



the dti

Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA

INTERPRETATION NOTE: FILM AND TV INCENTIVE

Effective date: 01 January 2019

Guideline section reference	Clarification of Programme Guidelines								
1. Mandatory Conditions									
3.5. The incentive programme offers a reimbursable grant to the maximum of R50 million per qualifying project. (All Film Guidelines) (3.6. Under the Foreign Incentive Guideline)	The term reimbursable grant , refers to the incentive which is calculated on the actual qualifying amount spent and it is non repayable by the applicant upon successful application/claim.								
4.1.2 The applicant must complete and submit an application not earlier than forty-five (45) calendar days prior to the commencement of principal Photography. (All Film Guidelines) (4.1.1. Under the Foreign Incentive Guideline)	Calendar days includes weekends. Applicants must have certainty with start of principal photography. E.g. If a production is starting on the 1 st of November 2018, application to be submitted by 14 th September 2018. Applications cannot be submitted or received by the dti not later than 45 days prior to commencing with principal photography. Applicants are encouraged to apply at least 3 months prior to commencement of principal photography where possible.								
4.8. The applicant must procure with regards to the QSAPE a minimum of twenty percent (20%) of qualifying goods and services from entities which are fifty-one percent (51%) black-owned by South African citizens and have been operating for at least One (1) year. (All Film Guidelines)	Goods and Services procured from these entities, must exclude the following: cast, extras, producers, directors, writers. The requirement for spend to qualify as part of your 51% Black Owned procurement, is that the entity must have actively traded for twelve months (calendar year) as a 51% Black Owned entity The following example is applicable: <table><tbody><tr><td>QSAPE</td><td>R1 000 000</td></tr><tr><td>Less: Government Expenditure</td><td>(R 100 000)</td></tr><tr><td>Total QSAPE</td><td><u>R 900 000</u></td></tr><tr><td>Minimum 20% Procurement (R900 000 x 20%)</td><td>R180 000</td></tr></tbody></table> The following evidence must be provided at claim stage: 1. CIPC Registration Certificate.	QSAPE	R1 000 000	Less: Government Expenditure	(R 100 000)	Total QSAPE	<u>R 900 000</u>	Minimum 20% Procurement (R900 000 x 20%)	R180 000
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	<p>2. BEE Certificate / BEE Affidavit (Found on CIPC website)</p> <p>3. Shareholders Certificates / Audit confirmation letter.</p> <p>4. Invoices and/or contracts from Black Suppliers. (NB: Additional reasonable information may be required at claim stage for verification)</p>
<p>Appendix A Glossary of terms and definitions:</p> <p>South African producer fees, limited to two working producers and inclusive of all their travel accommodation and living expenses, are excluded from QSAPE to the extent that they exceed the lesser of:</p> <ul style="list-style-type: none"> o 10% of the total of the company's TPE on the film production; or o R1 million in total. (All Film Guidelines) 	<p>This limitation is only applicable to all qualifying producer fees which appear above the line and including all their travel, accommodation and living expenses.</p>
<p>3.4.1 and 9.1.2.</p> <p>An additional incentive of five percent (5%) of QSAPE is provided for productions conducting post-production in South Africa and utilising the services of a Black owned service company.</p> <p>(Foreign Film and Television Production and Post-Production Incentive)</p>	<p>The minimum required expenditure for post-production is R1.5 million.</p>
<p>6.1. Commissioned projects owned by a broadcaster; (All Film Guidelines)</p>	<p>Only commissioned projects owned by South African broadcasters are non-eligible for this incentive.</p>