

DEVELOPMENT FUND AND GUIDELINES

MALTA GLOBAL SCREEN

Guidelines compliant with Commission Regulation (EU) No 651/2014 of 17th June 2014, as amended, (particularly Article 54 – Aid Schemes for Audiovisual Works thereof)

Version 1 as at 1st June 2025

INTRODUCTION

The **Malta Global Screen Development Fund** is an initiative that combines government support, private equity, and global industry collaboration to transform Malta into a premier destination for high-end film and TV production. The Malta Global Screen Development Fund is designed to finance the **development** of high-end film, TV, and digital media productions that then lead to choosing **Malta as a production hub**, leveraging the country's film-friendly incentives, Mediterranean setting, and world-class infrastructure.

- Annual Fund Size: **€500,000**¹
- Focus Areas: High-end film, TV series, animation, digital/streaming content, and new media (VR/AR/AI-driven projects)
- Target Market: European, UK, North American, and international production companies
- Backed By: Malta Government, Private Equity Partners, and Institutional Investors

Financing Structure

- The fund's goal is to partner with private investors, corporate investors, banks, and VC firms
- Encourages co-production agreements to allow for shared risk and profit participation

2. FUND OBJECTIVES

The fund aims to:

- Attract Foreign Direct Investment (FDI) in Malta
- Strengthen Malta's Industry through capital investment
- Bridge the Equity Gap
- Support cash flow (tied to the Malta Film Commission, Screen Malta Film & TV Financial Incentives, learn more here: <https://screenmalta.com/cash-rebates/>)
- Promote the development of film and filmmaking in Malta
- Highlight Malta's culture, history and/or environment
- Create Sustainable Industry Growth: strengthen Malta's film industry infrastructure; enhance Malta's reputation as a leading filmmaking destination; contribute towards improving the skills base of the industry including local crews and other film support services (both creative and technical) available in Malta; creating jobs
- Support content for Emerging Media Technologies (e.g., Virtual production, Metaverse content).
- Ensure the viability of the project and the return on investment for the Fund
- Ensure long-term sustainability by reinvesting returns from funded projects

The examples cited above are indicative and not exhaustive.

3. HOW THE FUND WORKS

The **Malta Global Screen Development Fund** aims to provide either **debt financing** and/or **equity investment** as follows:

- Loan - where the gross grant equivalent has been calculated on the basis of the reference rate prevailing at the time of the grant;
- Loan Guarantee² - Where the gross grant equivalent has been calculated on the basis of safe-harbour premiums laid down in a Commission notice;

¹ Government investment: Film Finance Malta Ltd. Annual Budget.

² Malta Global Screen Development Fund will act as a loan guarantor and will provide the lending bank with the amount awarded to be utilised as a guarantee against the loan to be taken up by the beneficiary. The loan under guarantee is to be used wholly and exclusively for the development of the production under guarantee. Once the loan is repaid by the beneficiary, this is returned back to the Malta Global Screen Development Fund. The interest rate of the loan is a commercial issue to be decided between the production company and the bank. Once approval of loan guarantee is made by the Malta Global Screen Development Fund the awarded funds will be deposited with the lending institution in the name of the beneficiary and the bank will

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• Equity Finance ³

The recoupment structure for a project will be determined on a case-by-case basis taking into account funds awarded for any loans, guarantees or equity finance and the investment of others, both equity and non-equity investor. Repayment obligations will be set out in the agreement. The recoupment duration is determined by contract on a case-by-case basis.

In respect of Equity Finance each partner recoups its investment according to the recoupment schedule, pari passu and pro rata to their financial participation in the co-development and as set out and agreed to in the contract. Equity Finance recoupment is subject to negotiation and in no event will it be recouped less favourably than pro rata and pari passu with all other financial contributions.

◊ Development Support

This scheme offers support to early-stage projects, including screenwriting, research, and pre-visualization, and is therefore ideal for projects that need funding to reach a production-ready stage.

Preference will be given to projects that can clearly demonstrate:

- International market potential & distribution strategy
- Appeal to a global rather than local audience
- Co-productions with EU & international funding partners
- Co-financing from private investors, studios, or distributors

Amounts that can be awarded: €100K – €500K

◊ Eligible Productions

- a) **Large-budget feature film** projects (longer than 80 minutes) with an estimated production budget of at least €5 million or
- b) A **series** of at least six episodes, with an estimated spend of at least €2 million per hour.

◊ General Eligibility

- Applicant must be a registered independent audiovisual production company⁴ (SMEs or large enterprises)
- In the case of a co-development or co-production the production company must have a lead producer with the necessary skills to drive the project.
- Applicants must demonstrate that there are clear access rights to the material and chain of title.
- The production must demonstrate strong commercial potential and an international distribution strategy.
- The project must have a secured percentage of co-financing before applying.
- A detailed business plan with revenue forecasts and distribution agreements must be provided.
- The production must adhere to Malta's sustainability, diversity and inclusion, and ethical filming policies.
- The decision on the eligibility of a project is solely taken by the Board of Directors of Film Finance Malta Ltd and cannot be appealed.

Applicants shall be excluded from applying for support if they, or, where applicable, the shareholders or persons having powers of representation or decision-making:

be responsible for releasing the loan to the production company. In case of default once the bank and the Malta Global Screen Development Fund agree that all useful options have been exhausted, the Malta Global Screen Development Fund compensates the lending bank as a final loss.

³ Contributing to share of the finance needed to develop the project and provide economic support to cover expenditure for the development costs involved.

⁴ In line with NACE Codes J59.1: Motion Picture, Video and Television Programme Activities.

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- have been convicted by final judgment of any of the following offences: participation in a criminal organisation, corruption, fraud, money laundering, child labour, human trafficking.
- are in a situation of bankruptcy, liquidation, termination of activity, insolvency or arrangement with creditors or any like situation arising from a procedure of the same kind, or subject to a procedure of the same kind.
- have been convicted by final judgment of serious professional misconduct or any other offence relating to professional integrity.
- are considered to be in default or late in payments under any existing or future schemes administered by Screen Malta, the Malta Global Screen Fund and Film Finance Malta Ltd.

When submitting a request for support, the applicant shall deliver a declaration on its honour and on behalf of the owners and persons having powers of representation or decision-making, stating that they are not in any of the situations listed above.

4. ADDITIONAL INCENTIVES & SUPPORT AVAILABLE IN MALTA

- Screen Malta Film & TV Financial Incentives, learn more here: <https://screenmalta.com/cash-rebates/> – Up to 40% cash rebate on qualifying production expenses (Malta Film Commission)
- Infrastructure Development – Investment in sound stages, VFX hubs, and post-production facilities (Malta Enterprise & Trade Malta), learn more here: <https://maltaenterprise.com/support> and <https://trademalta.org/>
- OFA Skills Development – Training & mentorship for local talent and crew, learn more here: <https://opportunityforall.mt/>
- Festival & Market Access

5. GOVERNANCE & FUND MANAGEMENT

- ◊ Managed by: **Film Finance Malta Ltd** a Malta-based investment board with film, finance, and government experts
- ◊ Funding decisions: Based on commercial viability, artistic merit, and economic impact
- ◊ ROI Strategy: repayments due on the first day of principal photography; equity shareholding; recoupment from sales and licensing etc.
- The fund shall appoint a bank as its 'cash' custodian in Malta to hold its cash assets and to ensure that the cash assets of the fund are properly administered.
- The fund will appoint an Auditor in Malta. Annual audited accounts will be prepared on the basis of International Accounting Standards. Audited accounts and quarterly unaudited accounts will be submitted to the Film Finance Malta Ltd.⁵

Risk Limitation measures: The fund will adopt a policy designed to minimise investors' exposure to risk by way of several risk limitation measures depending on the type of investment, not limited to (and where applicable):

- Completion Bonds
- Errors and Omissions Insurance
- Production Insurance
- Project Management providing regular reporting
- Collection Agent

Depending on the investment strategy, pre-sale/distribution commitments will be prerequisite to start investing in a project.

⁵ The cost of any audit review will be borne by the applicant.

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7. STATE AID IMPLICATIONS

The terms and conditions of this scheme are in line with the applicable parameters and criteria of Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty, as amended by Commission Regulation (EU) 2017/1084 of 14 June 2017 amending Regulation (EU) No 651/2014 as regards aid for port and airport infrastructure, notification thresholds for aid for culture and heritage conservation and for aid for sport and multifunctional recreational infrastructures, and regional operating aid schemes for outermost regions and amending Regulation (EU) No 702/2014 as regards the calculation of eligible costs, by Commission Regulation (EU) 2020/972 of 2 July 2020 amending Regulation (EU) No 1407/2013 as regards its prolongation and amending Regulation (EU) No 651/2014 as regards its prolongation and relevant adjustments, by Commission Regulation (EU) 2021/1237 of 23 July 2021 amending Regulation (EU) No 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty, and by Commission Regulation (EU) 2023/1315 of 23 June 2023 amending Regulation (EU) No 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty and Regulation (EU) 2022/2473 declaring certain categories of aid to undertakings active in the production, processing and marketing of fishery and aquaculture products compatible with the internal market in application of Articles 107 and 108 of the Treaty (hereinafter referred to as the General Block Exemption Regulation (GBER) ⁶ and more specifically with Article 54 thereof, relating to aid schemes for audiovisual works.

Undertakings in difficulty may not apply for this scheme.

No aid will be granted to those undertakings and/or sectors expressly excluded from receiving it under Article 1 GBER.

Undertakings which are subject to an outstanding recovery order following a previous Commission decision declaring an aid granted by Malta illegal and incompatible with the internal market are excluded from benefiting from assistance under this incentive.

The notification threshold established in Article 4(1)(aa) GBER, i.e. €55,000,000 per scheme per year, will not be exceeded.

The aid amount shall be the gross grant equivalent of the aid.

Aid payable in the future, including aid payable in several instalments, shall be discounted to its value at the moment it is granted. The eligible costs shall be discounted to their value at the moment the aid is granted. The interest rate to be used for discounting purposes shall be the discount rate applicable at the moment the aid is granted. The rules on cumulation outlined in Article 8 of the General Block Exemption Regulation, as amended, shall be respected.

State Aid Transparency

⁶ References to the General Block Exemption Regulation throughout this document refer to Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty, as amended by Commission Regulation (EU) 2017/1084 of 14 June 2017 amending Regulation (EU) No 651/2014 as regards aid for port and airport infrastructure, notification thresholds for aid for culture and heritage conservation and for aid for sport and multifunctional recreational infrastructures, and regional operating aid schemes for outermost regions and amending Regulation (EU) No 702/2014 as regards the calculation of eligible costs, by Commission Regulation (EU) 2020/972 of 2 July 2020 amending Regulation (EU) No 1407/2013 as regards its prolongation and amending Regulation (EU) No 651/2014 as regards its prolongation and relevant adjustments, by Commission Regulation (EU) 2021/1237 of 23 July 2021 amending Regulation (EU) No 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty, and by Commission Regulation (EU) 2023/1315 of 23 June 2023 amending Regulation (EU) No 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty and Regulation (EU) 2022/2473 declaring certain categories of aid to undertakings active in the production, processing and marketing of fishery and aquaculture products compatible with the internal market in application of Articles 107 and 108 of the Treaty.

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In line with Article 9 of the General Block Exemption Regulation, the following information on every individual aid award exceeding €100,000 shall be published in the European Commission's transparency award module or on a comprehensive State aid website:

- Name of the beneficiary (and/or beneficiaries in the case of co-productions);
- Company registration number and VAT Number (if available);
- Size of enterprise;
- Sector of activity at NACE group level;
- Amount of aid granted;
- Aid instrument;
- Date when the aid was granted;
- Objective of the aid.
- Name of the project funded (aided activity)

The information shall be published within 6 months from the date the aid was granted and shall be available for at least 10 years from the date on which the aid was granted.

Aid awarded as outlined above, and below €100,000, may also be published in writing and on the internet by the Malta Global Screen Fund and/or Film Finance Malta Ltd.

8. Legal Jurisdiction

The qualifying company shall ensure that the filming activity and all other activities related to the qualifying production are conducted in accordance with the Laws of Malta.

The Courts of the Republic of Malta shall have jurisdiction on any dispute

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The **Malta Global Screen Development Fund** provides crucial financial support for the early stages of high-end film, TV, and digital media projects. This Fund is designed to support script development, research, talent scouting, and pre-production planning, ensuring projects are market-ready and globally competitive. By leveraging Malta's strategic location, film-friendly policies, and industry expertise, the Fund aims to foster innovation, strengthen international collaborations, and attract top-tier creative talent to the country's growing screen sector.

Eligibility:

- o Projects in early development stages (screenwriting, research, concept development, pre-visualization).
- o Must have a clear vision and detailed project outline.
- o Ideally, the project should demonstrate potential for commercial success and alignment with current market trends.

Applicants must submit:

- Project Proposal (including script, synopsis, director's vision).
- Budget & Financial Plan (detailed breakdown, co-financing agreements).
- Production Timeline (shooting schedule, key milestones).
- Distribution & Sales Strategy (letters of intent from sales agents or platforms).
- Company Profile (track record of previous productions).
- Although not essential, a director's commitment can benefit the submission.

All applications will be reviewed based on:

- Creative & Artistic Merit (originality, storytelling, market potential).⁷
- Financial Viability (budget feasibility, investment return potential).
- Economic Impact on Malta (local job creation, use of Maltese talent).
- Sustainability & Innovation (green filming practices, digital media integration).
- Distribution & Audience Reach (theatrical, streaming, international markets).

Cultural test

In accordance with these guidelines, a cultural eligibility test will be conducted, and the project must pass this test in order for the funding to be awarded. The test is based on a points system and focuses on the cultural content and creative talents, level of involvement of Maltese personnel, the potential use of Maltese locations, other factors concerning economic effects of the project for Malta, the financial arrangements, how the project will be exploited internationally and the commercial viability of the project (see Appendix 1).

What Costs will be Eligible for Funding?

The amount awarded will be a lump sum which must be spent on development costs⁸ related to the project as outlined below:

- Option of film adaptation rights
- Executive producers' fees 'for the pre-production stage'⁹
- Payment of scriptwriters for the treatment, first script (for feature films) and pilot script and subsequent revisions in the case of a returning series
- Salaries related to scouting, quote preparation or film tests
- Research costs
- Cost related to producing storyboards, bibles and other material necessary for pitching the project to studios and networks
- Travel costs incurred for project development, including location recces

⁷ 'See Cultural Test – Appendix 1

⁸ Costs incurred must be fair, reasonable and represent value for money.

⁹ This will be capped. If provided as a lump sum to be discussed to ensure the workings are deemed fair and reasonable.

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- Legal costs
- Translation costs
- Director's development services¹⁰
- Engagement fees of the core team¹¹
- Reasonable company overheads associated with the project¹²

We will fund up to 80% of the projected eligible costs, or any inferior percentage, as judged by the adjudicating board. If we feel that costs are overestimated, we will ask you for a reduction of the costs as a condition of financing.

The following costs are ineligible for funding:

- Costs incurred before the funding application is accepted unless they fall within the above parameters, in which case, they will be considered as part of the applicant's contribution to the overall budget (amounting to a maximum of 20%).
- Costs that are already being covered by other funds or schemes (whether partially or totally).
- Day-to-day running costs of your production company that are not associated with the development project requesting funding.

The board reserves the right to accept or reject any part or all the expenses claimed.

Terms of Funding

The funding will be in the form of a loan, or loan guarantee, and/or equity investment¹³ repayable on the first day of principal photography. In the case of loans and loan guarantees, this may be turned into an equity shareholding. The form in which the repayment will take place will be at the sole discretion of Film Finance Malta Ltd. Equity investment will be converted to shareholding in the project and will be calculated at pro rata and pari passu with the total audited cost of the project. In setting the award amount, Film Finance Malta Ltd will consider the project's overall ability to meet the Fund's objectives and available funds.

The Fund may support up to 80% of the eligible development costs included in the applicant's budget. However, Film Finance Malta Ltd might decide to award less than the maximum of 80%.

If the resulting script or project is made into an audiovisual work such as a film, the development costs shall be incorporated in the overall budget and taken into account when calculating the aid intensity.

How long will it take to evaluate your application?

The Adjudicating Committee will review applications within fourteen working days of submission. Following the first review, if the Committee is satisfied that the application falls within the scope and objectives of the funding, a face-to-face or online meeting to discuss the application will be scheduled. During the meeting, the applicant/s will be asked to provide any additional information or points of clarification to help the Adjudicating Committee reach its final decision. The award decision will be made and communicated within four weeks of such meeting or four weeks from the submission of all documents/clarifications that were requested.

When can you apply?

¹⁰ This will be capped. If provided as a lump sum to be discussed to ensure the workings are deemed fair and reasonable.

¹¹ Define and include CV's. If provided as a lump sum to be discussed to ensure the workings are deemed fair and reasonable.

¹² This will be capped. If provided as a lump sum to be discussed to ensure the workings are deemed fair and reasonable and can be verified as being attributed to the development costs.

¹³ As decided by the Board of Directors, Film Finance Malta Ltd

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Applications are open all-year round. Film Finance Malta Ltd will continue to assess projects until funds are available.

Applications for assistance under this scheme are to be submitted by applicants prior to the start of works, i.e. before work on the project or activity starts. The application for aid shall contain at least the following information:

- a. undertaking's name and size;
- b. description of the project, including its start and end dates;
- c. location of the project;
- d. list of project costs;
- e. type of aid and amount of public funding needed for the project.

How to apply for funding?

All applications must be made online by following this link: <https://filmfinancemalta.mt/active-funds/malta-global-screen-development-fund>

Project Submission Documents

The applicant is required to complete the online application and submit the following:

- Registration details of the company applying for the funds.
- CVs of the core team (producer/scriptwriter), including previous experience and international awards/nominations*
- Agreement with the owner of adaptation rights
- Level of engagement with the scriptwriter
- The creative project package including Logline, synopsis, the project's creative vision, brief description of target audience and intended strategy, how the project will contribute towards the attainment of the goals and objectives set out in these guidelines and the project's aspirations, including casting ambitions (pitch deck).
- The development work carried out to date on this project. If the cost of carrying out such work is included in the 20% applicant's contribution to the overall development budget, then detailed costing must be provided
- Links to previous works by the producer and scriptwriter* (including their respective CV's)
- A detailed budget breakdown of the funds being requested from Film Finance Malta Ltd
- Depending on type of support an estimate of the total project cost, including production and post-production
- A document outlining your strategy towards realising this project, including how you see the project being financed (path to production). Financing plan if available.
- If a co-development, a copy of the co-development contract or a short-form agreement (deal memo) signed by the co-producers.¹⁴
- A project timeline.

*If a director is assigned to the project, you will also be asked to submit his/her CV and links to previous works.

RIGHTS & REPAYMENT STRUCTURE

Recoupment

- The Fund retains an equity stake in the project or in the company, with revenue participation rights depending on type of support (investment and/or debt financing).
- Recoupment occurs either

¹⁴ Must include clauses detailing the respective shares, ownership of copyright, the sharing of revenues, distribution of receipts or territories between the co-producers, where applicable

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- a) in the form of a loan or a loan guarantee, repaid in full on the first day of principal photography; and/or
- b) converted to equity shareholding; and/or
- c) recoupment from sales and licensing etc.
- Once recouped, profits are shared with the producer based on contract terms.

The form in which the repayment will take place will be at the sole discretion of Film Finance Malta Ltd.

Creative & Territorial Rights

- The Fund does not control creative decisions but may require Malta branding in credits.¹⁵
- Malta must be credited as a production hub in promotional materials.

Funding Approval & Contracting

- Selected projects will enter into an investment agreement with Film Finance Malta Ltd
- The fund will establish a profit-sharing and equity recoupment structure.
- Payments may be disbursed in phases based on project milestones.

REPORTING & COMPLIANCE

- Funded projects must submit quarterly financial reports and progress updates.
- A final audit & impact report is required upon completion.¹⁶
- Failure to meet contractual obligations may result in funding withdrawal.

CANCELLATION PENALTY

If the Beneficiary at any point during the duration of the contract should decide to terminate their contract before full term, a termination liability fee amounting to 10% of the support awarded will be imposed and is to be paid by the beneficiary in addition to refunding any initial payments made. This may be waived by the scheme administrator based on valid justifications.

If you would like to know more

If you have any queries concerning the above, kindly send an email to info@filmfinancemalta.mt

Film Finance Malta Ltd
c/o Malta Film Commission,
St Rocco Street,
Il-Kalkara KKR 9062

¹⁵ How support from this fund is recognized and credited will be outlined in relevant contract together with any branding and publicity obligations discussed in advance.

¹⁶ The cost of any review will be borne by the applicant.

APPENDICES

Appendix 1: Cultural Test

	Cultural Content and Creative Talent	Max Points	Total obtained
1.	The development of the storyline and script for the eventual production features a Maltese story (factual or fictional) with international appeal	10	
2.	The development of the storyline and script for the eventual production features a Maltese setting (factual or fictional)	10	
3.	The development of the storyline, the script or underlying material is based on Maltese intellectual property and/or literary material	10	
4.	The development of the storyline or underlying material is a part of or derived from Maltese, European or Mediterranean culture and / or heritage	10	
5.	The development of the storyline and script for the eventual production featuring Maltese or European characters	5	
6.	The development of the storyline, script or underlying material for the eventual production deals with contemporary or historical Maltese, European or Mediterranean issues of political, religious and/or social relevance	5	
7.	The development of the storyline, script or underlying material for the eventual production contains reference to a contemporary or historical personality (e.g.: Alexander the Great) or to a fictional character in cultural history (e.g.: Zeus)	5	
8.	The development of the storyline, script or underlying material for the eventual production contains reference to a universally significant and relevant event – fictional or factual.	5	
9.	The development of the storyline and script for the eventual production will use Malta's diverse architectural, archaeological and natural heritage to reflect the European and Mediterranean cultural context	5	
10.	The development of the storyline and script for eventual production will feature at least one European language	5	
11.	The development of the storyline and script for eventual production will use Maltese language in the dialogue of the production in a manner which contributes to the development of the storyline	5	
12.	The development of the storyline and script for eventual production will use Malta's cultural subjects and landmarks that allow for them to feature in the setting of the production (at least 30% of the content).	5	
13.	The development of the storyline and script for the eventual production will include compelling dramaturgical script requirements that cannot logistically, creatively or technically be satisfied in any other EU member state	5	
14.	The development plans of the eventual production will show how it will maximise local resources including local talent, crews and companies (at least 30% of the allocation attributed to the proposed production budget).	5	
15.	The development phase will ensure creative contributors from Malta or the EU/EEA/UK (nationality) in the following areas: - Producer/Co-Producer - Scriptwriter - Director (if attached)	10	
	Total:	100	

Assessment of specific scaled criteria		
Criteria	Description	Points
1. The development of the storyline and script for the eventual production features a Maltese story (factual or fictional) with international appeal.	Entire story	10
	Major element/s	8
	Critical element/s	5
	Minor element/s	2
2. The development of the storyline and script for the eventual production features a Maltese setting (factual or fictional).	Wholly set	10
	Over half is set	8
	Half set	5
	Partially set	2
3. The development of the storyline, the script or underlying material is based on Maltese intellectual property and/or literary material	Fully derived	10
	Partially derived	8
	Relevant to	5
	Related to	2
4. The development of the storyline or underlying material is a part of or derived from Maltese, European or Mediterranean culture and / or heritage	Fully derived	10
	Partially derived	8
	Relevant to	5
	Fully derived	2
5. The development of the storyline, script or underlying material for the eventual production deals with contemporary or historical Maltese, European or Mediterranean issues of political, religious and/or social relevance	Focal issue	5
	Central issue	3
	Present issue	2
6. The development of the storyline and script for the eventual production will use Malta's diverse architectural, archaeological and natural heritage to reflect the European and Mediterranean cultural context	Featured in major capacity	5
	Featured in minor capacity	3
	Featured once	2
7. The development of the storyline and script for eventual production will feature at least one European language.	Over 50% of dialogue	5
	Under 50% of dialogue	3
	Minimal dialogue	2

Appendix 2: Definitions

Co-development: a production, for which two or more co-producers bear the risk and make a content-related and financial contribution based on a plan and/or script approved by all parties.

Co-development Agreement: this agreement provides specifically for the treatment of joint ownership rights and approval rights in the development of the project, recoupment of royalties and profits generated from any sales, as well as the share of contribution, commitments and responsibilities required of the foreign and local producers.

Contribution means the technical and creative contribution contributed from any country, which comprises a portion of the total development cost and the expenditure on those items. Taken together the 'development contributions' comprise the total development cost of the production.

Equity funding is provided to the production of the project that is only paid back if there is sufficient Back End after all other financiers have been repaid their contributions, interest and fees. Equity financiers provide the risk capital.

Equity investment is a cash investment in the project, which results in the investor acquiring an undivided copyright ownership interest in all versions of the production. Equity investments are recoupable, and subject to a standard and non-negotiable recoupment schedule.

Financial Contribution means the percentage of the total development cost of a co-development incurred by one co-producer.

Gross grant equivalent means the amount of the aid if it had been provided in the form of a grant to the beneficiary, before any deduction of tax or other charge.

International co-production: An internationally co-developed or co-produced production to be released internationally. For a minority co-development or co-production the producer has limited decision making powers and responsibility and also contributes less than fifty per cent of the funding for the project. For a majority co-developent or co-production the producer is jointly and severally responsible and has decision-making powers and also contributes more than fifty per cent of the funding for the project.

Large enterprises: means undertakings not fulfilling the criteria laid down in Annex I of the GBER.

Projected Return on Investment measures the percentage of (i) the expected aggregate return to the **Equity** financiers as of the date the last of the projected gross receipts to be generated by the project are received by the production company and distributed to all **Financiers** ("liquidation date") to (ii) the original amount invested by the **Equity** financiers (iii) compounded annually over the period from the date of the production company breaks escrow (capitalization date) to the liquidation date; Return on Investment ("R.O.I.") is used by investors to compare the merits of investing in the project with the merits of investing in other asset classes.

PRO RATA AND PARI PASSU The expression relates to contributions to a project's budget and to recoupment of investments and refers to the percentage and timing of contribution or recoupment. A pro rata contribution or recoupment is one that is provided or received in proportion to the contributor/recipient's interest in the project. Pari passu contributions or recoupment are made or received at the same time as contributions or recoupment of another party.

Recoupment (Equity) defines when and how long it will take before the investors will see their investment back plus any profits and how it will be dispersed between the funder and the investors. Recoupment, if any, can happen sometime after the project is completed or it may take a year or more depending on the commercial viability of the project and the aggressiveness of the distribution.

Screen Malta Film & TV Financial Incentives is a cash rebate incentive based on expenditure on goods and services provided in Malta. It is available to eligible projects and the Malta Film Commission is the authority and administers this scheme, learn more here: <https://screenmalta.com/cash-rebates/>

Start of works means the earlier of either the start of construction works relating to the investment, or the first legally binding commitment to order equipment or any other commitment that makes the investment irreversible. Buying land and preparatory works such as obtaining permits and conducting feasibility studies are not considered start of works. For take-overs, 'start of works' means the moment of acquiring the assets directly linked to the acquired establishment.

SMEs means undertakings fulfilling the criteria laid down in Annex I of the General Block Exemption Regulation. The main criteria are being reproduced hereunder for ease of reference:

Article 1

Enterprise

An enterprise is considered to be any entity engaged in an economic activity, irrespective of its legal form. This includes, in particular, self-employed persons and family businesses engaged in craft or other activities, and partnerships or associations regularly engaged in an economic activity.

Article 2

Staff headcount and financial thresholds determining enterprise categories

1. The category of micro, small and medium-sized enterprises ("SMEs") is made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding EUR50 million, and/or an annual balance sheet total not exceeding EUR43 million.
2. Within the SME category, a small enterprise is defined as an enterprise which employs fewer than 50 persons and whose annual turnover and/or annual balance sheet total does not exceed EUR10 million.
3. Within the SME category, a micro-enterprise is defined as an enterprise which employs fewer than 10 persons and whose annual turnover and/or annual balance sheet total does not exceed EUR2 million.

Undertaking in difficulty means an undertaking in respect of which at least one of the following circumstances occurs:

- a) In the case of a limited liability company (other than an SME that has been in existence for less than 3 years), where more than half of its subscribed share capital has disappeared as a result of accumulated losses. This is the case when deduction of accumulated losses from reserves (and all other elements generally considered as part of the own funds of the company) leads to a negative cumulative amount that exceeds half of the subscribed share capital. For the purposes of this provision, 'limited liability company' refers in particular to the types of company mentioned in Annex I to Directive 2013/34/EU of the European Parliament and of the Council and 'share capital' includes, where relevant, any share premium.
- b) In the case of a company where at least some of its members have unlimited liability for the debt of the company (other than an SME that has been in existence for less than 3 years), where more than half of its capital as shown in the company accounts has disappeared as a result of accumulated losses. For the purposes of this provision, 'a company where at least some of its members have unlimited liability for the debt of the company' refers in particular to the types of company mentioned in Annex II to Directive 2013/34/EU.
- c) Where the undertaking is subject to collective insolvency proceedings or fulfils the criteria under its domestic law for being placed in collective insolvency proceedings at the request of its creditors.
- d) Where the undertaking has received rescue aid and has not yet reimbursed the loan or terminated the guarantee or has received restructuring aid and is still subject to a restructuring plan.
- e) In the case of an undertaking that is not an SME, were, for the past two years:
 1. the undertaking's book debt to equity ratio has been greater than 7,5 and
 2. the undertaking's EBITDA interest coverage ratio has been below 1,0.