

Press release

## TERRITORIALISATION EXPENSES ON A FILM PRODUCTION ?

The project of the European Commission :

*To Subject*

- *Support Fund on one hand,*
  - *Tax incentives (tax shelters, tax credits) on the other hand,*
- for the territorialisation of production expenses of a film ?*

## TO PRODUCE AND MAKE A MOVIE FILM ?

The production and film making is not a standard product but the creation of an original work.

Producing a movie does not fit within a process of industrial activity as it may be for manufactured goods.

A cinematographic work is an expression of different cultures, specific to each film, to each country and their language.

Shooting locations of a film are dictated by the script and take place,

- Either in studios where space should allow the construction of the sets and help to ensure adequate lighting, and which must also be soundproof,
- Or in natural locations imposed by the script.

Therefore, determining spending conditions of "territorialisation" for the shooting of a movie is challenging and inherently incongruous.

To determine conditions expenses for technicians who contribute to the achievement of a film, it is considered that the shooting of a film is not a script that combines the talents, sensitivities cultural and technical affinities from these technicians.

A film is a creative technical and artistic collective work. The selection of employees of all of the stage crew belongs primarily to the director and producer's choice (under the provisions of the free movement of workers) depending on the subject and on the artistic unity of the film.

The director of photography, the cameraman and his assistants, the sound director and his team, the one of editing, the costume designer, the production designer and art director, the hair and makeup, the grips shift, the one of electricians, each at their level, set up inextricably the creative team of the film. These are not technical jobs of simple execution, interchangeable as inter-level functions can be.

**T**his freedom of choice is a freedom that cannot be challenged by questions of "territorialisation expenses" for technicians involved in the making of a film, and even less by the choice of artists.

This would be a violation of freedom of creation and would lead to the dissolution of cultural and artistic sensibilities specific to each film. The denial of these values would result in the production of films constituting a kind of "Euro-pudding" which would inevitably be led by the institution of territorialized expenses rules.

**T**he "territorialized expenses" issues should not only depend on the contributions of producers through co-productions under European rules on freedom to provide services and encompass the activities of service provider companies such as the laboratories, auditoriums, companies specialized in post-production activities related to special effects, location of studios welcoming set construction, business equipment rental of machinery, lighting and shooting.

We cannot make rules of "territorialisation expenses" for the benefit of the Fund that automatically supports the cinematographic production, which is powered by a tax paid by the spectators and viewers. The Fund's incomes are not taken on the State budget, so they cannot therefore be considered as a State welfare neither enrol as a contravention of the provisions on free competition.

**I**t is different for tax provisions such as tax shelters or various forms of tax credits that have been implemented in a few States to encourage that filming movies and expenses related to their realization take place on their territory.

These States' financial contributions should be harmonized at a European level to provide aid to film production and not a mean to competitive distortion.

Indeed, currently, they have the effect of undermining the jobs of the professional technicians and weaken production Industry in each country - in the sense that they provide an economic incentive that lead executive Producer(s) to deal with the disparity of labour costs and costs of social insurances, differently according to the countries.

**A**rrangements for financial support of States for the Film Production must have for purpose :

- To develop an Industry of production specific to each country and the Production of domestic films and international co-production under the rules of reciprocity and proportionality financial contributions from each country, according to the Agreements of coproduction.
- And not to make provision for Financial support to Production from States that encourage economic and social relocation and expatriation of social technicians jobs who contribute to the filmmaking..

**T**he intellectual work that is in every film cannot be regarded as belonging to the manufacture of a standard commodity, which productions could be in competition with the others.

The European movie wealth will consist in the existence of diversity of expression of our different cultural and linguistic identities.

It is said that a film is Spanish, it is Hungarian, it is English or that it is Italian, etc. and it does not say that a film is "European", but that it is a work of one or of the other European countries.

All these theaters must live together in their diversity as an essential asset to the individual and collective human values, which are institutionally those of Europe.

Moreover, all films must be provided with European funding to promote their dissemination in the various countries in Europe and beyond our borders.

Cinema must be a cultural expression of society through exchange and the plurality of cultures.

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