TAX REBATE FOR INTERNATIONAL PRODUCTIONS

VALUE
• The tax rebate amounts to 30% of the eligible pre-tax expenditures (or 40%, if the French VFX expenses are more than €2M)
• The tax rebate is capped at €30 million per project
• Eligible expenditures are taken into account at up to 80% of the total budget

ACCESSING FRENCH TRIP
The TRIP is available for companies that:
• are subject to corporate income tax in France.
• act as the production services company for the sequences filmed or made in France.

The company can thus be specialized in servicing, or be a regular production company or an animation / visual effects studio, a subsidiary of the non-French producer, a SPV, etc. A list of French active PSC can be obtained from Film France (http://www.filmfrance.net).

QUALIFYING PRODUCTIONS
To qualify to the TRIP, a project must:
• be a fiction film (live action or animation, feature film, TV, web, VR, short film, TV special, single or several episodes of a series, or a whole season...).
• pass a cultural test.
• shoot at least 5 days in France for live action production.

VFX-only projects with no filming in France are eligible to the TRIP provided:
15% of the shots, or on average one and a half shots per minute, are digitally processed (on the whole film).
AND
more than 50% of the French spend is VFX/post-production expenditures.

NON QUALIFYING PRODUCTIONS
Non scripted, factual, documentaries and commercials.
French projects cannot qualify i.e. official co-productions.

MINIMUM SPEND REQUIREMENT
A minimum of €250K (or at least 50% of the production budget, whichever is lowest) must be spent on French qualifying expenditures.

10% BONUS FOR VFX-INTENSIVE WORKS
Projects including a substantial amount of VFX, may be eligible for a 40% Tax Rebate on all eligible expenses. To qualify projects must be works of fiction, include more than €2M in VFX-related eligible French expenses and pass a test (see below).
HOW TO APPLY

Provisional qualification
The French production services company (PSC) applies for a provisional qualification at the CNC. The application needs to include at the minimum a signed preliminary production service agreement (PSA). Application file is available [here](in French).

Film France assesses the eligibility of each project. When the project meets all the eligible criteria, a committee at the CNC grants the applicant a provisional qualification.

Final qualification
The PSC must apply for final qualification, sending along the filled-out file a dvd of the finished film, maximum 24 months after the last French spend.

Collecting the international tax rebate
The tax authorities may pay the tax rebate before final qualification has been received. At the end of each fiscal year, the PSC must get a statutory auditor to certify the yearly production accounts and send them to the tax authorities. A refund is issued by the French State to the extent the production tax credit exceeds the company’s tax liability. The TRIP is tax and VAT exempt.

TRIP cash flow
As soon as provisional qualification has been obtained, banks are legally allowed to monetize this refundable tax credit so that the production company can get the money earlier.

QUALIFYING EXPENDITURES
To be eligible, expenditures mentioned hereafter must be incurred in France by the PSC who has submitted the TRIP application for the project. Qualifying expenditures start at the date of reception of the provisional application by the CNC.

The tax rebate is a maximum of €30 million per project and 30% of the following pre-tax expenditures (40% if the VFX-bonus is granted)
- Wages paid to French or EU writers and actors, and social contributions, under French contract.
- Only wages of actors are capped at the minimum set in the relevant collective bargaining agreements.
- Salaries paid to French or EU direction and production staff (wages and incidentals) including the related social contributions (French payslips) (NO CAP).
- Animation & VFX team members (NO CAP).
- Renting locations (non-classified residences are not eligible) and constructing sets.
- Expenditures incurred to specialized companies for technical goods and services based in France (including VFX / Animation / Post-production facilities).
- Accommodation, catering, travel for all cast and crew, and transport of materials.

TESTS
- The Live Action Test is downloadable by clicking [here](here).
- The Animation Test is downloadable by clicking [here](here).
- The VFX Test is identical to the Animation Test downloadable [here](here).
VFX-RELATED BONUS: GET UP TO 40% TAX REBATE

This 10% bonus applies to projects with more than €2M of VFX-related French expenditure. Once the €2M threshold is passed, the 40% tax rebate applies on all of a project’s eligible spends, including live action spends which are not VFX-related.

In order to qualify a project must:

1. **Be a live-action fiction** film (animation projects don’t qualify)

2. **Include a substantial amount of digital visual effects** (at least 15% of total number of shots, or on average one and a half shots per minute, are subject to digital processing aimed at adding characters, decor elements or objects participating in action, or to modify the rendering of the scene or the point of view of the camera).

3. **Include €2M of eligible expenses relating to the digital processing of shots** (therefore carried out by a service provider established in France AND correspond to the definition of "VFX-related")

4. **Pass a test**:
   a. If French expenditure is principally related to digital visual effects, the "VFX" test will be used.
   b. Where a greater proportion of French expenditure is not VFX-related, the project is eligible if it passes the "Live Action" test AND shoots for at least 5 days in France (including green screen).

**VFX-RELATED ELIGIBLE SPENDS**

VFX-related spends are expenses carried out by a service provider established in France and related to digital processing of shots allowing the addition of characters, decorative elements or objects participating in the action, or modifying the rendering of the scene, or the camera point of view.

**SIMULATIONS**

Your project is a sci-fi series that includes €2M VFX works with a French vendor (or several French companies). 15% of the total shots of the series will be digitally processed. This will be the only expenditures you intend to do in France. You only have to pass the VFX test and no filming in France will be required to get the 40% tax rebate.

Your action feature film script contains French scenes. According to your estimates, you will spend €10M with 10 days of shooting in France. Your project qualifies according to the "live action" test. If you make a €2M deal with a French VFX vendor you will get 40% instead of 30% on all your eligible expenditures.

**CONTACTS**

**FILM FRANCE**

The French Film Commission

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About Film France

Film France is your one stop shop for all projects in France. This agency promotes France for filming, animation, VFX and post-production. Film France also assesses the eligibility of projects for the French Tax Rebate for International Production. Film France is funded by the CNC.