[GB] New Eligibility Criteria for British Films

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On 27 August 1999 new rules amending the eligibility criteria for British films set out under Schedule 1 of the Films Act 1985 came into force in the United Kingdom.

Certification as a British film is necessary for tax benefits and may be necessary to qualify for funding from the Arts Councils on behalf of the National Lottery or from British Screen Finance (BSF) or the European Co-Production Fund (ECF). These new rules, which have been drawn up in consultation with the film industry, the Treasury and the European Union, are aimed at helping to attract investment in British films and at ensuring that the bulk of the production budget is actually spent in the UK. The new criteria are:

- a film must be made by either a person ordinarily resident or 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", in relation to a film, means the person undertaking the arrangements for the making of the film;

- 70% of the production costs 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 in the next paragraph - then the same costs must be deducted from the total production costs before the 70% test is applied);

- (a) 70% of the total labour costs, minus the costs for one non-EU/EEA etc or non-Commonwealth person if desired, must have been paid to citizens of or persons ordinarily resident in the EU/EEA or Commonwealth or a country with which the European Community has signed an association agreement; or (b) 75% of the total labour costs, after deducting the costs for two non-EU/EEA etc or non-Commonwealth persons, one of whom must be an actor (and not engaged in any other capacity in the making of the film) must have been paid to citizens or ordinary residents of the EU/EEA or Commonwealth or a country with which the European Community has signed an association agreement;

- 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.

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The former provisions concerning sound recording and studio are excluded, and "series" is redefined. A transitory period has been established for applications under the old criteria, which can be accepted up to and including 26 August 2000, as well as under the new criteria. Applications under the old criteria cannot be made after this date, even if the films concerned were in production beforehand.

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