

Guidelines

Incentives for shooting of foreign films in India

OVERVIEW

India aims to create an enabling environment for sustained growth of Media & Entertainment sector. India has formulated detailed incentives for shooting of foreign films in India. Any foreign film production company coming to India for shooting films would be eligible for incentives.

For all qualifying project, the international film production company can claim a payable cash incentive of upto 30% on Indian qualifying expenditure subject to a maximum of INR 2 crore (USD 2,60,000). An additional 5% bonus upto a maximum of INR 50 lakhs (USD 65,000) as additional reimbursement would be granted for employing 15% or more manpower in India.

1. Introduction

- 1.1 The Government has formulated a scheme for providing incentives for shooting of foreign films in India. The Government has set up Film Facilitation Office (FFO) under the aegis of National Film Development Corporation (NFDC) with a view to promote global collaboration in filmmaking and facilitate film shootings by domestic and international filmmakers in India. The incentive scheme shall be executed through FFO.
- 1.2 The **“Reimbursement”** is an incentive provided by Ministry of Information & Broadcasting, reimbursing up to 30% of Indian qualifying production expenditure (**“QPE”**, please see section 4) and an additional 5% bonus for employing 15% or more manpower (above, on or below-the-line) in India, up to a maximum of INR 50 Lakhs (USD 65,000) as an additional total reimbursement.
- 1.3 The incentive is intended for International Production Companies (**“International Producer”**).
- 1.4 The incentive is provided for projects, elaborated in Section 2.10.
- 1.5 This document sets out the guidelines for Reimbursement applicants (**“Applicants”**) referring to Line Producers (**“LP”**) or Line Production Services Company (**“LPSC”**) and outlines the requirements for the application process. These guidelines may be subject to change from time to time and their interpretation and application are at the sole and absolute discretion of the Ministry of Information & Broadcasting, Government of India.
- 1.6 The maximum Reimbursement payments available per project is INR 2 Crore (USD 2,60,000).
- 1.7 The above shall be subject to availability of allocated annual budget.

- 1.8 Within the available budget for the FY, the budget for “Post-Production Only” Projects will be capped at 25% of the overall budget
- 1.9 The minimum QPE thresholds are set out below in Section 2.16.

## ELIGIBILITY

- 2.1 International Productions that have been granted permission by the Ministry of Information & Broadcasting and Ministry of External Affairs (for documentaries only) after **01.04.2022 are eligible for the incentive.**
- 2.2 To be eligible for the Reimbursement, a production must satisfy the following criteria which are explained in detail below:
  - Applicant profile
  - Production format
  - Funding Structure
  - Minimum QPE
- 2.3 A project must be shot or filmed in India.
- 2.4 To avail the additional 5% bonus, the Project must employ 15% (or more) manpower (above, on or below-the-line) in India. However, the maximum overall reimbursement shall be capped at 2 Crore (USD 2,60,000).
- 2.5 Applicants receiving benefits under “**Incentive for Audio Visual Co-production with foreign countries**” shall not be eligible to apply for the Reimbursement.
- 2.6 Applicants shall be entitled to apply for one (1) Reimbursement per project. In no circumstances shall an Applicant be permitted to apply through any third party (related or unrelated), and it shall be at the sole and absolute discretion of Ministry of Information & Broadcasting to determine the same.
- 2.7 Each season or series of the same production shall count as a separate **Project**.

## APPLICANT PROFILE

- 2.8 Each Applicant must be a Line Producer or a Line Production Service Company, based in India, in possession of a valid Permanent Account Number (PAN) as per the Indian Income Tax Act, 1961 and a valid Goods and Services Tax Registration Certificate under the Central and State Goods and Services Tax Act 2017 (CGST and SGST).
- 2.9 The Applicant will be responsible for making all arrangements for purchasing, hiring and production related expenditure, on behalf of the International Producer.
- 2.10 The entity responsible principally for all activities involved in making the production in India (the “**International Producer**”) may claim Reimbursement application via an Applicant (Line Producer or Line Production Services Company).

- 2.11 While applying via an Applicant, the International Producer and applicant to enter into a legal binding agreement with respect to the Reimbursement application process and distribution of funds. A copy of the legally binding agreement must be attached with the application.
- 2.12 While there may be more than one Line Producer / Line Production Service Company involved on a project, joint applications, or applications from more than one applicant per project are not permitted.

### PRODUCTION FORMATS

- 2.13 Eligible productions must be in one of the following formats:
- **Feature Films/ Animation Feature Films** (a minimum of seventy-five minutes in length).
  - **Reality & Commercial TV Shows/ Series:** a stand-alone program or series, each episode being no less than one broadcast half-hour in length, which is intended for initial commercial distribution in a medium other than cinema.
  - **Web Shows/ Series**(Per Season)
  - **Post-production, Digital content services and Visual effects services for projects shot inside or outside India**(incl. Post-Production Only)
  - **Documentaries** (a minimum of thirty minutes in length)

A project will be deemed to be a series or a season if the episodes feature a common theme or themes and/or contain dramatic elements that form a narrative structure. Each series or season shall only be entitled to one Reimbursement.

- 2.14 Excluded Production Categories:
- News and current affairs
  - Magazine shows, Infotainment, talk shows and lifestyle programming
  - Productions with a primary purpose of fund-raising
  - Productions with a primary purpose of training or in-house corporate advertising/promotions
  - Sports and public events coverage
  - Commercial and Music Videos

### FUNDING STRUCTURE

- 2.15 The Applicant, if required, must be able to provide evidence that the production budget is primarily provided by financier(s), for whom the principal place of business is located, in a jurisdiction outside of India.

### MINIMUM QPE

- 2.16 Minimum QPE spending thresholds (please refer to the definition of QPE in section4).

- INR 2,50,00,000 (USD 325,000)

Note: The minimum QPE threshold is not applicable for Documentaries

## APPLICATION PROCESS

### Interim Approval

- 3.1 The Producer has to apply for shooting permission. Once the Producer has obtained the approval from Ministry of Information & Broadcasting (Ministry of External Affairs in case of Documentaries), they must enter into agreement with Line Producer/Line Production Services Company.
- 3.2 The following outlines the online application process, for Interim Approval
1. Application for Interim Approval is to be made by the Applicant on behalf of the Producer at least four (4) weeks before start of production related activities in India.
  2. The applicant will be assigned with a unique application number to track further progress and updates.
  3. Any documents/ information pending shall be intimated to the applicant by the FFO within 20 working days of receipt of application.
  4. Applicant must submit the additionally requested documents or additional information sought , if any, within 15 working days of intimation.
  5. Application shall be evaluated by a Special Incentive Evaluation Committee (“SIEC”) only after all prescribed documents and additional documents, as requested by FFO, have been submitted
  6. FFO shall process the application within 20 working days from the date of receipt of complete documentation from the applicant.
  7. On successful evaluation of the application, FFO will issue an Interim Approval Certificate which will be valid for a period of 12 months, for the purpose of Final Application.
  8. In case of any schedule change, the LP/ LPSC must inform the FFO with appropriate reason(s) to request for possible extension of the Interim Approval.

### Final Approval

- 3.3 The Reimbursement Application is an online (electronic) form, which can be found on the [FFO Website](#).
- 3.4 The following outlines the online application process, for Final Approval

1. Application for Reimbursement is to be made by the Applicant on behalf of the International Producer after the completion of the said project (“**Project Completion**”).
2. The application must be submitted within 90 days of project completion.
3. The application number for the reimbursement application shall remain the same as provided during the Interim Approval process.
4. FFO will check to ensure complete application has been submitted with all requisite documents.
5. Any documents/ information pending shall be intimated to the applicant by the FFO within 30 working days of receipt of application.
6. Applicant must submit the additionally requested documents, if any, within 10 working days of intimation.
7. Application shall be evaluated by a Special Incentive Evaluation Committee (“**SIEC**”) only after all prescribed documents and additional documents, as requested by FFO, have been submitted. **The decision of the Committee is final and shall not be challenged in any Court of Law.**
8. The audited statement will be verified by an auditor appointed by the FFO, Ministry of I&B.
9. FFO shall process the application within 60 working days from the date of receipt of complete documentation from the applicant.

### DISBURSEMENT

- 3.5 On successful evaluation and audit of the application, 85% of the eligible incentives will be disbursed as per the application number, on a first-come-first-served basis, to the applicant’s bank account.
- 3.6 Applicants need to submit copy of the final credits that is to be released with ‘Filmed in India’ credit and FFO logo in a prominent and visible place to facilitate release of the remaining 15% of the eligible incentives.
- 3.7 For all Documentaries and those projects where SEO recommends the film be screened to a representative of the Government of India, in India or an Indian Mission abroad, a No Objection certificate (NOC) from the concerned officer/ Mission must be submitted during the Final Approval or at a later stage
- 3.8 For all Documentaries and those projects where SEO recommends the film be screened to a representative of the Government of India, in India or an Indian Mission abroad the disbursement milestones shall be as follows:
  1. On successful evaluation and audit of the application, 15% of the eligible incentives will be disbursed as per the application number, on a first-come-first-served basis, to the applicant’s bank account.
  2. Applicants need to submit copy of the final credits that is to be released with ‘Filmed in India’ credit and FFO logo in a prominent and visible place to facilitate release of the remaining 15% of the eligible incentives
  3. Upon receiving the No Objection certificate (NOC) from the concerned officer/ Mission, 70% will be disbursed.

## QUALIFYING PRODUCTION EXPENDITURE (“QPE”) INCURRED IN INDIA

- 4.1 QPE is expenditure incurred by the Applicant (on behalf of International Producer or otherwise) wholly in respect of the applicable pre-production, production (incl. Principal Photography) and post-production, and attributable to the categories of goods and services sourced and/or provided in India as set out below.
- 4.2 The expenses will accumulate from the day the shooting/filming approval has been granted by the Ministry of Information & Broadcasting.
- 4.3 The Applicant is advised to monitor minimum QPE and other eligibility criteria (such as eligible production format) during production to ensure that the production continues to meet eligibility requirements.
- 4.4 Any fees or expenses paid to qualifying personnel (which includes cast, crew, and extras) only qualifies as QPE if the qualifying individual are Indian citizens and residents.
- 4.5 In the event that FFO deems any transaction in respect of which QPE is claimed to have been conducted in a manner other than at arm’s length (i.e., at a reasonable commercial rate and not a related-party transaction), FFO may apply a market rate to the cost of the applicable goods or services or exclude the costs from QPE. All related-party transactions should be declared separately in the audit report.
- 4.6 All claims of QPE will be subject to proof that each payment has been incurred and discharged in full prior to finalization of the Audited Expenditure Statement.

### CAST AND OTHER ABOVE-THE-LINE PERSONNEL

- 4.7 Extras (i.e., non-speaking, front-of-camera roles) are treated as local services.
- 4.8 Fees paid to LP/LPSC and other above-the-line personnel (including, but not limited to, executive producers, producers, directors, casting directors, talent agencies, actors) qualify as QPE with each capped at 10% of the QPE.

### CREW

- 4.9 Fees paid to below-the-line crew qualify as QPE in respect only of the period during which the services are provided in India.
- 4.10 For a non-exhaustive, indicative list of below-the-line crew, please refer to Annexure.

### OTHER QPE INCLUSIONS

- Story (development and acquisition, if incurred in India)
- Booking of studio facilities, rent etc.
- Acquiring props

- Set construction
- Equipment and Supplies
- Freight provided by an Indian Supplier or made through an Indian Agent
- Accommodation, and hospitality during shooting
- Insurance payments in India
- Payment for goods/services from foreign vendors supplying the same from their Indian office/branch
- Songs and background music, Choreography, Recording of songs/music
- Costumes and styling
- Makeup and hair styling
- Fringe benefits tax relating to benefits provided in India paid by the International Producer
- Food and beverage
- Lab and processing charges
- Visual and digital effects, Sound effects
- Editing
- Animation
- DI, Color grading

### QPE EXCLUSIONS

- All Banking fees are to be borne by the International Producer/ Applicant
- Bond
- Financing
- Option payments for book rights
- Development costs
- Entertainment
- Publicity and promotion
- Errors + Omissions insurance
- Capital Expenditure
- Expenses incurred out of India
- Money received from local source in India such as gifts, sponsorships, product placement fees, etc.,
- Indian taxes including GST, local taxes, etc.
- Bank interest and charges

- Audit fees
- Equipment depreciation
- Location - purchase or long-term leasing of land and related costs
- International and interstate/ domestic travel (air and non-Air), and local conveyance
- Any other expenses as decided by the Special Incentive Evaluation Committee

## INCENTIVE NON-ELIGIBILITY

- 5.1 The Applicant does not submit correct audited statement i.e., a statement with financial irregularities, forgery or misrepresentation or does not submit any relevant documents as specified in Point 3. In cases of forgery or misrepresentation, the applicant will be blacklisted and barred from applying for any future projects.
- 5.2 The Production was not filmed as per the permit given by the MoI&B or MEA (in case of Documentaries).
- 5.3 The Production was not filmed as per the interim approval certificate letter given by the FFO.
- 5.4 The Production resulted in a negative impact on the natural resources and/ or the environment.
- 5.5 In the event of a legal dispute, arbitration proceedings or court orders, Ministry of I&B reserves the right to withhold the approved incentive until the matter is settled or the Ministry sees appropriate to release the same. The Ministry of I&B's decision in such matters is considered as final. The jurisdiction in legal dispute shall be in Delhi only and the Court alone in Delhi will have jurisdiction in the matter.

## GENERAL

- 6.1 Applicants must ensure at all times during the production that it, the International Producer, and all their employees comply with all applicable laws, statutes, regulations, and ministerial decisions in force from time to time, including, but not limited to, the Indian Labor laws.
- 6.2 Applicant must ensure that, at all times relevant to production in India, all relevant individuals engaged on the production in India have a valid India visa.
- 6.3 FFO will use all reasonable efforts to maintain the confidentiality of the information provided by the Applicant but may be required to share certain information supplied by the Applicant with public authorities, regulators, and independent consultants.
- 6.4 FFO shall be entitled at any time, through a qualified accountant to inspect and audit all books of account and records maintained by the Applicant and/or the International Producer in respect of all data relevant to the Reimbursement and to contact the Applicant's auditors directly where required.
- 6.5 Applicants are encouraged to use digital modes of payments and retain digitally printed receipts to facilitate a smooth hassle-free process.



- 6.6 Various Indian States also offer regional filming incentives which can be combined with the Cash rebate.
- 6.7 FFO will be given a credit in the end credits or end crawl in all cases on all prints of the film (or other content as applicable), in the form of 'Filmed in India' credit and FFO logo as provided by FFO.
- 6.8 The International Producer shall on a best-efforts basis handover to the FFO, testimonials from the film's cast and crew and behind the scenes action of the film and other such suitable material, to be used by FFO to promote India as a filming destination.
- 6.9 In the event FFO reasonably suspects (in its sole and absolute discretion) the presence of dishonesty, fraud or willful negligence or misconduct on behalf of the International Producer and/or Applicant, it may cancel, reject, withdraw, withhold or revoke (in whole or in part) the Reimbursement with the approval of Ministry of Information & Broadcasting. Further, FFO with the approval of Ministry of Information & Broadcasting may, in its sole and absolute discretion impose a permanent restriction on the Applicant and/or International Producer from applying for and/or receiving a Reimbursement (whether directly or indirectly or in whole or in part) in the future. FFO reserves the right to report any suspected fraudulent submissions to the appropriate authorities.
- 6.10 In case of any queries/concerns, the applicant may reach out to FFO on +91-11-24367338 or through email at [ffo@nfdcindia.com](mailto:ffo@nfdcindia.com). These guidelines may be downloaded from the [FFO](#) website.

## Annex: Document Checklist

### Requirements for Interim Approval

1. Duly filled application form
2. Script/storyboard(s)/ treatment and/ or material that provides a full description of the production
3. Permit for filming in India as issued by the MoI&Bor MOEA (in case of documentaries)
4. Registration certificate/ Certificate of Incorporation of the International Producer<sup>1</sup>
5. Shooting/ post-production schedule
6. Total itemized QPE budget for the production expenses in India
7. Copy of the executed agreement between the applicant i.e., LP/ LPSC and the International Production Company covering the scope of services
8. Current trade license of Applicant

### Requirements for Final Approval

1. Duly filled application form.
2. Interim Approval Certificate.
3. Copy of Passport (first and last page) or National Identity Card of the Foreign Company's Authorized Person for the Production in India along with the Authorization letter certifying that the person is an employee of the aforementioned company and responsible for the production in India\* (standard form must be provided online/ annex)
4. The Line Producer/ Line Production Service Company (LP/LPSC) should submit a copy of self-Attested PAN Card, GST Registration Certificate, Authorization letter, Company Registration certificate.
  - o In case of an individual Line Producer, a copy of self-attested AADHAAR card should also be submitted.
5. Undertaking from the International Producer with regard to the successful completion of the project in India as per the permission letter given by MoI&B
6. Bank Letter with account information certified by bank, to which the Cash Rebate Incentives shall be transferred.
7. Registration details of the Auditor appointed by the applicant to audit the production expenditure incurred in India.
8. Certificate of the Auditor i.e., an item wise audited statement, certifying the Production expenses incurred by the Applicant in the Republic of India.
9. Bank Statement from which payouts are made for filming/ production in India
10. Expenditure which are covered under Goods and Services Tax Act, 2017 (GST) should be presented with GST compliant invoices and information.

11. International Producer/Production Company to submit a self-attested statement authenticating the expenses incurred in India against the production budget and the production schedule.
12. Self-Declaration form stating no harm/ negative impact done on the environment and/or to natural resources.
13. The Feedback Form of the FFO duly filled in by the LP/LPSC on behalf of the production company.
14. Where applicable, the following must accompany the application:
  - LO report, in cases where SEO/ Gol/ State Government assigns an LO to the production team
  - No Objection certificate (NOC) from the concerned officer/ Mission, for all Documentaries or those films where SEO recommends the film be shown to a representative of the Government of India, in India or an Indian Mission abroad

<sup>1</sup>Documents to be notarized by relevant Government Agency or Indian Embassy or Consulate. All documents must be translated in English and notarized along with documents in local Languages

## ANNEX: DEFINITIONS

- Above the line: It covers individuals who guide and influence the creative direction of the narrative in a film before shooting starts. E.g., Executive Producer, Producer, Director, Screenwriter, Cast etc.
- Applicant: An individual or a company who makes a formal application for the incentive. In this context, it may refer to a Line Producer or a Line Production Services Company or an Executive/ Co-Producer.
- Below the line: It covers team members that cross over from principal photography through post-production. E.g., Film Editor, Editorial Team, 1st Assistant Director, Art Team, Stunt Team, Composer, Hair Stylist, VFX Team, Make Up, Camera Team, Sound Team, Production Assistants
- Budget: Refers to the appropriated funds (INR) allotted to FFO every Financial Year (April – March), to fund reimbursements under the filming and co-production incentives.
- Documentary: A motion picture that shapes and interprets factual material for purposes of education or entertainment.
- Financial year (FY): In India, the government's financial year runs from 1 April to 31 March the following year.
  - GoI Representative: An Officer of any official Ministry or Department of the Government of India (Ex: Ministry of Information and Broadcasting) and Office of an Indian Embassy / Mission located abroad.
- International Production Companies (“International Producer”): A production services company, established in another country, which must own the copyright in the accredited production throughout the period during which the production is produced in India.
- Liaison Officer (LO): A Government Officer who is specifically appointed subsequent to the recommendation made by the Script Evaluation Officer (SEO). His/ Her job is to ensure that the recommendations made by the SEO are full adhered to.
- Line Producer (LP): An individual or a company responsible for managing the budget and overseeing all operations and logistics for a film from pre-production to post-production. They must be based in India and be in possession of a valid Permanent Account Number (PAN) as per the Indian Income Tax Act, 1961 and a valid Goods and Services Tax Registration Certificate under the Central and State Goods and Services Tax Act 2017 (CGST and SGST).
- Line Production Service Company (LPSC): A production services company based in India, in possession of a valid Permanent Account Number (PAN) as per the Indian Income Tax Act, 1961 and a valid Goods and Services Tax Registration Certificate under the Central and State Goods and Services Tax Act 2017 (CGST and SGST).
- Ministry of Information and Broadcasting (“MoI&B”): Ministerial level agency of the Government of India responsible for the formulation and administration of rules, regulations, and laws in the areas of information, broadcasting, the press, and the Cinema of India.
- Ministry of External Affairs (MoEA): The Ministry of External Affairs of India is the government agency responsible for maintaining the foreign relations of India.
- On the line: It covers team members that bridge the gap between preproduction and principal

photography. E.g., Line Producer, Director of Photography, Casting Director, Location Manager, Production Designer, Art Director etc.

- **Principal Photography:** Also referred to as shooting, is the process of recording all the footage that will be used in a movie. Everything that may appear on screen or be heard is filmed. This may include scenes with actors, special effects, and scenery shots depending on what type of movie it is.
- **Project Complete:** Marked by completion of the in-scope activities, as per the permit granted by MoI&B for the given project.
- **Project:** For the purpose of this document, a Project may refer to a Foreign/International Feature Films (including Animations and Live Actions), Reality TV & Web Shows/Series, Commercial TV Shows/Series, Web Shows/ Series. A single season per series is considered as an individual project.
- **Qualifying Production Expenditure (QPE):** An is expenditure incurred by the Applicant (on Producer's behalf or otherwise) wholly in respect of the applicable production, across pre-production, production (incl. Principal Photography) and post-production, and attributable to the categories of goods and services sourced and/or provided in India as set out in Section 4.
- **Reimbursement:** An incentive provided by NFDC which involves a repayment of expense for made for the purpose of filmmaking.
- **Script Evaluation Officer (SEO):** The Script Evaluation Officer (SEO) - An expert from a panel constituted by the Ministry who will evaluate the script with a view to ensure that the film has nothing objectionable from the point of view of presentation of a correct and balanced perspective on the topic covered.
- **Special Incentive Evaluation Committee (SIEC):** A committee setup to evaluate applications, both at the interim, intermediary, and final approval stages. The committee shall constitute of:
  - **Permanent Members** (for their term in office)
    - Managing Director, NFDC
    - Head, FFO
    - Director Finance, NFDC
  - **Engaged on assignment basis**
    - A Financial expert (preferably a Chartered Accountant, having the experience of account and audit of a film with a view to determine production cost estimates and shall be an advisor on contractual/outsourced basis)
    - Industry expert
    - Representative from a panel of LPs/LPSCs enlisted with FFO