

# ANCINE

The Brazilian Film  
Agency



# Mission

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ANCINE, the Brazilian Film Agency, is a financially and administratively independent government agency, operating under the supervision of the Brazilian Ministry of Culture. It was established in September 2001 to contribute to the regulation, promotion and monitoring of the audiovisual industry in Brazil.

ANCINE's mission is to **create equal conditions of competition** among economic agents operating in the Brazilian audiovisual sector and therefore to **stimulate the development** of a strong and sustainable audiovisual industry.



# International Cooperation

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**Our commitment to diversity is reflected in our interest in fostering international cooperation between Brazil and other countries in the audiovisual sector.**

# International Co-Production

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➤ **Why is international co-production important to us?**

**It's the most natural and efficient way to:**

- **enable us to pool artistic and technical expertise;**
- **enrich bilateral and multilateral exchanges towards substantial cultural benefits;**
- **contribute to actual economic growth in territories involved in the co-production;**
- **provide broader access to public or subsidized funds to Brazilian and foreign filmmakers (in Brazil and abroad);**
- **increase sales in international territories etc.**

# **International Co-Production: framework**

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**According to the Brazilian legislation, international co-productions involving Brazil can be considered “official”, and therefore have national treatment in Brazil, in two different situations:**

- a) without a treaty;**
- b) under an international co-production treaty.**

# International Co-Production: non-treaty

## Eligibility criteria for non-treaty co-productions:

- a) the Brazilian co-production company shall own at least 40% of the rights to the film;
  - b) 2/3 of the cast and crew must be comprised of Brazilian citizens or foreign citizens with a minimum residence of 3 years in Brazil.
- **Note:** In order to fulfill the “cast and crew requirement”, ANCINE will check the following positions:
- author of the story; scriptwriter; director or animation director; director of photography (including those of 3D animation); art director (including those of animation films); audio technician; image editor; sound designer or music composer; main actor(s) or actress(es), or main dubber(s) in the case of animation films; executive producer; sound editor or sound designer and sound mixer.

# International Co-Production: with a treaty

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The requirements set out in the agreement concerned are to be met. We have co-production treaties with:

Argentina

Canada

Chile

France

Germany

India

Italy

Portugal

Spain

**United Kingdom**

Venezuela

We are also signatory to the Latin American Film Co-production Treaty.

# International Co-Production: with a treaty

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## Remittances abroad

- **Brazilian legislation does not prohibit remittances abroad.**
- **Remittances abroad are subject to taxation imposed by the Federal Government.**
- **However, film/audiovisual production companies can include those taxes in the budget of a film (or audiovisual work) if they need to send remittances abroad, and they are allowed to use Brazilian public resources to cover the expenses they have with this kind of taxation provided that the budget is approved by ANCINE beforehand.**



# International Co-Productions: General Data

117 film co-productions between Brazil and other countries (2005 – 2016)

Co-producer country	Number of films
Portugal	20
Argentina	14
France	12
USA	7
<b>United Kingdom</b>	<b>5</b>
Chile	5
Spain	5
Germany	5
Uruguay	4
Portugal / Spain	3
Colombia	2
Mexico	2
Argentina / Chile	2
Argentina / Portugal	2
Netherlands	2
Chile / Spain	2
Italy	2
Venezuela	1
Hong Kong	1

Co-producer country	Number of films
Canada	1
France / Germany / Portugal	1
Mexico / Portugal	1
France / Germany	1
France / Uruguay	1
Italy / Portugal	1
Netherlands / Uruguay	1
Canada / Japan	1
Cuba / Spain	1
Belgium	1
<b>Germany / United Kingdom</b>	<b>1</b>
France / Italy / Mozambique / Portugal / Spain	1
Portugal / Spain / Russia	1
Lebanon	1
Spain / Uruguay	1
Argentina / France / Mexico / USA	1
Germany / Spain	1
Argentina / France	1
Canada / France	1

# Main forms of government support to the audiovisual industry

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- In Brazil, there are different forms of government support for the Brazilian film industry. The main forms of financial support are:
  - **INDIRECT SUPPORT** through tax incentives;
  - **DIRECT SUPPORT** through the funding of ANCINE itself as well as local and federal funds (most important example: the Audiovisual Sector Fund - FSA).

# Main forms of government support to the audiovisual industry

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## Note:

Since official international co-productions have national treatment in their co-producers' countries, all Brazilian government financial support sources are available for official co-productions involving Brazil.

# Government support: Tax Incentives

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- **Private and State-owned companies established in Brazil, as well as individual taxpayers, are allowed to invest part of their income tax obligations in Brazilian film/audiovisual productions.**
- **Tax incentives may also be invested in independent TV productions; film development and distribution; technical infra-structure; art theaters; and film festivals.**

# Government support: Tax Incentives

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- To qualify for tax incentives, the companies responsible for the projects must apply for qualification with ANCINE on each specific project.
- If the application is approved, ANCINE will follow up the project and ensure that the money allocated through tax incentives is spent properly.

# Government support: The Audiovisual Sector Fund (FSA)

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➤ FSA nurtures all segments of the audiovisual industry through 3 programs and different lines of actions.

1) **PRODECINE:** Dedicated to supporting the development of Brazilian films

(10 lines of action)

2) **PRODAV:** Dedicated to supporting the development of the Brazilian audiovisual sector (9 lines of action)

3) **A MOVIE THEATER NEAR YOU:**

Dedicated to supporting the development of infrastructure

(5 lines of action)



# **Government support: The Audiovisual Sector Fund (FSA)**

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## **PRODECINE**

**LINE 1: Feature film production**

**LINE 2: Feature film production (projects applied by a  
Brazilian distributor)**

**LINE 3: Exploitation of feature films**

**LINE 4: Supplementary aid to feature film production**

**LINE 5: Feature film projects combining an innovative  
narrative form and artistic relevance**

# **Government support: The Audiovisual Sector Fund (FSA)**

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## **PRODECINE**

**LINE 6: Co-production with Latin-American countries**

**LINE 7: Co-production with Argentina**

**LINE 8: Co-production with Portugal**

**LINE 9: Co-production with Uruguay**

**LINE 10: Co-production with Chile**



# **Government support: The Audiovisual Sector Fund (FSA)**

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## **PRODAV**

**LINE 1: Production of independent audiovisual content for television**

**LINE 2: Production of independent audiovisual content for television (projects applied by Free-to-Air or Pay-TV programmers)**

**LINE 3: Development of portfolios of projects by groups of creative work professionals**

**LINE 4: Development of laboratories**

**LINE 5: Development of projects**

# Government support: The Audiovisual Sector Fund (FSA)

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## PRODAV

**LINE 6: Automatic financial program**

**LINE 7: Quality incentive program**

**LINE 8: Content production for public TVs**

**LINE 9: Videogame production**

# **Government support: The Audiovisual Sector Fund (FSA)**

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## **A MOVIE THEATER NEAR YOU**

**LINE 1: Opening of new movie theaters**

**LINE 2: Opening of movie theaters in towns or cities with more than 20, 000 and less than 100,000 inhabitants, where no cinemas are available**

**LINE 3: Exemption of federal taxes due on import/acquisition of material/equipment for movie theaters**

**LINE 4: Box-office control system**

**LINE 5: Digitalization of movie theaters**

# Government support: The Audiovisual Sector Fund (FSA)

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The funds received from FSA are partially recoupable from the film's net proceeds. The percentage of recoupment from each film project depends on various factors, including overall budget, total amount received and the percentage participation of the FSA in the film's budget.

## Investments made by FSA

2009	2010	2011	2012	2013	2014	2015
R\$ 29,485,586	R\$ 84,667,016	R\$ 92,347,090	R\$ 20,606,507	R\$ 238,124,667	R\$ 961,019,867	R\$ 441,141,100

**Thank you!**

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