



PRODUCTION SERVICE
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ABOUT US

Proton Cinema is a Budapest-based independent film and theatre production company. Established in 2003 by producer Viktória Petrányi and director Kornél Mundruczó, the company's aim is to provide space and opportunity for creative people who want to see the world and have it seen.

Beside film and theatre productions, Proton creates and organizes events and helps young artists realize their first projects. The company participates in projects that experiment with combining motion picture and other forms of art. Proton works with an 'island' system – forming groups of the members of its team and tailoring them for the projects it works on.

In 2008, Proton Cinema launched its production department with a team of professionals who offer their expertise matching production values to the needs of the content.

One year later the company expanded its activities and started managing independent theatre performances written and directed by Kornél Mundruczó.



PRODUCTION SERVICE GENERAL INFORMATION

USEFUL INFORMATION ON HUNGARY

Capital: Budapest

Area: Total 93,030 km²

Currency: Forint (HUF)

Summer (DST): CEST (UTC+2)

Internet TLD: .hu

Government: Parliamentary republic

Population: 9,979,000 (83rd)

Time zone: CET (UTC+1)

Drives on: the right

Calling code: 36

Neighboring countries: Slovakia, Ukraine, Romania, Serbia, Croatia, Slovenia and Austria

Climate: Hungary has a continental climate,[75] with hot summers with low overall humidity levels but frequent rain showers and mildly cold snowy winters.

Holidays in Hungary:

1st of January: New Year's Day

15th March: 1848 Revolution Day

April: Easter Sunday and Monday

1st of May: Labor Day

Early June: Whit (Pentecost)- Sunday and Monday

20th August: St. Stephen's Day

23rd October: 1956 Uprising Memorial Day

1st of November: All Saints' Day

24-25-26th December: Christmas

31st December: New Year's Eve

Electricity standards: 230 V / 50 Hz

Video standard: PAL



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STUDIOS

RALEIGH

http://www.raleighstudios.com/index_budapest.aspx

MAFILM

<http://www.mafilm.hu/en/index.html>

ASTRA

<http://www.astrafilmstudio.hu/>

KORDA

<http://www.kordastudio.com/>



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HOW MUCH IS THE BENEFIT?

In 2008, the Hungarian Tax Relief System was amended to allow up to 20% of the eligible production budget to be spent outside of Hungary without suffering a reduction in state aid. This was done in line with the territorialisation rule of the European Union.

As the benefit is up to 20% of the eligible production expense, and 20% can be shot outside of Hungary, in real terms the incentive can equal up to 25% of the Hungarian spend. There is no minimum percentage for how much of the production needs to be shot in Hungary or how much is spent, but the eligible non-Hungarian spend can only ever equal 20% of the eligible Hungarian spend. The incentive is in the form of a cash rebate.

IF THE BENEFIT IS BASED ON "LOCATION SPEND" WHAT EXACTLY DOES "LOCATION SPEND" MEAN?

The eligible local expense (subject to the 20% rebate) is any payment which has been made to Hungarian taxpayers in relation to the production of any film registered by the National Film Office of Hungary.

In addition, a further 25% (or 20% of the overall budget) of the eligible local expense can be added to the total eligible production expenses by the Hungarian production company making payments to foreign crew members or subcontractors according to the registered budget of the film.

There are certain restrictions such as fees for copyright which are capped at 4% of the budget. Any travel fares which do not have an Hungarian destination are excluded.



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DOES LOCAL SPEND INCLUDE THE FOLLOWING?

Foreigners working in Hungary? Yes, in cases when either the foreign individual pays their personal income tax in Hungary or the amount of that spend does not exceed 25% of the hungarian local spend .

Finance Fees? Yes

Bond Fees? Yes

Per diems? No

ELIGIBILITY - WHO CAN ACCESS THE RELIEF?

Production companies registered by the National Film Office of Hungary can access the relief for feature films, television films, television series or miniseries (excluding sit-coms, daily soaps, reality shows), animation and documentaries produced or co-produced by them.



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HOW DOES THE MECHANISM WORK AND WHAT IS THE PROCESS?

The production needs to pass cultural test. 16 points out of 32 needs to be reached, scoring at least 2 points out of 8 in the cultural criteria section.

Both the Hungarian production company and the production must be registered with the National Film Office. In the case of co-productions, the registration request for the tax rebate must be filed at least eight days before the start of principal photography and then the finalised application documentation for the registration needs to be submitted within 60 days.

On the basis of the registration application documents, the Film Office issues a resolution specifying the planned amount of eligible Hungarian production costs which will potentially qualify for the tax incentive.

When the costs are incurred, they have to be verified by the Film Office again. As a general rule, invoices for verification can only be submitted to the Film Office when the production is completed. However, the verification can also be requested on a monthly or quarterly basis if the Hungarian production costs exceed HUF150 million (approximately EUR550,000).

The Film Office reviews the invoices submitted and issues the certificate to the sponsor (who will provide the cash rebate to the producer) after verification. In general, the deadline for the Film Office to complete the investigation is 30 days. However, this may be extended by another 30 days in some cases.

Having received the certificate, the sponsor provides the equivalent amount of cash rebate as indicated on the certificate directly to the producer.



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WHAT PERCENTAGE OF THE FILM HAS TO BE SHOT IN THIS COUNTRY/STATE AND WHAT PERCENTAGE OF THE SPEND NEEDS TO BE SPENT HERE?

There is no minimum percentage. Producers do need to subcontract Hungarian taxpayers, or foreigners up the 25 % limit, and pay them directly, no matter where these subcontractors (crew members) physically perform their services.

WHERE DO THE FUNDS COME FROM?

The funds come from corporate sponsors, typically large companies with a significant Hungarian corporate income tax base, who are motivated by the tax incentives.

Corporate sponsorship takes the form of a tax credit with a parallel tax base deduction. The overall tax relief may give the sponsors a 16% (of the fund/rebate provided by them) benefit.

WHO DECIDES?

Beside the registration and the audit of the National Film Office of Hungary no additional decision is needed.

WHAT ARE THE AUDIT REQUIREMENTS?

An audit is performed by the National Film Office based on the ledgers and books provided by the production company.