

INTERNATIONAL FILM CO-PRODUCTION PROGRAM

EFFECTIVE 2 JULY 2021

GUIDELINES



INDEX

ITEMS	PAGE NO.
PART 1 – DEFINITION	3
PART 2 – INTRODUCTION	
1. Introducing the international co-production program	6
2. What is a co-production?	7
3. Why would you make a co-production?	8
4. What kind of films are a good fit for co-production?	9
PART 3 – STEP BY STEP	
1. Partner country	10
2. Type of film	10
3. Research and advice	10
4. Producing partner	10
5. Film details	11
6. Terms of the Agreement	11
7. Application for Provisional Approval	11
8. Pre-production to production	11
9. Application for Final Approval	11
PART 4 – ELIGIBILITY: THE TERMS OF MALAYSIA’S AGREEMENT	
1. Minimum Contribution	12
2. Location Filming	12
3. Participation	12
4. Soundtrack and Footage	13
5. Making Up to First-Release or Digital Equivalent	14
6. Working Conditions	14
7. Acknowledgements and Credits	14
8. Screenwriters	14
9. Underlying Works	14
10. Co-Producer’s Contract	15
11. Multipartite Co-Production	15
PART 5 – BALANCE: HOW WE ASSESS THE EQUIVALENCE OF THE FINANCIAL AND CREATIVE CONTRIBUTIONS	
1. Reasonable equivalence	16
2. Financial contribution	16
3. Creative contribution	17
PART 6 – APPLYING FOR APPROVAL	
1. Provisional approval	22
2. Final approval	23

PART 1 - DEFINITION

“Agreement(s)”	refers to the agreements entered into between the Government of Malaysia with the governments of other countries in relation to the Program;
“Competent Authority”	refers to the government department or body nominated by that country’s government which is responsible to administer the Program;
“Co-Production Eligibility Tool”	refers to the tool which may assist you in the assessment of the eligibility for co-production which is made available at FINAS website;
“Film” or “film”	<p>refers to the following:</p> <p>(a) <u>Feature film including theatrical documentary features, animated features and IMAX:</u></p> <p>A feature film is intended to mean a film of at least sixty (60) minutes in length that is screened as the main attraction in commercial cinemas. For large-format projects such as IMAX it is intended that the film be at least forty-five (45) minutes in length.</p> <p>(b) <u>A single episode programme:</u></p> <p>This is a stand-alone programme of at least sixty (60) minutes in length that is exhibited commercially in a medium other than cinema. This category includes telemovies or movies-of-the-week, films released direct to DVD or films released on the internet, video-on-demand or a mobile phone delivery platform. A single episode programmed other than a documentary may be an animated film.</p> <p>(c) <u>A single episode documentary:</u></p> <p>A single episode documentary must be at least twenty-two (22) minutes. A documentary is defined as a programme that is a creative treatment of actuality other than news, current affairs, sports coverage, infotainment or light entertainment programme.</p>

INTERNATIONAL FILM CO-PRODUCTION PROGRAM GUIDELINES – 2021

	<p>(d) <u>Commercials:</u></p> <p>Commercials are defined as an advertising, promotion or publicity material presented through a media outlet such as television, cinema or on new media platforms which are produced and paid for by an organization that conveys a message typically to market a product or service.</p> <p>(e) <u>A series or season:</u></p> <p>A series or season of a series is a multiple-episode film that does not receive a cinema release but is exhibited commercially on another medium, for example, straight to DVD or via the internet.</p> <p>(f) <u>Short Form Animation:</u></p> <p>A short-form animation is a programme of one episode or a collection of episodes, predominantly utilising cell, stop motion, digital or other animation of not less than eleven (11) minutes in total duration.</p> <p>(g) <u>Game shows and Reality shows:</u></p> <p>Game shows and realty shows are television shows in which members of the public or celebrities are filmed living their everyday lives or undertaking specific challenges as part of a contest or other situation where a prize is awarded. Television news and sports television are NOT classified as game shows or reality shows.</p>
<p>“FINAS”</p>	<p>refers to Perbadanan Kemajuan Filem Nasional Malaysia or National Film Development Corporation Malaysia, a statutory body incorporates under National Film Development Corporation Act 1981 (Act 244);</p>
<p>“Guidelines”</p>	<p>means this International Film Co-Production Program Guidelines;</p>
<p>“Program”</p>	<p>means the International Film Co-Production Program as described in Paragraph 1 of PART 2 – INTRODUCTION of these Guidelines;</p>

INTERNATIONAL FILM CO-PRODUCTION PROGRAM GUIDELINES – 2021

“Provisional Approval”	refers to provisional approval as described in Paragraph 1 of PART 6 – APPLYING FOR APPROVAL of these Guidelines; and
“Final Approval”	refers to the final approval as described in Paragraph 2 of PART 6 – APPLYING FOR APPROVAL of these Guidelines.

PART 2 – INTRODUCTION

1. Introducing the international film co-production program (“the Program”)

Purpose of the Program

The Program has been put in place to encourage production and foster relationships between international filmmakers.

In allowing two or more international producers to come together to make a screen film, it provides them with the opportunities to access the resources required to produce films that will be internationally competitive. The objective of the Program is to foster films that will be truly international in terms of storytelling, budget ranges and the audiences to which they appeal.

How does it work?

Agreements between Governments specify how films can be ‘co-produced’ between partner countries.

The word “film” used throughout these Guidelines will have the meaning as defined in **PART 1 – DEFINITION** of these Guidelines.

A film made under a co-production Agreement between two countries is treated as a national film of those countries and can access all relevant benefits attached to being a “national film”.

Each country which is party to an Agreement nominates a “Competent Authority” to administer the Program.

Perbadanan Kemajuan Filem Nasional Malaysia (“**FINAS**”) is the Competent Authority for Malaysia and the other Competent Authorities are listed on FINAS website. Competent Authorities work together and must jointly approve films in order for them to be eligible as co- productions.

Purpose of International Film Co-Production Program Guidelines (“these Guidelines”)

While FINAS is keen to promote the use of the Program to stimulate production activity and provide an avenue to international finance for Malaysian film producers, it must also uphold the integrity of the international co-production system.

These Guidelines have thus been developed by FINAS in its role as the Competent Authority for Malaysia, to underpin its administration of the Program. They provide information on what is required to make an official co-production – the why and the how – and set out FINAS’s processes for assessing and approving a film under the Program. These Guidelines must always be read in conjunction with the Agreement(s) applicable to a particular film.

INTERNATIONAL FILM CO-PRODUCTION PROGRAM GUIDELINES – 2021

FINAS reserves the right to vary these Guidelines at any time. The guidelines in effect at the time the application for Provisional Approval is received by FINAS apply to such application and therefore, if your film has been granted Provisional Approval under a previous version of the guidelines, any application for Final Approval for that film will also be assessed under the previous guidelines.

Further, FINAS reserves the right to depart from these Guidelines in exceptional circumstances, but only where there is a strong rationale for doing so, and when the application in question is compliant with the relevant Agreement(s).

These Guidelines must not be relied upon as an offer capable of acceptance by any person or as creating any form of contractual, quasi contractual, restitutionary or promissory estoppel rights, or rights based on similar legal or equitable grounds, whether implied or otherwise.

Furthermore, these Guidelines are intended to be of general information only and do not constitute advice with respect to any particular co-producer's circumstances. You should therefore seek independent professional advice from qualified professionals, including accountants, auditors, tax advisers and/or lawyers in relation to all financial and legal matters discussed in these Guidelines and generally in relation to the co-production.

Notwithstanding anything contained herein, any dispute arising pursuant to these Guidelines shall be settled in Malaysian court and Malaysian law shall be the governing law of these Guidelines.

2. What is a co-production?

Under the Program, a co-production is a film which has been made under an Agreement with a partner country, and has been approved as an official co-production by the Competent Authority in each country.

Malaysian producers can make a co-production with producers from the following country(ies) with which Malaysia has entered into an Agreement:

- Australia

The basic requirement of each Agreement is that each co-producer must bring a minimum percentage of the financial and creative contribution to the film, and further, these two (2) elements need to be "reasonably in proportion".

For example, if you demonstrate a 40% creative contribution to the film, you would also have to contribute 40% of the finance.

There are no requirements that a film be about, or set in, any particular place. Subject matter and setting are irrelevant to co-productions.

Each Competent Authority has its own procedures and guidelines to assess whether the terms of the Agreements are satisfied.

The terms of Malaysia's Agreements can be viewed on FINAS website.

What about countries that do not have Agreement with Malaysia?

Official co-productions can only be made where Agreements are in place between the countries.

In Malaysia, the negotiation of Agreement is managed by the Malaysian Government's Ministry of Communications and Multimedia. The status of current negotiations is outlined on FINAS website. Any requests for the Government to pursue new Agreement with other countries must be made to such Ministry.

Entering a new Agreement is not a simple matter, however, as the negotiation itself is a very long process for Government and there are a number of issues to take into account before even considering whether to initiate negotiations.

You should not assume that an Agreement would be put in place on the basis of a single proposed film alone.

It is also worth remembering that you can collaborate with an international producer from any country, without having to be approved as a co-production.

3. Why would you make a co-production?

Making a film as a co-production opens a greater pool of resources – by automatically accessing two (2) markets in terms of creativity, finance and audience reach.

An official co-production is considered a “national” film of each country and is then able to take advantage of the incentives provided to national films. In Malaysia, the benefits available for the approved co-production are as provided on FINAS website, which includes the following:

- the co-producer may apply for the relevant funding from FINAS and other government agencies. Nevertheless, please note that approval as a co-production does not mean that funding is automatic, rather, it means you are eligible to apply for the relevant funding to support your film, subject however to the terms and conditions applicable to such funding.

Co-productions are also eligible for any support provided to national films of the other co-producing country.

Other benefits may also accrue to co-productions, for example when dealing with immigration and customs requirements. You should check the terms of the relevant Agreement and for further information, contact the relevant agencies in Malaysia and

their counterparts in the other country.

The Government of Malaysia may provide tax incentive from time to time in respect of the official co-production. You may want to enquire on the same from the relevant authorities (including the Ministry of Finance or Inland Revenue Board of Malaysia) as such matter is not within FINAS's purview or jurisdiction.

4. What kind of films are a good fit for co-production?

The co-production pathway may be a good option where the particular elements of a film lead naturally to a co-production approach. For example, a film which has a Malaysian director working with co-production country's writer on a story set in both Malaysia and co-production country would be a "natural" co-production.

However, not all films will be suited to the co-production structure.

Agreements impose terms and conditions on each co-producer, and these may not always be achievable. It is important to note that your film will not be approved as a co-production if you cannot meet the terms of the relevant Agreement.

Before embarking on a co-production, you should closely assess your reasons.

We welcome discussions with producers early in the planning stage. However, before arranging an appointment with the relevant officer of FINAS, please ensure you have read the relevant Agreement as well as these Guidelines.

PART 3 – STEP BY STEP

The following are the step by step procedures which you may follow to benefit from the Program:

1. Partner country:

Make sure there is an Agreement in place with the country you are interested in. If so, read it. If there is no Agreement in place then you cannot make an official co-production.

You can make “multi-party” co-productions between two or more other countries where there are Agreements linking all co-producing countries together. The countries do not all have to be linked directly to each other, but each must have a formal Agreement with at least one of the other partner countries.

2. Type of film:

Establish whether the Agreement covers your type of film. Check the meaning of “film” in **PART 1 – DEFINITION** of these Guidelines.

3. Research and advice:

It is a good idea to liaise with fellow Malaysian producers who are experienced in making co-productions, particularly with the country you are considering. Check the lists of productions available through the partner country pages on FINAS website.

Once you start making contact with potential co-producers, they also will be able to tell you about the process from the point of view of their country’s Competent Authority.

We highly recommend that you seek the advice of a lawyer experienced with co-productions early in the process.

4. Producing partner:

Your co-producer must be independent from you, as there can be no common management, ownership or control between the co-producers. You and your co-producer also must fulfil all requirements imposed personally on you and your co-producer under the Agreement to enable the official co-production is considered a “national” film of each country. The spirit of the Program is to facilitate and foster creative relationships between international producers. The Program is all about fostering new relationships between producers operating independently in different countries.

It is not the intention of the Program for multinational production companies to benefit from making a production with a related entity, for example with a subsidiary or parent company based in another country – such a film will not be considered a co-production.

Ensure your co-producer is aware of their Competent Authority's guidelines and understands its terms of assessment and procedures.

5. Film details:

Work out the key elements of the film that will affect its co-production status, such as the financial contributions of the co-producers, nationality of key creatives, budget and location of expenditure, and begin to draft an agreement with your producing partner. You should be aware of any contracted, non-negotiable elements as well as elements that are not yet contracted which could be adjusted if required.

6. Terms of the Agreement:

Consider whether your proposed film and agreement with your producing partner will meet the terms of the Agreement and these Guidelines.

You can check the elements of your film using our interactive Co-Production Eligibility Tool. You should have sought the advice of a lawyer experienced with co-productions by this stage.

7. Application for Provisional Approval:

Apply for Provisional Approval as soon as you are able to demonstrate that you meet the requirements and, in any event, before pre-production commences. Your co-producer will lodge their application to their Competent Authority at the same time.

8. Pre-production to production:

As your film evolves, keep us informed of any changes that might affect your co-production status, such as changes of the nationality of personnel, or sources of finance. You can use the Co-Production Eligibility Tool to help you monitor the likely effect of such changes, but note that the Tool does not take into account all of the requirements of the Agreements, so you should consult with us before locking in any substantive changes.

9. Application for Final Approval:

This is lodged once your film is complete. Your co-producer will lodge an application to their Competent Authority at the same time.

PART 4 – ELIGIBILITY: THE TERMS OF MALAYSIA’S AGREEMENT

Under each Agreement, co-productions are jointly granted approval by the Competent Authorities. Approval cannot be given until all Competent Authorities agree that their respective application is in accordance with the relevant Agreements and their policies and guidelines. The Competent Authorities will consult with each other to ensure that the parameters of the film, as outlined in their respective applications, are the same.

Each Agreement specifies a number of terms which must be met. Some are absolute and inflexible, whilst others provide the Competent Authorities with a level of discretion to approve specified elements, such as whether actors from other countries can be involved, or whether you can undertake a location shoot outside the co-production countries. This discretion is very limited.

The key terms for each Agreement can be viewed on FINAS website.

The following are the key terms under the Malaysia’s Agreement:

1. Minimum Contributions

As outlined above, each Agreement specifies a minimum financial and creative contribution for each co-producer. This is expressed as a reasonable proportion of the total finance plan and total creative contribution.

You may refer to FINAS website on the minimum contribution required for each country under each Agreement.

2. Location Filming

Generally speaking, each Agreement includes a requirement that a co-production is entirely made in the co-producing countries – this means from commencement of pre-production to the striking of the masters. Generally, the Agreements require the majority of the work to take place in the majority co-producer’s country. Nevertheless, co-producers may seek the Competent Authorities’ approval to undertake location filming in a non-party country.

3. Participation

General Rule

Each Agreement specifies that every person participating in the making of the film must be a national or permanent resident of one of the co-producing countries.

Exceptions to General Rule

Performer and crew from countries other than the co-producing countries are referred to as “*non-party nationals*”. Non-party nationals can only be involved in specified limited circumstances as outlined in the relevant Agreement and with the agreement of the Competent Authorities. In summary, these exceptions are as follows:

- (a) Performers – in exceptional circumstances as determined by the Competent Authorities or where script or financing of the co-production dictates the participation of the non-party nationals.

Where the use of a non-party performer has been approved, we would also consider it reasonable that a non-party casting agent be approved. Further, we also allow any “entourage” who are non-party nationals where they are a contractual requirement of the performer member.

- (b) Locals on location shoots – if location shooting outside the co-producing country is approved, some citizens or permanent residents of that country may be employed in the location shooting country as outlined in the Agreement; and
- (c) Technical personnel – restricted numbers of technical personnel that are not available from the co-producing countries may be engaged.

Further, an executive producer on a co-production is not considered to be part of the making of the film as their role is usually financial, not creative, which means you can have non-party executive producer(s) on your film. Obviously, this does not apply if “Executive Producer” is the credit given to the creative producer.

Ensure you check the relevant Agreement for details, and be aware that the use of any non-party nationals outside the exceptions specifically set out in the Agreement will mean the film will be ineligible as a co-production. We strongly recommend that you liaise with the relevant officer of FINAS before making any decisions about the use of non-party nationals or non-party elements, and remember, approval must be given by all Competent Authorities.

4. Soundtrack and Footage

You must make sure that all the following requirements imposed by the Agreement with regard to soundtrack and footage are fulfilled:

- (a) the original soundtrack of each co-production must be made in the official language or any commonly used language of any of the co-producing countries;
- (b) the original soundtrack of each co-production must be made in any of the co-producing countries;

- (c) any music specially composed for a film co-production must be composed by nationals of any of the co-producing countries; and
- (d) at least 90% of the footage included in a film co-production be specially shot for that film.

Other requirements as to soundtrack and footage may be referred to in the relevant Agreement.

5. Making Up to First-Release or Digital Equivalent

It is a requirement that the making up to first release or digital equivalent of a co-production must be made in any of the co-producing country. Similarly the re-voicing of a co-production must be carried out in any of the co-producing country.

6. Working Conditions

The working conditions in the making of the co-production in each co-producing countries must be generally comparable and where the location shooting takes place in non-participating country, such working conditions must generally be no less favourable.

7. Acknowledgements and Credits

A specific credit is required to be included on the film in each co-production. The credit should be in the form “A Malaysian-[Country] Co-production” or similar, with the majority co-producing party placed first.

8. Screenwriters

It is a requirement that screenplays for all co-productions are credited to nationals of the co-producing countries. This means that non-party nationals cannot be screenwriters for official co-productions.

Non-credited writers

A screenwriter who is not a national or permanent resident of one of the co-producing countries can contribute to the screenplay, provided that such contribution is minor and the person is not credited as a writer of the screenplay of a co-production film.

9. Underlying Works

Note that we do not consider the creation of underlying works to be part of the film’s production, so there is no problem with non-party nationals being credited in such a manner as “*story by*” or “*based on the novel by*”, for example. This means that you can option a work from outside the co-producing countries, including countries where there is no Agreement in place.

10. Co-Producers' Contract

Each Agreement specifies that the co-producers must execute a Co-Producers' Contract outlining the terms for the making of the co-production ("**the Contract**"). The Contract will form part of the financing documentation and, amongst other things, should specify the Agreement(s) under which the film is being made. It should also include the budget, finance plan, cash-flow schedule, control and copyright holdings, financial splits and dispute resolutions.

Under the Contract, the Malaysian co-producer must retain a share of copyright in the co-production, at least by the time that an application is made for final approval. This refers to copyright in the finished film, not copyright in any underlying work.

In addition, please note that each Agreement specifies a number of provisions that must be included in a Co-producers' Contract. You must ensure that each of these clauses (also set out on FINAS website) is included in the Contract.

11. Multipartite Co-Productions

Co-productions with co-producers from more than two countries are referred to as "multipartite co-productions".

You can only make a multipartite co-production where co-production Agreements connect all the countries. The countries do not all have to be connected directly to each other, but each must have a formal Agreement with at least one of the other partner countries.

We strongly recommend that you contact the relevant officer of FINAS early if you are planning such a production. Your co-producers should also speak with their respective Competent Authorities to ensure any limitations or restrictions are identified as early as possible.

Irrespective of the key terms under the Malaysia's Agreement as highlighted above, you are required to ensure that the film and the contents of the film:

- (a) does not contain issues deemed insulting, offensive and/or portraying Malaysia in a negative light;
- (b) does not contain any images which damages the image of Malaysia;
- (c) does not insult, offend and affect the sensitivity of any religion in Malaysia;
- (d) does not threaten the security and harmony in Malaysia;
- (e) is not prohibited for distribution, inter alia in Malaysia;
- (f) does not contain other material that could give rise to any civil or criminal liability under the applicable law in Malaysia;
- (g) comply with the terms and conditions provided by FINAS in relation to the Program which includes but not limited to this Guidelines and Program's Terms and Conditions.

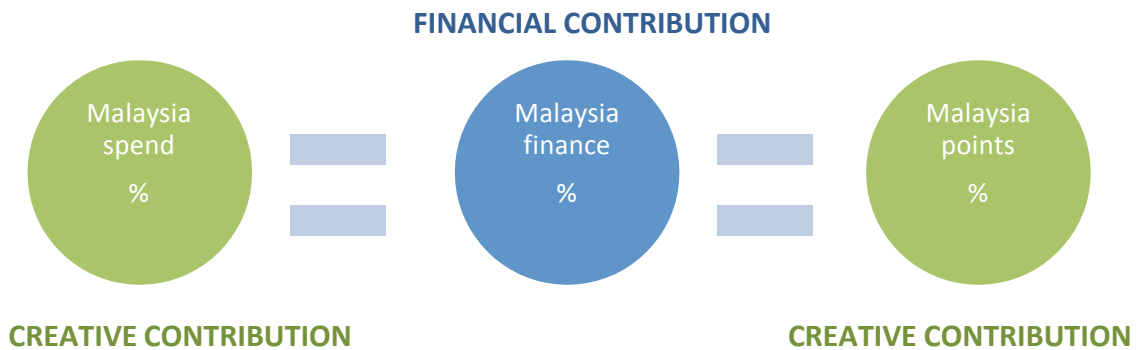
PART 5 – BALANCE: HOW WE ASSESS THE EQUIVALENCE OF THE FINANCIAL AND CREATIVE CONTRIBUTIONS?

1. Reasonable equivalence

As noted above, the overarching principle of co-productions is that the creative and financial contributions of each co-producer are reasonably equivalent. While the financial contribution is easily identified, the creative contribution is assessed in different ways by the various Competent Authorities around the world.

FINAS measures the creative contribution of the Malaysian co-producer using both the proportion of expenditure on Malaysian elements and a points test of Malaysian personnel. We then compare these two measures against the Malaysian financial contribution to decide if they are reasonably equivalent. Basically, these three metrics must align.

The requirement is that the proportion of expenditure on Malaysian elements, and the proportion of Malaysian points (both expressed as a percentage) must not be more than 5% below the Malaysian financial contribution.



So, if the Malaysian financial contribution is 60%, the proportions of Malaysian expenditure and Malaysian points must each be *no less than* 55%. The 5% leeway is only applicable as a ‘floor’, so you could have your finance contribution at 60%, your Malaysian spend at 65% and your Malaysian points at 55%.

Please note that even with the 5% leeway allowed by FINAS, contributions must always be above the minimum required by the Agreement.

2. Financial contribution

In your co-production application, you must divide the finance plan between the co-producers to determine the proportion of the finance contributed by each co-producer.

This division is referred to as the “co-production split”. Once this is calculated, the co-producers can identify whether the film meets the minimum financial contribution. The way the split is calculated is, however, not solely at your discretion. Some aspects

of a finance plan are inherently connected to the nationality of one of the co-producers, in that the financial support can only be provided by a co-producer of a given nationality. This includes:

- (a) equity and financial support provided by national bodies are considered contributed by the co-producer of that country (eg, FINAS or any other relevant parties is automatically considered a financial contribution of the Malaysian co-producer);
- (b) tax rebates tied to the nationality of a producer are contributed by that producer; and
- (c) pre-sales, licence fees and distribution guarantees for each co-producer's "home" territory must be contributions of that co-producer.

This means that Malaysian contributions from any of the above sources must be reflected on the Malaysian side of the "split" (and the corresponding equivalent applies for your co-producer).

Remaining aspects of the finance plan are not considered to be automatically contributed by either co-producer, which means they should be allocated according to whichever co-producer brought that aspect of finance to the film.

In many cases, however, finance is jointly contributed, and producers can therefore determine the "split" for these monies as negotiated by the co-producers and then outlined in the Co-Producers' Contract. Contributions such as gap loans, equity from third parties, presales or distribution guarantees from other territories or an advance against RoW sales can be attributed to either, or both, co-producers according to what works for the producers.

Please note that a finance plan in a co-production application cannot be speculative; you must be able to document, to some extent, each aspect of the finance plan (except for contributions which are automatic, such as tax incentives). FINAS will accept a Letter of Interest (or any other equivalent documentation) as the minimum documentation.

3. Creative contribution

Once the financial contributions of each co-producer are identified, you need to demonstrate to FINAS that your creative contribution is reasonably equivalent to your financial contribution.

As mentioned above, FINAS assesses the creative contribution of the Malaysian co-producer in two (2) ways:

INTERNATIONAL FILM CO-PRODUCTION PROGRAM GUIDELINES – 2021

- (a) Malaysian points – testing the proportion of Malaysian nationals in key roles through a points test, and

The points test assesses the proportion of key creatives who are Malaysian. Key creative roles are allocated a points value in the tables below. If the person filling that role is a Malaysian national or permanent resident, a Malaysian point is “scored” for that role. Note that:

- (i) producers do not attract points because there must be, by definition, one producer from each of the co-producing countries;
- (ii) an individual cannot be treated as two (2) nationalities in one application;
- (iii) splitting of points may be approved on a case-by-case basis (for example, where each co-producing country has one writer each engaged on a television series);
- (iv) re-voicing or narrating in the language of each co-production country will result in the points being split, i.e. for an animation, voice cast is allocated 3 points, so if one voice track is undertaken in Malaysia and one track in the co-producing country, then the film scores 1.5 in the points test; and
- (v) for feature films, if the film is a majority Malaysian co-production (i.e. Malaysian financial contribution is greater than 50 per cent), at least one of the four lead roles must be filled by a Malaysian national or permanent resident (i.e. there must be at least one point for keycast).

Different points tests apply for drama (the same test applies to both feature films and TV drama), documentaries (feature or TV) and animation (feature or TV), reflecting the differences in the key creatives or technical personnel for these different types of film. For clarity, if your film is a feature documentary, you complete the documentary points test and if your film is a feature animation, you complete the animation points test.

The tests aim to provide you with a degree of flexibility by allowing you some discretion in how the points test is structured, as follows:

- (aa) Each test has a set number of roles that are always counted (top-line key creative roles) in Section A. You must allocate all these roles.
- (bb) You must then select roles in Section B to make up the level of points required for the film.

Section B also includes a potential point for “Other creative role”. If you wish to include the “other point”, you must demonstrate that the role in question is particularly important for the film. For example, if your film is a martial arts feature, it may be possible for you to allocate a point to the fight choreographer;

INTERNATIONAL FILM CO-PRODUCTION PROGRAM GUIDELINES – 2021

or for a musical, to the musical director or choreographer. You will need to add a brief justification statement in support of your allocation of “Other” in your provisional application.

Where you select a role for a discretionary point and we do not consider it to be a key creative role, we will discuss this with you but we ultimately reserve the right not to accept the allocated point.

Please note that while all the points have to be allocated to one party or the other, you do not have to fill up the test with Malaysians; what you are trying to do is match the percentage of Malaysian points with the percentage of Malaysian-contributed finance.

For example, if you are contributing 70% of the finance to a feature film, the Malaysian share of points would need to be at least 65%, or 10 points out of 15 (if you only had 9 Malaysian points out of 15, it would equate to 60%, which is outside the allowed 5% margin).

We have created an interactive Co-Production Eligibility Tool in Excel to assist with the calculation of your spend and points which can be downloaded from the FINAS website.

FEATURE FILMS	15 points
Section A	
Writer	2
Director	2
DoP	1
Editor/Picture Editor	1
Cast (four principal roles) – NB if majority Malaysian co-production, at least 1 role must be filled by an Malaysian actor	4
Section B (select 5 of the below)	
Composer	1
Costume Designer	1
Production Designer	1
Script Editor	1
Sound Designer	1
Underlying work	1
VFX Supervisor	1
Other senior key role specific to the film such as choreographer, special make-up design etc. (You will need to justify this role)	1
Total points	15

INTERNATIONAL FILM CO-PRODUCTION PROGRAM GUIDELINES – 2021

DOCUMENTARY	10 points
Section A	
Writer	2
Director	2
DoP	1
Editor/Picture Editor	1
Section B (select 4 of the below)	
Composer	1
Researcher	1
Narrator	1
Sound Designer, Recordist, Sound Editor or Mixer	1
Underlying work/subject matter	1
Other senior key role specific to the film such as underwater DoP, art director, VFX supervisor etc. (You will need to justify this role)	1
Total points	10

ANIMATION 3D/ 2D	13 points
Section A	
Writer	2
Director/Animation Director	2
Cast	3
Key Animator	1
Storyboard Artist	1
Section B (select 4 of the below)	
Editor/Picture Editor	1
Key Background Artist	1
Composer	1
Sound Designer	1
Underlying work	1
Key Model Designer	1
Voice/actors director	1
Other senior key role specific to the film such as 3D modeller, digital compositor, previs animator etc. (You will need to justify this role)	1
Total points	13

Balance over time

As each Agreement is intended to benefit the economies, industry personnel, film studios and laboratories of partner countries, each Agreement requires a “balance over time” of the financial and creative participation of partner countries.

INTERNATIONAL FILM CO-PRODUCTION PROGRAM GUIDELINES – 2021

We recognize that there is likely to be some imbalance in the participation rates of co-producers from partner countries on particular films. However, over time the participation of the partner countries should be close to equal. The Competent Authorities in each country are required by the Agreement to monitor the contributions of each partner country under each Arrangement – over many different productions – to ensure a balance over time.

FINAS regularly assesses the relative balance with Malaysia’s co-production partners and will notify industry if we consider there is problematic imbalance with any of our partners.

- (b) Malaysian spend – testing the proportion of expenditure on Malaysian elements.

As an indicator of Malaysian creative contribution, “Malaysian spend” refers to the proportion of the budget which is spent on Malaysians and Malaysian service providers.

Malaysian spend includes expenditure on goods provided by Malaysians, Malaysian service providers and the use of Malaysian locations such as the Malaysian producer’s fee, the preparation of a budget by an Malaysian line producer and production catering services in Malaysia. We will look at the Malaysian spend in comparison to expenditure on services provided by the other co-producer(s).

PART 6 – APPLYING FOR APPROVAL

The approval process is in two stages, Provisional Approval and Final Approval. All co-production films must obtain the Certificate of Provisional Approval.

An application is lodged by each co-producer with their Competent Authority and when all Competent Authorities are satisfied that the film is eligible, the Competent Authorities grant approval.

1. In respect of the Provisional Approval

You should lodge a Provisional Approval Co-production Application Form (together with the supporting documents) to the Secretariat (being the relevant division in FINAS, established to process your application) once you are in a position to provide:

- (a) a detailed budget including a breakdown of Malaysian spend;
- (b) a detailed schedule;
- (c) a breakdown of the nationality of participants;
- (d) documentation (of at least Letter of Interest level) for each aspect of the finance plan and the co-production split;
- (e) a draft Co-Producers' Contract; and
- (f) any agreements related to the film's development you have in place.

You are required to complete the Co-Production Eligibility Tool to enable you to complete the relevant information required in the Provisional Approval Co-production Application Form.

The Provisional Approval Co-production Application Form submitted to the Secretariat must be accompanied by a Statutory Declaration to certify the accuracy of all the details contained therein.

The Secretariat aims to assess the application for the Provisional Approval within six (6) weeks from the date of the receipt by the Secretariat of a complete Provisional Approval Co-production Application Form and supporting documents from you. However, it is important to remember that the Provisional Approval can only be granted once all the relevant Competent Authorities have granted Provisional Approval in respect of the film so you should ensure your co-producer is lodging an application for Provisional Approval to its Competent Authority at the same time.

Download the application form: **Provisional Approval Co-production Application Form**, at FINAS website.

Reassessment of Provisional Approval

Your film may continue to evolve after you have received Provisional Approval. You can use the Co-Production Eligibility Tool to monitor the likely effect of any changes on your co-production status, but keep in mind that it is not determinative.

If you feel the changes will affect your Provisional Approval, you can contact FINAS for a reassessment. If the film's eligibility is confirmed, we will issue a letter to that effect.

2. In respect of the Final Approval

You must lodge a Final Approval Co-production Application Form (together with the supporting documents) to the Secretariat (being the relevant division in FINAS, established to process your application) once the film is completed. This allows us to ensure that the film was made in accordance with the Provisional Approval. Along with the required application form, you will need to provide:

- (a) a completed Co-Production Eligibility Tool;
- (b) the Malaysian Production Audit;
- (c) executed long-form agreements for each aspect of the finance plan;
- (d) the executed Co-Producers' Contract;
- (e) a copy of the finished film;

The Final Approval Co-production Application Form submitted to the Secretariat must be accompanied by a Statutory Declaration to certify the accuracy of all the details contained therein.

The Secretariat aim to process the application for the Final Approval within twelve (12) weeks from the date of the receipt by the Secretariat of a complete Final Approval Co-production Application Form and supporting documents from you. However, it is important to remember that the Final Approval can only be granted once all the relevant Competent Authorities have granted Final Approval in respect of the film so you should ensure your co-producer is lodging an application for Final Approval to its Competent Authority at the same time.

Download the application form: **Final Approval Co-production Application Form**, at FINAS website.