



Australian Government

Department of Communications and the Arts

**PDV Offset for
post, digital and visual effects production in Australia
Application for Certificate of Eligibility**

Application made in accordance with Subsection 376-230(2) of the *Income Tax Assessment Act 1997*

Three complete copies of the completed application form along with all attachments should be posted to:

**The Applications Officer, Location and PDV Offsets
Screen Industry Section
Ministry for the Arts
Department of Communications and the Arts
GPO Box 2154
Canberra ACT 2601
AUSTRALIA**

If you require any assistance in completing the form, please contact the PDV Offset team on
+61 (0)2 6141 4383 or filmenquiries@arts.gov.au



Australian Government

Department of Communications and the Arts

FOR OFFICE USE ONLY

Date of Receipt:

Reference No:

Application for Certificate of Eligibility – PDV Offset For Post and Digital Production and Visual Effects For a Film or Television Production in Australia

Please note that throughout the application form, the term ‘film’ is used to include feature films, telemovies, direct to DVD, miniseries and television series. The acronym ‘PDV’ refers to post, digital and visual effects production as explained in the Guidelines, which are available online at www.arts.gov.au/film-tv/australian-screen-production-incentive/offsets. The Guidelines must be read in conjunction with this form.

Section 1—company information

1. Applicant Company¹

Registered company name:	
Registered address:	Contact name:
	Office/Title:
Place the company is incorporated:	Business phone:
	Mobile/Cell:
	Fax:
	Email:
Australian Business Number (ABN) :	
Is the company: <input type="checkbox"/> Australian resident <input type="checkbox"/> Foreign resident with permanent establishment and ABN	
<i>Please note: If the company is a foreign resident and does not have both an Australian permanent establishment and ABN, the film is ineligible.</i>	
Was the applicant company a foreign resident for any of the time it incurred expenditure on the film? YES <input type="checkbox"/> NO <input type="checkbox"/>	
<i>If yes, you should attach details of the company’s Australian permanent establishment and indicate any period/s of that foreign residency during which the applicant did not have a permanent establishment in Australia and an ABN.</i>	

¹ Note that where the applicant company has itself undertaken the PDV work in Australia, only its expenditure attributable to PDV production activities as listed in the Location & PDV Offset Guidelines may be eligible as QAPE.

2. Company responsibility for making the film

The company must itself have carried out, or made the arrangements for the carrying out of, all the activities in Australia that were necessary for the post, digital and visual effects production for the film. The total of the company's qualifying PDV expenditure (qualifying Australian production expenditure incurred on or in relation to PDV work) must be at least A\$500,000 (or A\$5 million if it commenced prior to 1 July 2010) – see Section 3.

Was the applicant company responsible for carrying out, or making the arrangements for the carrying out of, all the activities in Australia that were necessary for the post, digital and visual effects production for the film?

YES NO

3. Prior companies

Has the applicant company taken over responsibility for PDV work on the film in Australia from another company?

YES NO

If yes, the previous company(ies) should be listed below with the relevant legal agreement confirming the transfer of responsibility also included as an **Attachment**.

(Please attach details on a separate sheet if there is insufficient space provided below)

Registered company name:	Registered company name:
Registered address:	Registered address:
ABN:	ABN:

SECTION 1 ATTACHMENTS:

- Documents verifying the company's Australian residence or permanent establishment and ABN, including registered address.
- Names and addresses of company directors.
- Statement of the relationships between parent/associate company, applicant company and, if applicable, production services company.
- Any agreement relating to the establishment of the applicant company, such as documentation or an agreement with a parent/associate company.
- Documents verifying the level of responsibility of the applicant company for the production of the film—for example a PDV services agreement or contract.
- If applicable, document verifying the transfer of film production responsibility from a previous production company(ies).
- Written confirmation from commissioning studio or equivalent that the applicant company is expected to apply for certification for the PDV Offset.

Audited expenditure statements must indicate which amounts, if any, relate to expenditure by previous companies.

5. Other Australian Government incentive support:

Has the applicant or any investor in the film claimed a deduction in relation to copyright in the film under Division 10B of Part III of the *Income Tax Assessment Act 1936*? YES NO

Has a final certificate for the film been issued at any time under Division 10BA of Part III of the *Income Tax Assessment Act 1936*? YES NO

Has a certificate (other than a provisional certificate) been issued, for the Producer or Location Offset, or the Refundable Film Tax Offset, in relation to the film under Division 376 of the *Income Tax Assessment Act 1997*? YES NO

Please note that if the answer to any of these questions is 'yes' the film is ineligible for the PDV Offset

Has an application been made for a final certificate for the Producer or Location Offset, or the Refundable Film Tax Offset, in relation to the film under Division 376 of the *Income Tax Assessment Act 1997*? YES NO

Has a provisional certificate for the film been issued at any time under Division 10BA of Part III of the *Income Tax Assessment Act 1936*? YES NO

Has a provisional certificate for the Producer or Location Offset been issued in relation to the film? YES NO

Please note that a positive answer to these last three questions is not a bar to eligibility

6. Other Government incentives and support:

Has any support from the Australian Government aside from that mentioned in item 5 been received or applied for in relation to the film? YES (please provide details below) NO

Has any support from any State or Territory Government been received or applied for in relation to the film? YES (please provide details below) NO

Type of support or incentive/s:

If incentives have been received or applied for in more than one State or Territory, please attach further details

Government contact: Name:
Office/Title :
Agency:
Address:
Telephone : Email address :

Government contact: Name:
Office/Title :
Agency:
Address:
Telephone : Email address :

If incentives have been received or applied for in more than one State or Territory, please attach further details to the application.

7. Non-Australian Cast and Crew:

Please indicate the names (if any) of foreign non-cast personnel brought to Australia for periods of less than two (2) consecutive weeks to provide PDV services.

If possible, please list the name of all cast and crew (including company name if relevant) who are not Australian citizens and who provided the PDV services in Australia, the roles in which they worked on the film, and the dates on which they entered and left Australia if this occurred during the making of the film. If you wish, this list may be separately attached electronically on CD.

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SECTION 2 ATTACHMENTS:

- Proof of distribution/exhibition for the film should be included as an Attachment. This can be provided, for example, in the form of a deal memo or letter of confirmation from the distributor on official letterhead.
- A dated copy of the final film on DVD (or VHS) must be provided by the applicant within 30 days of the completion of the film to verify that the film is ready for distribution or exhibition to the general public, and to confirm other details of the film. The copy of the film will be kept only for the purposes of the certification process, and will be held securely within the Department on a strictly commercial-in-confidence basis, subject to legal requirements for disclosure (see the Confidentiality section on page 9).
- A full final credit listing should be included as an Attachment. If you wish, this list may be separately attached electronically on CD.

Section 3—audited expenditure statements

Expenditure statements for the production must present detailed information on its qualifying PDV expenditure.

1. Expenditure statements

In circumstances where a General Ledger is not available, and to ensure appropriate assessment of qualifying PDV expenditure, the audited expenditure statements submitted should include:

- (i) The service provider's full quote/gross bid (including budget breakdown/costs per shot);
 - (ii) Copy of the production services agreement or contract
 - (iii) A transaction log;
 - (iv) Any approved Change Orders;
 - (v) Copies of invoices issued by the service provider; and
 - (vi) A letter from a Company Director or equivalent of each PDV service provider:
 - stating their opinion that the expenditure incurred in carrying out the PDV activities is attributable to goods and services provided in Australia, and
 - indicating the names (if any) of foreign non-cast personnel brought to Australia for periods of less than 2 consecutive weeks to provide PDV services on the film.
- a)** Qualifying PDV expenditure must be identified in Australian dollars and include details of expenditure by category, including:
- (i) a description of each expenditure item (eg. editing, sound recording, CGI etc.);
 - (ii) the amount of expenditure on each expenditure item;
 - (iii) details of each service provider by expenditure item;
 - (iv) the location and period over which each service or good was provided; and
 - (v) the location and period of use of any land used in making the film or television production.
- b)** For PDV expenditure commencing on or after 1 July 2011, the GST-exclusive amount must be identified (GST input credits are not considered qualifying PDV expenditure).
- c)** If any expenditure was incurred while the company was not resident in Australia, you must specifically identify the amount of such expenditure, the dates during which the expenditure was incurred and whether at that time the company lacked either a permanent establishment in Australia or an ABN.

2. Audit

The expenditure statements must be audited by an independent Australian auditor registered as such in accordance with the *Corporations Act 2001*. 'Independent' means that the auditor must not be an officer, employee or partner of the applicant, or of a related body corporate of the applicant.

The auditor must sign the attached pro-forma verifying claimed qualifying PDV expenditure.

Auditor company name:		
<i>Corporations Act 2001</i> Registration Number:		
Contact name:		
Qualifications :		
Office/Title :		
Telephone:	Business:	Mobile:
Fax No:	Email address:	

3. Currency exchange

[Please attach details on a separate sheet if there is insufficient space provided below]

For the purposes of qualification, all qualifying PDV expenditure incurred in foreign currencies must be converted into Australian dollars using the rate of exchange for the day on which creation of the visual image/sound commenced in Australia. It is recommended that applicants use the published exchange rates available from the Australian Taxation Office's website: www.ato.gov.au or those published by the Reserve Bank of Australia: www.rba.gov.au

If currency has been converted into Australian dollars, please indicate:

the date on which creation of the visual image commenced: (date): / /

the currency in question:

the currency exchange rate used:

the claimed QAPE figure at the exchange rate used:

the source from which the rate was derived:

For the purposes of calculating the amount of the offset for the film, all qualifying PDV expenditure incurred in foreign currencies will be converted into Australian dollars using an average monthly rate of exchange across the period in which qualifying PDV expenditure was incurred. It is recommended that applicants use the published exchange rates available from the Australian Taxation Office's website: www.ato.gov.au or those published by the Reserve Bank of Australia: www.rba.gov.au

If currency has been converted into Australian dollars, please indicate:

the currency in question:

the average currency exchange rate used:

the dates across which the exchange rate is averaged: from (date): / / to (date): / /

the source from which the rate was derived:

4. Arm's length expenditure

Please provide the name/s of all companies that are identified in the expenditure statements as providing PDV goods/services and are associated with the applicant or any of its associated entities (within the meaning of section 50AAA of the *Corporations Act 2001*) with a brief explanation of the nature of the goods/services provided. (Please attach additional information on a separate sheet or electronically on CD if there is insufficient space provided below).

5. Apportionment for work overseas

Please note that costs attributable to PDV services provided outside Australia (i.e. work/shots outsourced offshore) are not eligible as qualifying PDV expenditure. **The PDV activities must be undertaken in Australia to be eligible as qualifying PDV expenditure.**

Where an individual works on PDV activities both inside and outside of Australia, only the proportion of the individual's remuneration attributable to work done within Australia is claimable as qualifying PDV expenditure.

Are any qualifying PDV expenditures claimed by the applicant company, or any of its sub-contractor's attributable to work/services undertaken outside Australia, or include payments for any reason to overseas providers?

YES

NO

If YES, a full financial statement of all overseas transactions should be provided, together with an explanation of all the items.

6. Overview of expenditure statements

Total qualifying PDV expenditure

A\$ _____ (Australian dollars)

Please provide a bullet-point list of the separate expenditure statements provided indicating the applicable currency for each statement and a brief explanation of the nature of the expenditure covered in each statement.

Please provide a summary breakdown of expenditure including claimed total qualifying PDV expenditure.

This summary information is indicative only, and as noted under 'Section 3 Attachments' a complete set of independently audited expenditure statements for the qualifying PDV expenditure must be appended to the Application Form. Please note that the summary format overleaf may be changed to match the format of the film's expenditure statements if necessary.

However, if you provide your summary as a separate attachment, please note that you must separately identify those expenditure items outlined in **bold** overleaf. The text in the Budget Item column is for guidance only; please refer to the Guidelines for information about what forms of expenditure fall into each of the bolded expenditure items.

Where one service provider or contract is particularly large, please ensure that a copy of the service contract is attached to the application.

BUDGET ITEM	A. QUALIFYING PDV EXPENDITURE (GST-exclusive if film commenced on or after 1 July 2011)	B. PRIOR PRODUCTION COMPANY EXPENDITURE (if relevant)	C. PAYMENTS TO ASSOCIATED PARTIES (if relevant)
Producers			
Directors			
Cast (Principals)			
Cast (Other)			
Production Staff			
CG/Visual Effects			
Models/miniatures			
Production Film & Lab			
Insurance			
Fringes			
Film Editing			
Music			
Post Production Sound			
Post Production Film & Lab			
Titles			

BUDGET ITEM	A. QUALIFYING PDV EXPENDITURE (GST-exclusive if film commenced on or after 1 July 2011)	B. PRIOR PRODUCTION COMPANY EXPENDITURE (if relevant)	C. PAYMENTS TO ASSOCIATED PARTIES (if relevant)
Opticals			
Other (please specify)			
Other (please specify)			
Depreciation			
Australian-held Copyright Acquisition			
Australian Development Expenditure			
Share of Australian General Business Overheads			
Australian Copyrighted Publicity and Promotional Material – costs incurred before completion of film			
Residuals -- paid out before completion of film			
Advances -- non-recoverable from payee			
Travel to Australia			
Freight to Australia			
Additional audiovisual content other than for the first copy of the film			
Pilot episode (if relevant)			
TOTALS			

SECTION 3 ATTACHMENTS:

- Independently audited expenditure statements.
- Auditor's report furnished on the pro-forma provided at Attachment A of this Application Form.
- General ledger of qualifying PDV expenditure provided on CD
- A Production Schedule covering all work related to qualifying PDV expenditure, for the period during which qualifying PDV expenditure was incurred.
- The service provider's full quote/gross bid (including budget breakdown/costs per shot).
- Copy of the production services agreement or contract.
- A transaction log including any approved Change Orders.
- Copies of invoices issued by the service provider.
- A letter from a Company Director or equivalent of each PDV service provider stating the expenditure incurred in carrying out the PDV activities is attributable to goods and services provided in Australia, and, listing the names of any non-cast foreign personnel brought to Australia to provide services on the film for less than two calendar weeks.

Where relevant:

- An agreement verifying the transfer of ownership in pre-existing Australian-held copyright which identifies the copyright holder at the time immediately before the transfer.

- Agreements verifying the transfer of ownership in relation to Australian copyrighted promotional material, or establishing that the copyright in such material is held by an Australian resident. (Expenditure must have been incurred prior to completion of qualifying PDV expenditure on the film).
- Completion of the airfares template to assist in the correct calculation of expenditure on flights and to establish whether non-cast have satisfied the two-week rule (see the website www.arts.gov.au/topics/film-television/australian-screen-production-incentive/location-and-pdv-offsets-guidelines-an).

In some situations, you must attach employment contracts:

- Copies of all contracts with service providers with large monetary value, relative to the claimed total qualifying PDV expenditure of the film.
- Where cast or crew members' remuneration other than by money (for example, by airfares for non-production personnel) is QAPE, you must attach the contract of employment or equivalent that demonstrates that the remuneration is a contractual requirement.
- Where persons or companies undertake work on the project both inside and outside Australia, a contract must be attached to assist in verification that a correct proportion of total expenditure has been claimed as QAPE.

Confidentiality

Please note that all information provided by the applicant will be held by the Department on a strictly commercial-in-confidence basis. However, information collected may be provided to a number of bodies to assist in the administration of the Australian Screen Production Incentive (ASPI) or for other purposes as required by law:

- All application information will be provided to the Australian Taxation Office, the Film Certification Advisory Board (FCAB) and independent film production consultants contracted by the Department. These parties are bound by Commonwealth Government confidentiality and privacy provisions, but may seek information from third parties. Where information is sought from third parties, some information about the production may be disclosed to those parties, such as the name of the production.
- Aggregate and non-identifying information will also be provided to Screen Australia for statistical purposes.
- Aggregate and non-identifying information collected may be used by the Commonwealth for the purposes of reviewing the ASPI.
- Information collected may be provided to other agencies or departments of the Commonwealth, including the Australian Tax Office, where this is required by law.

The Department will also publish information about productions certified for the PDV Offset in order to market and promote the PDV Offset. The level of a film's qualifying PDV expenditure will not be disclosed. Please indicate whether permission is provided for the Department to release the name of the film. Your answer to this question does not affect your eligibility for the PDV Offset.

I permit the Australian Government to use the name of this film for the purposes of marketing and promoting the PDV Offset:

YES

NO

NOT AUTHORISED TO PROVIDE
PERMISSION (provide details below)

If not authorised to provide permission, please provide a contact at the commissioning studio or equivalent that is able to provide such permission:

Statutory Declaration

Section 8 of the *Statutory Declarations Act 1959* (Commonwealth) requires a statutory declaration to be made in a prescribed form and before a prescribed person. The prescribed form follows at Section 6. Examples of a prescribed person include the following: Chiropractor, Dentist, Legal practitioner, Medical practitioner, Nurse, Justice of the Peace, Pharmacist, Physiotherapist or Psychologist.

A full list of prescribed persons before whom a Statutory Declaration may be made (contained in the *Statutory Declaration Regulations 1993*) is available from the Department while the legislation governing this provision can be sourced on-line from the Federal Government's legal information retrieval database at www.comlaw.gov.au.

Section 4—documents to be attached to an application for a certificate

Please indicate by marking the appropriate box whether the following attachments (including relevant legal agreements) have been submitted with the Application Form:

1. Audited statements prepared by an independent Australian auditor registered as such in accordance with the *Corporations Act 2001*.
Attached Not attached
2. Auditor's statement provided on the pro-forma at Attachment A of this Application Form.
Attached Not attached
3. General ledger of qualifying PDV expenditure for the film provided on CD, including a printed list of the computer files on the general ledger disc, the currency applicable to each file, and a brief description of the areas of expenditure covered.
Attached Not attached
4. The PDV service provider's full quote, (including budget breakdown/costs per shot), transaction log, any approved Change Orders, copies of invoices issued by the service provider, and letter from a Company Director of each PDV service provider as outlined on page 6 under Section 3.1.(vi).
Attached Not attached
5. Production schedule and daily progress reports covering all work related to qualifying PDV expenditure (If available).
Attached Not attached Not available
6. Documents verifying that the applicant company is an Australian resident company or a non-resident company with a permanent establishment and an ABN; including registered address.
Attached Not attached
7. Names and addresses of company directors for the applicant company.
Attached Not attached
8. Statement of relationships between parent/associate companies, the applicant company and, if applicable, any production services company and previous production company or companies.
Attached Not attached
9. Any production service agreement or contract confirming the applicant production company's responsibility for all the activities required to undertake the PDV work on the film in Australia (including responsibilities for costs incurred by non-Australian companies for activities in Australia).
Attached Not attached
10. Written confirmation from the commissioning studio or similar that the applicant company is expected to apply for the PDV Offset.
Attached Not attached
11. Any agreement with a parent/associate company or documentation relating to the establishment of the applicant production company.
Attached Not attached
12. Any agreement relating to the transfer of PDV production responsibility from a previous production company or companies.
Attached Not attached Not applicable
13. Details of arrangements to distribute/exhibit the film once complete. At the very least, a letter of confirmation of distribution/exhibition deals on letterhead is required. Attached Not attached
14. A full credit listing of PDV staff on CD. Attached Not attached
15. Any agreement relating to transfer of ownership in copyright—where purchase or licensing of pre-existing Australian copyright is being claimed as qualifying PDV expenditure. Attached Not attached Not applicable
16. Any agreement verifying the transfer of ownership in relation to copyright for promotional material, or establishing that copyright in such material is held by an Australian – where expenditure on the purchase or licensing of Australian copyright is incurred before completion of the film, and is being claimed as qualifying PDV expenditure. Attached Not attached Not applicable
17. A schedule detailing the fees and residuals paid out to each individual cast member before completion of the film – where the cast member's remuneration is qualifying PDV expenditure.
Attached Not attached Not applicable
18. A schedule detailing non-recoverable advances paid to each individual cast and crew member - where the cast or crew member's remuneration is qualifying PDV expenditure. Attached Not attached Not applicable
19. A completed Airfare Template on CD to assist in the calculation of expenditure on travel (www.arts.gov.au/topics/film-television/australian-screen-production-incentive/location-and-pdv-offsets-guidelines-an)
Attached Not attached Not applicable
20. A Statutory Declaration (section 5 of this form), made by an authorised signatory. Attached Not attached

Section 5—applicant statutory declaration

STATUTORY DECLARATION

Statutory Declarations Act 1959

I, [*Name, address and occupation of person making the declaration*] make the following declaration under the *Statutory Declarations Act 1959*:

1. that the information contained in this application for a certificate for a PDV Offset, and the documents attached to it, is correct and true in every particular.
2. that this declaration is made for the purposes of Rule 17 of the *PDV Offset Rules 2008*.

I understand that a person who intentionally makes a false statement in a statutory declaration is guilty of an offence under section 11 of the *Statutory Declarations Act 1959*, and I believe that the statements in this declaration are true in every particular.

Signature of person making the declaration

Declared at *place* on *day* of *month* *year*

Before me,

Signature of person before whom the declaration is made

Full name, qualification and address of person before whom the declaration is made (in printed letters)

Note 1 A person who intentionally makes a false statement in a statutory declaration is guilty of an offence, the punishment for which is imprisonment for a term of 4 years — see section 11 of the *Statutory Declarations Act 1959*.

Note 2 Chapter 2 of the *Criminal Code* applies to all offences against the *Statutory Declarations Act 1959* — see section 5A of the *Statutory Declarations Act 1959*.

The Program Manager
Location and PDV Offsets
<insert address>

Report on the Statement of Production Expenditure

As required under the *PDV Offset Rules 2008* (the Rules), we have audited the accompanying Statement of Production Expenditure on the film entitled _____.

We confirm that the auditor responsible for the preparation of this Statement is a registered company auditor within the meaning of the *Corporations Act 2001* and is not an officer, employee or partner of the applicant, or of a related body corporate of the applicant.

Responsibility of the Applicant for the Statement of Production Expenditure

The Applicant is responsible for the preparation and fair presentation of the Statement of Production Expenditure and has determined that the accounting policies prescribed in the Statement of Production Expenditure are appropriate to meet the Rules.

The Applicant's responsibility also includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the Statement of Production Expenditure that is free from material misstatement; whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the Statement of Production Expenditure are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statement of Production Expenditure. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Statement of Production Expenditure, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Applicant's preparation and fair presentation of the Statement of Production Expenditure in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Applicant's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Applicant, as well as evaluating the overall presentation of the Statement of Production Expenditure.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

Auditor's Opinion

In our opinion, the Statement of Production Expenditure presents fairly, in all material respects, the production expenditure on the film entitled _____ for the period ended _____ in accordance with generally accepted accounting principles.

[Signed by partner]

[for Auditor]

[Dated]