

THE HUNGARIAN FILM INCENTIVE

RAIFFEISEN CONSULTING

In 2004, Hungary passed legislation offering **REBATES** to foreign productions to promote filmmaking in Hungary with the Hungarian Film Industry. The foreign producer can get a benefit of up to 20 percent of direct film production costs incurred in Hungary. The money comes from the Hungarian companies in the form of a tax credit to a Hungarian corporate sponsor who benefits from the credit. The Hungarian sponsor has no interest or rights of any kind in the film project. If the foreign production passes all the production money through its local co-production company it receives the full 20 per cent rebate less nominal fees. The foreign production company can get an advance on the rebate if it pays financing charges. Thus, the foreign producer can depend on a net return of between 16 to 19 percent of the money it spends on production in Hungary in the form of a cash rebate, depending upon if and how much of the rebate is financed.

FILM FINANCING SERVICES

RALEIGH FILM AND RAIFFEISEN CONSULTING

Raleigh Film Budapest and its partner, Raiffeisen Consulting, provide the services and assistance necessary for foreign producers to gain access to the **TWENTY PERCENT REBATE OF COSTS OF MOTION PICTURE AND TELEVISION PRODUCTION**. Raiffeisen Consulting can provide financing of the rebate while the Hungarian Film Office is processing it. They can also provide financing to the production company while it is waiting to recoup VAT expenses.

Raiffeisen Consulting has been operating in the film market since the Hungarian Film Act became law in 2004 and over this period has successfully participate in the support of over 300 film productions with a total local production budget of more than 25 Million US Dollars.

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Raiffeisen Consulting offers:

- **Assistance for getting sponsorship of up to 20% of the production spend**
- **Consulting on issues of film financing**
- **Organizing advance financing of the rebate**
- **Organizing VAT financing of the entire production budget**
- **Accounting and Payroll Services for film productions**
- **Administrative services to interface effectively with Hungarian authorities**
- **Complete consulting services for taxation, accounting, financial and legal matters**

ELIGIBILITY FOR SPONSORSHIP

The tax incentive and thus the rebate can only be received when the Hungarian Film Office issues a certificate. The following is the procedure for getting the certificate:

- 1.REGISTRATION:** The production must be registered through a Hungarian production company (Raleigh Film Budapest) at least 45 days prior to the start of principle photography. Registration is normally automatic.
- 2.COMPLETION:** Completion of the project or the portion of the project slated for Hungary.
- 3.REVIEW:** Submit production invoices to the Film Office for verification. This process takes up to 30 to 60 days from the date the documents are presented.
- 4.CERTIFICATE:** Issuance of the sponsorship certificate of 20 percent of the verified direct filmmaking costs.
- 5.REBATE:** Immediate cash transfer to the production.

RAIFFEISEN CONSULTING GUARANTEES THE IMMEDIATE TRANSFER OF FUNDS TO THE PRODUCTION UPON ISSUANCE OF THE CERTIFICATE

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ROLE AND PURPOSE OF RAIFFEISEN CONSULTING

Raiffeisen Consulting is a subsidiary of one of the most significant banking groups in Central and Eastern Europe. Raiffeisen International Bank-Holding AG and has been operating in the Hungarian business consulting market since 2003. Raiffeisen Consulting helps filmmakers take advantage of the enormous opportunities available in Hungary by facilitating and clarifying all the legal and administrative requirements to quickly and efficiently access the full incentives available. It simplifies, expedites and assists in every area: financing, accounting, taxation, legal and administrative.

References are available upon request.

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SUMMARY

The strategic partnership of Raleigh Film Budapest and Raiffeisen Consulting assures foreign film producers the highest level of integrity and efficiency in the process of accessing the Hungarian Film Incentive. The producer contracts Raleigh Film Budapest for its production services. It deals directly with Raiffeisen Consulting to get a sponsor and quickly get the rebate and VAT refunds. If the foreign producer needs financing Raiffeisen Consulting will arrange that at favorable rates.

It is a one-stop solution to every aspect of filmmaking in the region.

