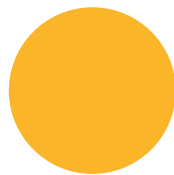


SHOOTING IN SPAIN

Tax incentives

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SHOOTING IN SPAIN

RUEDA EN ESPAÑA



CORPORATE INCOME TAX INCENTIVES

TAX REBATES AND TAX CREDIT FOR FOREIGN FILMS AND TV SERIES

	Percentage deduction	Deduction base	Requirements & limits*	Timing
National Level	20%		<ul style="list-style-type: none"> The money spent in Spanish territory amount must be at least 1 million euros. May not exceed 3 million euros per production carried out. The amount of this deduction, together with the other aid received by the taxpayer, may not exceed 50% of the cost of the production. 	<ul style="list-style-type: none"> The right to request the Tax Rebate belongs to the Line Service. The timing for this request is the following fiscal year to the year of shooting. That is, when the Line Service fulfill the company income tax applications form, (July). E.G.: end of shooting in 2017 – tax rebate will be request in July 2018.
	40% Canary Islands	<ol style="list-style-type: none"> Expenses for creative staff (tax residence in Spain or in another European Union Member State) limited to €100,000 per person. Expenses relating to technical industries and other suppliers. 	<ul style="list-style-type: none"> The money spent in Spanish territory amount must be at least 1 million euros. The amount deducted may not be greater than 5.4 million euros for costs incurred in the Canary Islands. Producers (Line Service) with tax domicile in the Canary Islands. The amount of this deduction, together with the other aid received by the taxpayer, may not exceed 50% of the cost of the production. 	<ul style="list-style-type: none"> The refund of the Tax Rebate should be within the next six months after the submission of the company income tax application form. If there is a delay, financial interest will accrued. E.G.: end of shooting in 2017 – the tax rebate refund shall take place from January 2019. Tax Rebate could be financed by a Spanish Bank.
Regional Level	35% Navarre (Tax Credit)		<ul style="list-style-type: none"> A minimum of at least one week's filming in Navarra. Application of deduction without quota limit. Application deadline if not enough quota: 15 years. The case of a service company with fiscal residence in the region of Navarra, delivering service international producers. The amount of this deduction, together with the other aid received by the taxpayer, may not exceed 50% of the cost of the production. 	<ul style="list-style-type: none"> Tax credit is applied on Corporate Tax. NO cash rebate by Tax Authority. Partial declaration applicable if production lasts more than a single fiscal year.

TAX CREDITS FOR SPANISH PRODUCTIONS

	Percentage deduction	Deduction base	Requirements & limits*	Obtain the Cultural Certificate
National Level	25% 20%	<ul style="list-style-type: none"> 25% off the first million of the deduction base. 20% off anything above that amount. The base will consist of the total production cost plus expenses incurred in obtaining copies, and advertising and promotion expenses at the expense of the producer. 	<ul style="list-style-type: none"> At least 50% of the deduction base must correspond to money spent in Spanish territory. The deductible amount may not exceed 3 million euros. The production must obtain the certificate of nationality and connection with Spanish cultural reality. A copy must be deposited in the Filmoteca Española (Spanish Film Library) or the film library officially recognized by the relevant regional government. The limit of 50% of benefits received increases to 60% for cross-border productions, and to 70% for productions by a new film maker with a production budget not exceeding 1 million euros. 	<p>The Cultural Certificate will be issued as long as at least two of the following requirements are met:</p> <ul style="list-style-type: none"> The original version in any European Union official language. The setting of the content is basically in Spain. The content is directly related to literature, music, dance, architecture, painting, sculpture and, in general, artistic creation expressions. The script is an adaptation of a pre-existing literary work. The content is biographical or, in general, reflects historical events or characters, without prejudice to the free adaptation inherent to a cinematographic script. The content basically includes mythological or legendary stories, events or characters that may be considered to belong to world heritage or cultural tradition.
	45% 40% Canary Islands	<ul style="list-style-type: none"> 45% off the first million of the deduction base. 40% off anything above that amount. 	<ul style="list-style-type: none"> 100% production cost + up to 40% of marketing expenses. The deductible amount not exceed 5.4 million euros for productions shot in Canary Islands. The production must obtain the Spanish film and cultural certificate. The production must obtain the Canary Islands film certificate. Film a minimum of two weeks in the Canaries. Hire local professionals and the production company must be registered in the Registry of Canary Islands Film Companies. The limit of 50% of benefits received increases to 60% for cross-border productions, and to 70% for productions by a new film maker with a production budget not exceeding 1 million euros. 	<ul style="list-style-type: none"> The content is related to matters or topics that belong to Spain's social, cultural or political reality, or has an effect on the same. In the cinematographic story, one of the protagonists or several actors in a secondary role are directly linked to this same Spanish social, cultural or political reality.
Regional Level	35% Navarre	<ul style="list-style-type: none"> Total production + prints + marketing costs expend by the producer. 	<ul style="list-style-type: none"> At least 25% of the deduction base must correspond to expenses done in Navarra. Application of deduction without quota limit. The amount of the deduction, together with the other aid received, may not exceed 50% of the production cost. 	<ul style="list-style-type: none"> In the cinematographic story, one of the protagonists or several actors in a secondary role are directly linked to this same Spanish social, cultural or political reality.
	30% Basque Country (Araba, Bizkaia and Gipuzkoa)	<ul style="list-style-type: none"> Total production + prints + marketing costs expend by the producer. 	<ul style="list-style-type: none"> Application of deduction without quota limit. The amount of the deduction, together with the other aid received, may not exceed 50% of the production cost. 	<ul style="list-style-type: none"> It is specifically directed to children or young spectators and contains values in line with educational principles and purposes.

* Producers must be registered with the REC (Registro de Empresas Cinematográficas or Registry of Filmmaking Companies) of the Ministry of Education, Culture and Sport. Source: ICEX-Invest in Spain and Spain Film Commission.