

March 26, 2015

UK Film & Television

Tax relief changes announced for film and television and a new co-production treaty.

The UK Government published the Finance Bill 2015 on 24 March 2015. We set out below the bill's key impacts on the UK film and television industries and discuss other recent developments for UK film and television.

Film

UK/China Film Co-Production Treaty

The UK/China Film Co-Production Treaty was recently ratified and allows films that qualify as UK/China co-productions to access public finance and national benefits available in both countries. Importantly, films that qualify under the treaty are exempt from Chinese quotas for foreign films. The treaty allows for both third party co-producers and financial only co-producers. Individuals involved in the production of the film need to be nationals or residents of the UK, China, a European Economic Area (EEA) state or the country of a third party co-producer, unless an exemption from the authorities is obtained.

Film Tax Relief

The film tax relief will now be calculated at 25 percent of UK qualifying spend for all British films, regardless of whether they are limited budget films (£20m or less) or high budget films (over £20m). This will take effect from 1 April 2015 or the date State Aid approval from the European Commission is received (if later). In addition, legislation for the new 35 point cultural test for film was passed at the end of January and applies to all new applications for certification as a British film provided principal photography started on or after 1 April 2014.

Television

New Tax Relief for Children's Television Programmes

Provided the proposed Finance Bill 2015 is passed (which is expected by the end of March), tax relief will be available for children's television programmes that qualify as British from 1 April 2015. Children's television programmes are those that are expected to have a primary audience under the age of 15 when production activity begins. Importantly, children's television programmes that are competitions or games can qualify for the tax relief provided the total prize available is not more than £1,000. No minimum

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- Sports teams and governing bodies
- Individual talent
- Music companies
- Internet and digital media companies



production cost or minimum slot length is required. Once the cultural test is introduced, which will be after the Finance Bill 2015 is passed, children's programmes that pass the test will be able to submit claims for expenditure incurred from 1 April 2015.

Existing Television Tax Reliefs

From 1 April 2015, the minimum UK expenditure requirement for all television programmes that have not yet completed principal photography will be 10 percent of total expenditure. The UK government also intends to modernise the cultural test for high-end television programmes. By way of reminder, high-end television programmes are dramas, comedies and documentaries commissioned for a slot length greater than 30 minutes and with an average production cost of at least £1 million per hour of slot length.
