

Uruguay Audiovisual Program (PUA)

Specific rules for

International Audiovisual Productions in Uruguay

Call for proposals 2021

1- What types of projects are we looking to support?

The PUA's International Line seeks to support foreign audiovisual productions produced totally or partially in Uruguay, such as production services for feature films, short films, video clips, animations, documentaries, television series and new formats for distribution on digital platforms. The submitted project shall consist of pre-production, production and/or post-production activities to be carried out in the national territory. The project must be at least USD 300,000 (three hundred thousand U.S. dollars).

2- Who can apply to this call?

Uruguayan legal entities formally constituted and permanently domiciled in Uruguay, with at least twelve months of activity, that are not direct or indirect holders of audiovisual communication services or that do not have a corporate relationship with a holder of audiovisual communication services, that provide duly accredited production and/or logistic support services, and that have an agreement with a foreign company for the realization of an audiovisual work to be developed totally or partially in Uruguayan territory, may apply. In the case of a co-execution agreement, the majority percentage of investment must be contributed by the foreign company. The applicant company will be the Executing Entity of the project, and will be the entity responsible before ANDE (National Agency of Development) for the development of the project and the accreditation of the expenses. The applicant company must be registered in the ICAU Registry.

The beneficiaries of the support granted under the program will be the foreign legal entities responsible for the production of the audiovisual work that have an agreement with the applicant national company. At the time of application, the foreign company must submit a certificate of validity, existence and representation of its legal status translated into

Spanish, as well as proof of being up to date with the tax obligations in force in its country of origin.¹

Only in the absence of a certificate of good standing, existence and representation in the country of origin, a notarized original apostilled declaration translated into Spanish will be accepted, specifying the identification of the legal representative at the date of incorporation, type of company, headquarters, name and the company's good standing.

3- What support will PUA's international line provide?

The project applied for shall be comprised solely of pre-production, production and/or post-production activities carried out within the territory of Uruguay, provided by individuals residing in Uruguay and/or legal entities established in Uruguay, in accordance with the eligibility criteria explained in section 6.a.

The total amount of the project shall consist of all expenses associated with the above-mentioned activities and must be at least USD 300,000 (three hundred thousand US dollars). The total amount of the project must be the sum of the nominal amounts, excluding taxes.

ANDE will reimburse a certain percentage of the total amount of the project, with a maximum ceiling of support depending on the category of project for which the applicant is applying:

Total project amount	% ANDE support	Maximum amount of ANDE support
Between USD 300,000 and USD 4,000,000	25%	USD 700,000
Between USD 4,000,000 and USD 8,000,000	17,5%	USD 850,000

¹ The aforementioned documents must be submitted with an official translation into Spanish and apostilled.

Over USD 8,000,000	10,6%	USD 1,000,000
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What expenses can be recognized?

All expenses associated with pre-production, production and post-production activities carried out in Uruguay, provided by individuals resident in Uruguay and/or legal entities established in Uruguay, qualified as eligible by the Technical Committee, may be recognized:

- Specialized activities related to audiovisual production, including artistic and technical services.
- Filming fees: photography and camera crew, art crew, sound crew, field production and location production.
- Post-production, animation and VFX technical personnel fees.
- Fees for direction, executive production, scriptwriter and cast corresponding to Uruguayan individuals or Uruguayan residents².
- Operating expenses for filming in the national territory: transportation and mobilization, food, field production, locations.
- Artistic and technical production expenses: rental of equipment and technical production materials, purchase of materials for exclusive and essential use in the production and/or post-production, and that their use is exhausted during the execution of the project.
- Expenses incurred in makeup, costumes, scenery, staging.
- Expenses for the acquisition of copyrights and related rights of Uruguayan authors.
- Other production expenses to be incurred in the national territory and considered eligible by the Technical Committee.

a. What expenses cannot be recognized?

Expenses associated with activities that are not directly related to the production of the audiovisual work may not be recognized, with the following being explicitly excluded:

- Development activities.
- Distribution and marketing activities.
- Financial and insurance costs external to production.
- Operating expenses, infrastructure, office, equipment, own transportation, permanent personnel of the companies or any other input or contracting made prior to the execution of the Project.

² If the applicant production company is a sole proprietorship, it may not submit invoices in the name of its company.

- Purchase of real estate or vehicles, civil and construction works whose use is not exhausted in the execution of the project; financial investments, such as time deposits, mutual funds, purchase of shares, payment of debts of any of the project participants.

4- What is the Program execution process?

I. APPLICATION

Project applications must be submitted through ANDE's website (www.ande.org.uy) > Convocatorias> Uruguay Audiovisual Program - International Line, by completing the application form³.

The call for applications is open from February 1, 2021 and will remain open as long as funds are available from those allocated for the International Line.

The application must contain:

- General description of the audiovisual work, production plan, total budget and technical specifications.
- Project details: description of activities to be carried out in the country, including detailed budget and execution schedule, shooting/post-production plan with an indication of the production locations in the national territory.
- Description and background of the companies participating in the project and proposed team.
- Accreditation of the agreement between the applicant company and the foreign company, at least with a Letter of Intent⁴.

Only expenses incurred after the start date indicated in the submitted project will be considered eligible expenses. In the event that the start date of the project submitted is prior to the date of notification of approval, expenses incurred up to 30 days⁵ prior

³ The form and documents submitted in the application must be written in Spanish.

⁴ If the project is selected, the signed contract between the two companies, duly translated and legalized, must be presented at the time of signing the agreement with ANDE.

⁵ If the evaluation process is less than 30 days, only expenses incurred from the date of application will be considered eligible.

to the date of notification of approval of the project may be considered eligible, up to a maximum of 10% of the total amount of the project.

In exceptional cases, and duly justified, applications for increases on approved projects that have already begun their activities may be considered, to the extent that the project applied for only implies an increase in the number of shooting days or new post-production activities. The request must be made no less than 10 days prior to the start of shooting.

II. EVALUATION

The evaluation process will be divided into two steps:

Stage 1: Eligibility

ANDE's technical team will verify compliance with the conditions and information required for the application. If it is deemed necessary to expand and/or clarify any aspect of the information submitted, ANDE will communicate with the applicants granting a deadline for the submission of the requested information. Once the aforementioned communication has been made, the applicant company that does not submit the required information and/or does not make the pertinent clarifications will be automatically eliminated from the process. Projects that do not comply with the minimum requirements established for the call for proposals in these conditions will not proceed to the next evaluation stage.

Stage 2: Technical and Strategic Evaluation

The technical and strategic evaluation will be carried out by the Inter-institutional Technical Committee, made up of a technical representative from each of the participating institutions: ANDE, ICAU, MIEM and UXXI. The Technical Committee may request advice from external experts with knowledge in the subject matter of the projects.

The Technical Committee will carry out a technical and strategic analysis of the projects that have met the requirements of stage 1 of Eligibility, based on the following criteria:

- Potential impact of the project on the national audiovisual industry and related industries (50%)
 - Potential for direct impact on the audiovisual industry
 - Potential impact on related industries
 - Employment generation according to qualification level and its link to the audiovisual chain
 - Contribution to the visibility and promotion of the country as an audiovisual marketplace abroad
- Economic viability, technical feasibility and coherence of the project (30%)
 - Feasibility of the project in terms of size, budget and executive plan, production plan and proposed schedule

- Coherence between objectives, activities and results, based on the production plan, distribution and marketing plan
- Background of participating companies and management team (20%)
 - Background of the Uruguayan company
 - Background of the international company
- Specific team that will manage the proposed project (background of director, producer and key figures/team leaders involved in the project).

At this stage, additional information may be requested from the applicant companies in order to improve the information available for the evaluation and the scope of the activities to be carried out in Uruguay.

As a result of the technical and strategic evaluation process, the Technical Committee will prepare an evaluation report containing a recommendation for approval or rejection of the proposed project, which will be submitted to ANDE's Board of Directors. Only projects that have achieved a minimum evaluation score of 70, out of a maximum of 100, may be recommended for approval.

III. APPROVAL

Based on the report prepared by the inter-institutional Technical Committee, and once the existence of available funds has been confirmed, ANDE's Board of Directors will adopt a final decision on whether or not to grant support to the proposed project, which will be formally communicated to the applicant company in order to determine the execution start date.

In no case will a company formally become a beneficiary of the Program without the signature of the agreement between the Executing Entity (the company applying for the project) and ANDE.

IV. EXECUTION

If the project is approved, an agreement will be signed between the Executing Agency (the company applying for the project) and ANDE, which must be formalized within 90 days of the formal communication.

The applicant and/or beneficiary company will carry out the activities foreseen in the proposed and approved project. The activities must begin to be carried out within a

maximum period of 6 months from the date of notification of project approval. Expenditures for the acquisition of goods and services necessary for the execution of the activities will be made by the Executing Agency and/or the beneficiary company.

At the end of the project, once all the foreseen activities have been carried out, the Executing Entity must submit a closing report and a statement of expenditures, which will be considered a sworn statement, within 60 days from the end of the activities. The expenditure report must be accompanied by an external audit report -under a format provided by ANDE-, carried out by a local firm authorized by the Central Bank of Uruguay.

ANDE will verify compliance with the established conditions and the eligibility of the expenditures rendered. Once compliance with the conditions agreed in the approved budget has been verified, the reimbursement of the committed support will be made, according to the amounts and percentages established in the contract signed between the Executing Entity and ANDE.

In no case will reimbursements be made for projects that have not reached the minimum required expenditure of at least USD 300,000 (three hundred thousand US dollars). In those cases where, having reached the minimum required expenditure, the actual expenditure presented in the expenditure report is less than the budget agreed in the agreement by a percentage greater than 10%, an adjustment will be made to the committed support. This adjustment will be equivalent to the percentage deviation between the actual expenditure submitted and the budget agreed in the agreement. In those cases in which the actual expenditure presented in the financial statements is higher than the budget agreed in the agreement, only the committed support will be reimbursed.

In all cases, the percentage to be reimbursed shall be the percentage corresponding to the category according to the amount of the project actually executed (see section 6).

The reimbursement of the committed support will be made by ANDE to the beneficiary foreign company, to a bank account that it formally designates, which may not be located in a country that appears on the OECD list of tax havens. In the event that the designated bank account is held by a legal entity other than the beneficiary foreign company, such circumstance must be evidenced in the agreement between the applicant company and the foreign company, according to the application requirements.

The reimbursement will be made in two parts. The first will correspond to 90% of the amount to be reimbursed, and will be made once the final expenditure report has been approved. The second will correspond to the remaining 10% of the amount to be reimbursed, and will be made 3 months after the approval of the final expenditure report of the project, provided that the participating companies have not incurred in contractual breaches with national individuals and companies. The banking costs associated with this reimbursement will be charged to the beneficiary company.

Once the reimbursement has been made in the two corresponding items, will the contract be considered fulfilled.

Notwithstanding the above, and in order to monitor the project, the Executing Agency must submit a quarterly progress and expenditure report to ANDE.

ANDE reserves the right to request additional information whenever it deems necessary. To this effect, the Executing Agency shall allow ANDE or its designee access to all the information that ANDE deems necessary for the monitoring and evaluation of the project.

In case of total or partial non-compliance with the established conditions, falsification of information or failures in the procedures agreed upon in the agreement by the Executing Agency and/or by the foreign company, ANDE will proceed to suspend (temporarily or definitively) the execution of the project and the corresponding administrative and legal measures will be adopted according to the corresponding national regulations.

5- About the amount of the Call for Proposals

For the implementation of this PUA International Line, a total amount of up to USD 3,000,000 (three million US dollars) will be allocated. ANDE and/or the Inter-institutional Committee reserve the right not to allocate the full amount foreseen herein, either due to the unavailability of funds and/or for any other cause that the Committee deems justified.

6- General and Special Rules



Ministerio
de Educación
y Cultura

Dirección Nacional
de Cultura

anicau
uy
Instituto Nacional de Cine y Audiovisual



Ministerio
de Industria,
Energía y Minería

ANDE
Agencia
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Uruguay XXI
PROMOCIÓN DE INVERSIONES,
EXPORTACIONES E IMAGEN PAÍS

These specific conditions constitute the special conditions that will govern the "International Line" of the PUA, in all matters not provided for in the General Rules of the Uruguay Audiovisual 2021 Program attached hereto.