preliminary agreements

It is important to note that the **"Domestic Project Resolution"** is granted to the Colombian co-production company and is approved for the amount of the production costs to be incurred by the company, which may under no circumstances exceed a limit of approximately **17,650 SMMVL (MINIMUM WAGE)\***.

After the Resolution has been granted, the **Ministry of Culture may certify** the investments or donations made for the project and subsequently issue Certificates of Investment or Donation, which are negotiable order instruments. These Certificates are instruments representing the right to use the tax deduction established in the Film Law.



Given the current income tax rate in Colombia, which are equivalent to **34%** for companies, and between **19% to 39%**, for individuals, a Colombian investor or donor obtains a tax saving equivalent to: **56%**, for companies, or between **31% to 64%** for individuals, of the investment or donation. Below is an example for the **USD \$100 investment**.

\*SMMVL= COP \$877,803 at a rate of 3,200 pesos per US dollar.

## INDIVIDUALS

<b>Income Tax Rate (IR)</b>	<b>19%</b>	<b>28%</b>	<b>33%</b>	<b>35%</b>	<b>37%</b>	<b>39%</b>
Total Net Revenue (NR)	10.000	10.000	10.000	10.000	10.000	10.000
Total Cost (c)	7.000	7.000	7.000	7.000	7.000	7.000
Net Taxable Income, not including an investment (NTIN)= NR-C	3.000	3.000	3.000	3.000	3.000	3.000
Income Tax to be Paid, not including investment (ITW)= NTIW X IT	570	840	990	1.050	1.110	1.170
Investment or donation	100	100	100	100	100	100
Deduction = Investment x 165%	165	165	165	165	165	165
Net Taxable Income with investment or donation (NTIW) = NTIN - Deduction	2.835	2.835	2.835	2.835	2.835	2.835
Income tax to be Paid, with investment or donation (ITW) = NTIW X IT	539	794	936	992	1.049	1.106
Savings Income Tax = ITN-ITW	31	46	54	58	61	64
Income Tax Savings/Investment or donation (%)	<b>31%</b>	<b>46%</b>	<b>54%</b>	<b>58%</b>	<b>61%</b>	<b>64%</b>

## COMPANIES

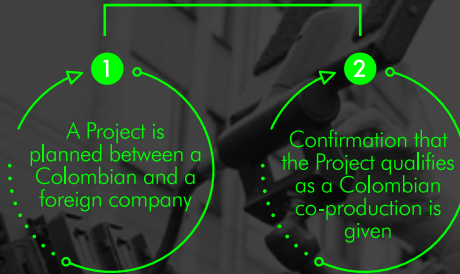
<b>Income Tax Rate (IR)</b>	<b>34%</b>
Total Net Revenue (NR)	10.000
Total Cost (c)	7.000
Net Taxable Income, not including an investment (NTIN)= NR-C	3.000
Income Tax to be Paid, not including investment (ITW)= NTIW X IT	960
Investment or donation	100
Deduction = Investment x 165%	165
Net Taxable Income with investment or donation (NTIW) = NTIN - Deduction	2.835
Income tax to be Paid, with investment or donation (ITW) = NTIW X IT	907
Savings Income Tax = ITN-ITW	53
Income Tax Savings/Investment or donation (%)	<b>53%</b>



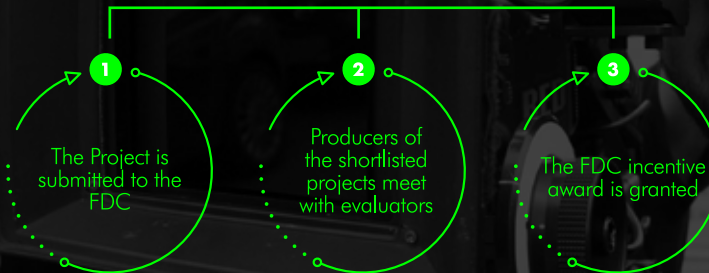
Find detailed information on the steps to be followed and specific requirements to obtain the tax incentives established by the Law:

## TO SUMMARIZE

### COLOMBIAN CO- PRODUCTION



### FILM DEVELOPMENT FUND INCENTIVES



### TAX INCENTIVES FOR INVESTORS AND DONORS

