



Standards for Cash Rebate for All Film Projects Produced Fully or Partially in the Hashemite Kingdom of Jordan

1: Definitions

“The Commission” The Royal Film Commission - Jordan.

“The Board” The Board of Commissioners of the Royal Film Commission - Jordan.

“The Committee” The Committee appointed by the Board to fulfil the authorities specified within these standards and / or any other authority delegated by the Board.

“Production Project” The production activities and operations which are implemented and/or executed inside the Kingdom, in full or in part, and which will result in a film production, cinema production, television, radio, advertisement, or photography, the production and manufacturing of electronic games or 2D or 3D moving or electronic animations.

“The Kingdom” The Hashemite Kingdom of Jordan.

“Subsidy” a financial support offered to Production Projects in accordance with the principles and criteria as provided hereinafter.

“Production Company” The legal body undertaking the production of the project.

“Local Production Company” a company licensed by the Media Commission, to provide production services and engaged by the Production Company to provide production services in Jordan.

“Media Commission” the Media Commission of the Hashemite Kingdom of Jordan

“Auditor” the financial Auditor registered and licensed in the Kingdom in accordance with the local laws, assigned by the Production Company for the purpose of these standards provided that the auditor is approved by the Commission.

“Auditor’s Report” the report issued by the auditor of audited eligible expenses for the project.

“Jordan Resident” Jordanian national residing in Jordan or non-Jordanian holding an official residency permit in Jordan.

“Official Qualifying Note” is a conditional confirmation letter issued by the Commission to acknowledge that the project is qualified for cash rebate.

2: Eligible Expenses

- A. The cost of material, goods, and services, which are purchased from the local market, and used or consumed by the Production Company and / or the Local Production Company within the Kingdom for the sole purpose of the Production Project.
- B. Salaries, payments, additional benefits, fees, allowances and all remunerations paid to any personnel engaged by a contract with the Production Company and / or the Local Production Company, provided that such personnel is a Jordan Resident.
- C. The cost or reimbursement of renting equipment, cars, wardrobe and related goods from the local market and for the sole purpose of the Production Project within the Kingdom;
- D. Transportation fees, customs clearance fees whether official or professional fees paid to a Jordanian service provider for equipment and material concerning the Production Project.
- E. The renting costs of the filming sites facilities, accommodation places directly utilized for the purposes of the Production Project inside the Kingdom and during the duration of the pre-production and production activities held in Jordan and for the sole purpose of the production.
- F. The cost of insuring the Production Project or any component of the Production Project, provided that the insurance provider is a Jordanian licensed insurance company.
- G. The expenses related to or due for the production set and the local production services concerning the activities in the Kingdom.
- H. Travel tickets to and from the Kingdom issued by a national Jordanian carrier.
- I. Food and beverage expenses in the Kingdom.
- J. Professional services expenses such as legal or financial auditing services paid to a Jordanian company.
- K. The expenses paid for preproduction and production activities, as post production expenses are considered ineligible.

The Committee may include any other expenses as eligible expenses should the Commission deem appropriate.

The Committee may disregard any cost or expenses submitted by the Production Company and /or the local production company, if the Commission believes in its sole discretion that such cost or expense is incurred with fraudulent intent or the cost was over inflated and not within the normal price ranges applicable in Jordan.

All costs and expenses must be incurred after the signature of the Rebate Agreement to be considered as eligible cost.

3: Description of the Subsidy

The Subsidy is of a monetary nature and within the limitation specified within these terms and within the Rebate Agreement, which must be signed prior to the commencement of the Production Project activities. The Subsidy, once approved by the Commission's Board and/or the Committee, will be settled after the completion of the Production Project's activities in the Kingdom.

The eligible expenses shall not be less than one million (1,000,000) US Dollars.

The Subsidy will be approved in accordance with the eligible expenses as per the scheme below:

- a. **10%** of the eligible expenses if the total sum is between one million **(1.000.000)** and three million **(3.000.000)** US Dollars.

- b. **15%** of the eligible expenses of the sum above three million **(3,000,000)** to five million **(5,000,000)** US Dollars.
- c. **20%** of the eligible expenses of the sum above five million **(5,000,000)** to seven million **(7,000,000)** US Dollars.
- d. **25%** of all eligible expenses above seven million **(7,000,000)** US Dollars with a cap of **(2,000,000)** US Dollars.

The subsidy amount will be capped at the amount of two million US Dollars (2,000,000).

4: The Applicant:

Foreign companies not registered in Jordan, must use a Jordanian Registered Production Service Company as a Service provider (Local Producer).

The applicant must be a tax resident in the Kingdom with a place of business or permanent establishment in the Kingdom

The Production Company and the Local Production Company must settle all of its dues and debts in Jordan prior to be entitled to receive the subsidy.

For Co-Productions: Productions recognized as an official co-production under a specific bi-lateral agreement with Jordan, shall be entitled to the same rights and have the same obligations as a local qualifying company as long as they meet the eligibility criteria as outlined herein and that of the relevant treaty. Irrelevant of who is the majority or minority partner, it is the Jordanian Co-Producer who should apply and is recipient of the incentive.

5: Applying for the Subsidy

The local Production Company shall formally submit all needed proper documentation (listed below) 60 days before the first day of principal photography

1. Application form;
2. Top sheet of the overall production budget;
3. Detailed, itemized estimate of expenditure in Jordan;
4. Synopsis of the project, script, treatment outline;
5. The overall schedule of the audiovisual work and the schedule for the implementation of the project;
6. Copy of production service agreement between production service company and foreign qualifying company (not signed draft at application stage is accepted, but signed version will be required with final submission);

The application evaluation will be reviewed by the Committee for a provisional approval. If the production is eligible; the Committee will issue an official qualifying note.

Budget changes: If, after submission of the application for provisional approval the budget of the Jordan spend and estimated eligible expenditure as indicated in the official qualifying note, increases by over 10% of the original estimations, prior to the completion and final submission, the Commission needs to be informed in writing immediately of such changes. If it becomes apparent that the threshold has been exceeded, the Commission reserves the right to award the final incentive not more than 10% over and above the overall qualifying expenditure, as outlined in the official qualifying note.

Should further allowances be made which are found to be justifiable, this will be made solely at the discretion of the Board.

6: Period of Eligibility of a Project

The preproduction of the project must start within 6 months from the application date, otherwise the application will be considered void and the producer will have to reapply, knowing that the Commission is obliged to accept the new application.

A project's period of eligibility is the period specified in the agreement during which the project activities begin and are completed, and the costs necessary for carrying out the project are incurred.

7: Final Submission of Documentation:

After the completion of the project, the Auditor shall formally submit the official report and all supporting documents as per the "Audit and financial guidelines" in annex 1, to the Commission within a maximum period of 90 days after the completion of the Production Project.

8: Payment of the Subsidy:

If the Committee approved the Auditor's Report, the Committee will refer the subsidy application to the Commission for final approval. Once the Commission approves the subsidy the Production Project will be qualified to receive the Subsidy with a total sum according to the brackets specified within these standards.

The Commission shall pay the subsidy to the local production company within 150 days of the Committee's approval date. Otherwise, the Commission shall specify the subsidy payments period (instalments) in the Qualifying Note.

9: Producer's/ Local Producer's obligations:

- A. **Jordanian Staff:** Minimum twenty-five percent (25%) of the total number of crew must be hired local Jordanian citizens and/or residents to render services in the Kingdom in connection with the Production Project.
- B. **Jordanian Trainees/Internes:** Prior to the commencement of the shoot the Production Project shall engage not less than twenty (20) production trainees whereas:
 - a) A minimum of three (3) Jordanian Nationals as trainees for a Head of Department position.
 - b) A minimum of three (3) Jordanian Nationals as shadowing trainees for above-the-line positions.

The Commission will provide the local producer with a list of trainees and training schedule customized based on the duration and locations of the Production Project.

Production trainee shall render services for the Local Producer and they shall be granted standard crew accommodations, standard crew transportation and standard crew per diem. Furthermore, the Commission may request the right to organize:

- a) Educational field familiarization trips to the Production project set.
 - b) Master Class seminars for local Jordanian talents.
- C. **Credit:** The Production Project shall accord the Commission an on-screen, static (non-animated and non-musical) credit in the end titles of the Picture as follows:

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- D. Advance Exclusive Screening:** The Producer will grant the Commission the right to hold an advance screening of the Picture, prior (by at least 2 weeks) to its release locally, regionally or internationally, be it in theaters or in festivals. The presence of the main cast and the terms of this Advance Screening – considered as Home Screening – are to be discussed between the Producer and the Commission.
- E. Press Release:** Following the completion of the Local Producer’s services in the Kingdom, the Commission shall be entitled to issue at least one (1) media press release (hereinafter referred to as the “Press Release”) in relation to the Picture concerning the filming of certain scenes for the Picture in the Kingdom, provided that the form and substance of such Press Release shall be subject to the prior written approval of the Producer and not to be unreasonably withheld.
- F. Social media posts:** posted by the Commission concerning the filming of certain scenes related to the Picture in the Kingdom, including social medial posts which the Commission will be able to post on the last day of principal photography on set in the Kingdom;
- G. Behind the scenes video and photographs** of the preparatory and filming activities in the Kingdom; whereas the producer to grant the RFC team access to take videos and photos and/provide the RFC with the suitable content.
- H. Interviews** During production, the Film Commission reserves the right to conduct a video interview, with the main actors/actresses, the director, producers and production designer as testimonials which will be used for publicity. These will be used locally and internationally to promote the film industry in Jordan.
- I.** The Royal Film Commission is entitled to a copy of the final product with release of the cultural usage rights to be screened in local events – e.g. festivals, schools and libraries - for an unlimited term 1 year after the worldwide commercial release
- J. Use of extracts:** After the release of the film, the Producer authorizes the RFC to use extracts of the film for publicity purposes for the promotion of Jordan as a destination for cinema production or tourism.
- K.** The Producer is requested to grant RFC some of the original props and wardrobe (or the rights to produce a copy for non-commercial use, used while filming in Jordan, and grant the rights for possible ultimate use for exhibition and promotional purposes when showcasing a Jordanian film location (e.g. local museums, touristic places, film locations).
- L.** One sheet artwork/posters: signed by the director and/or the lead actor/actress.

10: Executive instructions

The Committee shall release executive instructions concerning the implementation and management of the principles and criteria for additional subsidies program for film production projects which are produced in full or in part in the Kingdom.

11: Miscellaneous:

- The Board reserves the right to refuse any Production Project application for a Subsidy, even if it completely fulfills the conditions mentioned above.
- The Committee reserves the right to make any exception for any Production Project, after obtaining the Board’s approval. The Producer and/or Local Producer must apply in writing for any exception and provide the proper justifications.
- The Board reserves the right to request any documents and/or certificates, which are not stipulated in the principles and criteria.

- The Production Company may apply for customs and sales tax exemptions as per the Cabinet's resolution 5437 dated 10/09/2014; provided that the conditions are met as appropriate.
- The Commission may withdraw any subsidy granted, whether the rebate agreement was signed or not, and whether a previous approval was issued or not, if the Production Project included content that is anti-constitutional or unlawful content. Nor shall films which are focused on pornography or the glorification of violence or which openly violate religions in an inappropriate way to be eligible for funding.

Annex (1)

Audit and Financial Guidelines

The producer and/or the local producer and / or the production services company are required to open a dedicated bank account for the production and all local transactions for which a claim is being requested and which clearly outlines the payment transactions; these are to be clearly cross-referenced throughout. A Statement of bank transactions is to be presented with the final submission of documents.

Once the production is completed, the final submission requires a full audit of expenses pertaining to the qualifying production. The qualifying producer and/or local producer and /or the production service company must present the final costs for which the incentive is being claimed arising from the qualifying production as outlined herein, and appropriately referenced based on categories that are reflected in these guidelines. Documents presented must be clearly cross-referenced.

Final costs relating to the Jordan spend of the qualifying production must be supported by valid invoices, receipts, and proof of payment (proof of payment can be presented by either Bank transfer sheet, copy of cashed check, or with a supplier official receipt). The proof of payment has to be attached to the invoice (If not, the invoice will be treated as ineligible) together with copies of all contracts, pay slips, proof of withholding tax payments with respect to wages.

Jordan Spend needs to be clearly identified as follows:

1. Local spend should be clearly identified separately.
2. Non-eligible spend should be clearly identified separately.

Contracts/invoices must be presented in Arabic or English.

On completion of the qualifying production, the qualifying company is to submit the following documents to the Commission:

- a) An immediate written notification that the Production Project works in Jordan of the qualifying production are completed; detailing total number of shooting days in Jordan and dates.
- b) Detailed listings of personnel engaged on the production in Jordan as follows:
 1. Cast
 2. Stunts and special skills
 3. Featured artists and extras
 4. Local crew
 5. Foreign crew

- 6. Service companies engaged
 - 7. Personnel Lists should also include:
 - (i) Nationality/Residency
 - (ii) ID or National number /Passport number
 - (iii) Contract duration
 - (iv) Role in the production
- c) Final list of locations used (with address) including copies of property owners (private or governmental entity): no objection letter and/or relevant release form.

All Accounts are to be presented must include the following:

- 1- A “top sheet” expenditure summaries (signed by a certified auditor) consisting of the following:
 - a. Total actual Jordan spend (including both eligible and ineligible expenditure).
 - b. Total of local eligible expenditures for the incentive claimed.

- 2- Accounts detailing the amounts spent on each individual element of the project, separated for the Jordan eligible expenditure (as defined in the Guidelines herein):
 - a. Accommodation
 - b. Air travel
 - c. Recce costs
 - d. Crew fees
 - e. Per diems
 - f. Location fees
 - g. Rentals
 - h. Services
 - i. Professional services
 - j. Construction including set builds
 - k. Jordan film studios
 - l. Miscellaneous

All account entries are to be:

- a. Clearly cross-referenced (in accordance with the categories outlined in these guidelines),
 - b. Supported by copies of invoices.
 - c. Contracts and agreements for the incentive rebate claim
 - d. Proof of payment (as outlined in these guidelines)
 - e. Certified by proper receipts that enable the recipient of the payment to be identified.
 - f. Copy of signed production service agreement between the production service company and the production company and / or producer, where applicable.
- 3- The labor cost, for which the incentive rebate claimed, must be supported with a detailed payroll analysis, as follows:
- a. Expenditure on employees, directly engaged with the qualifying production or its legal representative (registered production service company) on a full-time basis, part-time basis or with a contract of service for Jordanian nationals or residents of Jordan employed/posted in Jordan in accordance with the laws of the Kingdom;
 - b. Copy of pay slips for those on payroll and invoices together with receipts for those on a contract of service, where applicable;
 - c. Contract and agreements for any rebate claim;

- d. Proof of payment (as outlined in these guidelines);
- e. Copies of receipts relating to withholding tax paid in Jordan, on the income of any individual employed with a producer, or employed with a local producer, or production services company;
- f. Copies of receipts relating to withholding tax paid by any individual, who is not ordinarily resident in Jordan and was employed or offered their services to the production as foreign crew or as an actor, front of camera performer and/or film director. (if applicable);
- g. For those on payroll, a copy of the detailed monthly payroll analysis complying with the personnel social security and income tax statements.

- 4- Statement of bank transactions is to be presented with final submission for all eligible transactions; the statement must clearly outline the payment transactions and must be clearly cross-referenced to the invoice/pay slip it pertains to as in proper accounting practice.

Should any shortcomings be found where any of the paperwork submitted is not up to standard, this may make this line item immediately ineligible.

On receipt of the audit report and upon final review by the Committee, a 'Final Certificate' will be issued.

The cash rebate is forwarded to the dedicated bank account of the qualifying company no later than five months from the date of receipt of the 'final submission' as outlined herein. This is subject to:

The Commission will withhold 10% of the cash rebate until obligations as outlined in signed agreement are fulfilled. The Commission reserves the right to withhold this 10% if the qualifying company does not abide by the obligations as outlined.

ELIGIBLE AND NON-ELIGIBLE EXPENDITURE

Eligible expenditure must be made by the qualifying company (or through its legal representative in Jordan) on which an application for the qualifying production has been submitted and directly contributes to the productions' needs. Expenses must be directly related to the qualifying production. Invoices, contracts and receipts must be made out in the name of Project and/or the production service company (with a valid production service agreement contract with the producer to legally represent them in Jordan and clearly referencing the production). The beneficiary of the cash rebate will always be recognized as the qualifying company producing the qualifying production.

The following expenses for rental of goods and services paid to local companies, sub-contractors are considered as 'eligible expenditure', in accordance with the criteria as listed below and as detailed in these guidelines.

Eligible Expenses:

The following expenditures that are incurred in Jordan are eligible for the financial incentive:

Section	Category	Description
1.1.	Accommodation	Expenditure on hotel accommodation and rental of real estate for cast and crew.
1.2.	Air travel	Relevant flight expenditure for air freight and air travel between Jordan and any airport (on national carrier only) related directly to the qualifying production

		as well as expenses (including all airport taxes, such as departure tax, passenger service charges, security charges and similar expenses) incurred at any of Jordanian Airport in respect of such air travel. Costs relating to extra baggage charges are also eligible.
1.3.	Labor costs (inclusive of fringe benefits).	<p>Expenditure on employees, directly engaged with the qualifying company or its legal representative (registered production service company) on a full-time basis, part-time basis or with a contract of service who are Jordanian residents in accordance with the laws of Jordan.</p> <p>Labor costs for local cast - hire of extras, stand ins, day players and for which 5% withholding tax has been deducted.</p> <p>Definitions: Labor costs: Engagement fees, salaries, wages, overtime, holiday pay, employment bonuses, including fringe benefits. Fringe benefits: Mobile allowance, car allowance, including fuel.</p>
1.4.	Per-diems	Daily subsistence subject to a maximum of USD \$141 per person per day.
1.5.	Location fees	<p>Fees and courtesy payments that are directly related to the qualifying production which are paid to location owners, local councils, non-governmental organizations or other individuals or entities in Jordan.</p> <p><u>An invoice or receipt will be required.</u></p>
1.6.	Rentals	<ul style="list-style-type: none"> • Audio/sound equipment; • Grip equipment; • Camera equipment; • Drone camera's and ancillary equipment; • Video playback and assist and ancillary equipment; • DIT and ancillary equipment; • Set Lighting/Electrical Equipment; • Ground transport and facility vehicle services: rental of chauffeur-driven cars, self-drive vehicles, facility vehicles, trucks, cranes, mobile homes, trailers, honey wagon, gully suckers, tugs, coaches, minibuses, collection transport and picture vehicles in Jordan including fuel; • Studio space, production offices, warehouse space, workshop facilities, storage space, stages and any other space for the needs of the production; • Furniture, tools, equipment for workshops, set construction, artistic preparations, onset location and unit base equipment including rental of EZ-ups, tents, marques, heating/air-conditioning units, etc. • Wardrobe including costumes, wigs, prosthetics, rails, mirrors etc. • Props including set dressing, greens, weapons and planes, helicopters, boats, yachts, and any object rented and used as a prop; • Helicopters;

		<ul style="list-style-type: none"> • Generator/s; • Marine vehicles; • Mobile toilets; • Scaffolding; • Green screen; • Animals; • Walkie-talkies; • Skips; • Health and safety equipment; • SFX equipment • Stunt equipment • Diving equipment • Set builds - including the setting up and dismantling costs, where applicable. • Other relevant rentals directly related to the production.
1.7.	Services	<ul style="list-style-type: none"> • Catering and craft services - provided onset during the shoot and offered by a catering/craft service company. • Diving services; • Laundry and cleaning services; • Jordan heritage, archaeological and environmental monitoring services and location permits issued by the related Government Departments or Authorities or similar; • Security services; • Courier services; • Health & safety services: onset first aiders, medics such as: nurses and doctors on set including ambulance services; • Police, wardens, Civil Protection (Fire Fighters) and Armed Forces of Jordan; • Telecommunications: expenditure on fixed telephony, mobile telephony, and internet services incurred in Jordan; • Utility bills related to water & electricity; • Waste/set strike removal. • SFX Services; • Restorations (foreseeable costs relating to sets, location, props etc. excluding purchases of materials). • Insurance - relating to the Jordan Production issued by a Jordanian insurance company. (excludes error and omissions insurance). • Production service company fees - provided that such expenditure shall not exceed 20% of the final Jordan Spend (actual) not exceeding USD \$141,045 whichever is lower.
1.8.	Professional Services	<p>Fees related to professional services carried out in Jordan this would include but is not limited to:</p> <ul style="list-style-type: none"> • Legal fees; • Audit fees; • Accounting firm's services; • Bank charges/fees (excluding interest);

		<ul style="list-style-type: none"> • Health and safety services; • Architecture services; • Structural engineer services; • Any form of historical research; • Any form of professional/consultancy services; <p>Provided that total expenditure for such services shall not exceed USD \$70,522.</p>
1.9.	Construction including set builds	<p>Set Builds in any form.</p> <p>Costs should be split into:</p> <ol style="list-style-type: none"> 1. Material costs (considered as purchases and therefore ineligible). 2. Labor costs (eligible to be included under section 4 above). <p><i>Other than that listed under section 1.10.</i></p>
1.10.	Jordan film studios	Services, equipment, rentals, purchases (not limited to and can include: offices/workshops/storage space/stages/water facilities/ancillary locations managed in the name of JFS, props, costumes, wardrobe, etc.), and set builds.
1.11.	Miscellaneous services procured in Jordan	Other than those listed above and that are directly related to the qualifying production.

Ineligible Expenditure

The following expenditure is **not eligible** for the financial incentive:

Section	Description
2.1.	Salaries, payments, additional benefits, fees, allowances and all remunerations paid to foreign cast and crew.
2.2.	Development costs such as and not limited to: Writers' Costs, Story and screenplay rights, scriptwriting costs, costs of development and research, license rights.
2.3.	Traffic fines/tickets.
2.4.	Deferred payments, participation in profits, remaining payments, interest owed, doubtful debts, bad debts.
2.5.	General business overheads (expenditure not directly related to the film Production. The expenses related to the operation of a Company and what in accounting practice would be classified as administrative expenses in audited financial statements).
2.6.	Depreciation costs on any fixed assets used during Production.
2.7.	Financing costs.
2.8.	Fluctuations in Exchange Rates.
2.9.	Completion Bond.
2.10.	Bank Interest.
2.11.	Internal service charges (unless validated by supporting contracts and proof of market costs).
2.12.	Costs of acquisition, licenses and development of any software that supports the support functions of the company/production.
2.13.	Costs of distribution, publicity and marketing costs (including EPK).
2.14.	E&O Insurance costs.

2.15.	Any loss and damages caused during a production to any property owned or rented by the qualifying company (or it's representative acting on its behalf) including personal and/or third party property.
2.16.	Expenditure relating to labor costs and travel related costs for work engaged on the Qualifying production outside Jordan is not eligible.
2.17.	Final costs not supported by proof of payment (proof of payment can be presented by either Bank transfer sheet, copy of cashed check, or with a supplier receipt. The proof of payment has to be attached to the invoice. If not, the invoice will be treated as ineligible).