[GB] New Cultural Test For “British Films”

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For the first time ever, and following a twelve-week consultation period, a 'Cultural Test for British Films' has been announced for films applying for tax incentives. The test establishes a points system to “provide a clear and measurable definition of what a British film is”.

It will be necessary for Parliament to amend Schedule 1 of the Films Act 1985. Currently, the definition of a British film is based on “spend”, i.e., at least 70 per cent of a film's production costs has to be spent on film production activity carried out in the UK.

From now on, to qualify as a “British film”, it must pass the test, which is made up of three main categories:

- Cultural hubs - is the production and filming based in the UK?

- Cultural practitioners - do the cast, crew and/or producers come from the EEA (European Economic Area)?

- Cultural content - is the film set in the UK, are the characters British?

Films which score at least fifty per cent of the total points available (16 out of 32) will be certified as British.

Guidelines, to ensure that the cultural test is as “transparent as possible and [to] offer certainty to filmmakers” will also be published, as soon as possible.

Complying with the rules concerning State Aid, the UK Government has notified the new scheme to the European Commission. As a result, the new test “will be subject to comment and possible amendment”.

Introducing the new scheme, the Minister said that "One thing the Cultural Test is not, is an attempt to dictate the content or subject matter of British films. `Mrs Henderson Presents' or `Pride and Prejudice' could qualify, but so too could `Batman Begins' - based in Gotham City, but filmed in the UK, employing Brits and using British facilities".

The UK Treasury has also been conducting a consultation into the future of tax relief for film production.

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New Cultural Test For British Film - DCMS Press Release:174/05 of 5 December 2005

http://www.culture.gov.uk/global/press_notices/archive_2005/dcms174_05.htm

Cultural Test For British Films: Final Framework

http://www.culture.gov.uk/NR/rdonlyres/6D9D9EA2-220E-4ED2-B46A-D39B4FC3476B/0/CulturalTestFilm.pdf

The Reform of Film Tax Incentives: Promoting the sustainable production of culturally British films

http://www.hm-treasury.gov.uk/consultations_and_legislation/filmtax/consult_filmtax_index.cfm

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