

storyboarding, effects, colour grading and correction, animation design, composition/music/sound design, product design/wardrobe and AR/VR elements)

## 1. Purpose and application criteria

The North Finland Film Commission, located within the BusinessOulu organization, manages the Oulu audiovisual production incentive, which in 2025 covers the cities of Oulu, Raahe, and Kalajoki, as well as Koillismaa region (Taivalkoski-Kuusamo).

The North Finland Film Commission grants a production incentive (hereinafter referred to as funding) for costs incurred in the production of audiovisual works in the cities of Oulu and/or Raahe and/or Kalajoki and/or Koillismaa.

The production incentive for costs incurred within the city limits of Oulu will be granted from the budget of BusinessOulu, the production incentive for costs incurred within the city limits of Raahe will be granted from the city of Raahe marketing budget, the production incentive for costs incurred within the city limits of Kalajoki will be granted from the city of Kalajoki budget and the costs incurred within the limits of Koillismaa-region will be granted from the Naturpolis Oy budget.

The production incentive is applied for using the application form available on the BusinessOulu's website. The form should clearly indicate separately in which city/area the expenses will occur, and the amount of incentive being applied for.

The production incentive may be applied for by private trader, companies, or any other bodies acting as the responsible producer of an audiovisual production. The production must constitute an independent artistic work such as a film or other audiovisual production (excluding commercials and promotional videos). The production must have a distribution plan and a distribution agreement.

If the production is applying the production incentive from the BusinessOulu budget, the production shall:

I) make use of Oulu as a location (e.g. landscape or architecture; or

II) use artistic or other creative expertise acquired from Oulu (such as: narration, directing, acting, production design,

If the production is applying the production incentive from the city of Raahe budget, the production shall:

I) make use of Raahe as a location (e.g. landscape or architecture; or

II) use artistic or other creative expertise acquired from Raahe (such as: narration, directing, acting, production design, storyboarding, effects, colour grading and correction, animation design, composition/music/sound design, product design/wardrobe and AR/VR elements)

If the production is applying the production incentive from the city of Kalajoki budget, the production shall:

I) make use of Kalajoki as a location (e.g. landscape or architecture; or

II) use artistic or other creative expertise acquired from Kalajoki (such as: narration, directing, acting, production design, storyboarding, effects, colour grading and correction, animation design, composition/music/sound design, product design/wardrobe and AR/VR elements)

If the production is applying the production incentive from the Naturpolis Oy budget, the production shall:

I) make use of Koillismaa as a location (e.g. landscape or architecture; or

II) use artistic or other creative expertise acquired from Koillismaa (such as: narration, directing, acting, production design, storyboarding, effects, colour grading and correction, animation design, composition/music/sound design, product design/wardrobe and AR/VR elements)

The production incentive is up to 10 % of the total production budget that is used in the manner described above for costs incurred in developing audiovisual production.

The production incentive application must include, among other things, the total production budget, the type of production, the planned

shooting schedule, the estimate of the costs to be incurred in the area, the funding plan, the distributor of the production and the distribution plan, as well as the relevant agreements related to these. The budget presented in the application shall indicate when the costs will be incurred. The annual cost estimate cannot be changed later.

The funding decision can be made conditionally when 50 % of the total production budget according to the funding applied for is confirmed. The final funding decision will not enter into force until all the conditions laid down for the conditional decision have been met.

If the applicant is a foreign company, a Finnish coproducer or production coordination company must be involved in the production. The recipient of the funding shall appoint the person responsible for carrying out the production, who shall be employed by the recipient of the funding.

## 2. Information on funding

The recipient of the funding shall organise their accounts in such a way that the costs incurred can be identified and their link with the accounts and the cost breakdown can be verified, and they must file all the legally required trade register notifications. For the purpose of disbursing and supervising the funding, the funder may also receive information from other financiers and authorities without prejudice to confidentiality.

The funding decision is public and is available on public information networks for a total of 21 days including the appeal period and the time calculated for the notification of the decision.

When marketing their production, the recipient of the funding must mention that the City of Oulu, BusinessOulu, and/or the City of Raahe, and/or the City of Kalajoki, and/or Naturpolis Oy are the financiers of the production. The recipient of the funding must mention the financier(s) in the credits and - if possible - add the logos of BusinessOulu and the North Finland Film Commission to the credits. If the production receives a production incentive from the budget of Naturpolis Oy, Raahe, or Kalajoki, the logo provided by the respective financier must also be included in the end credits. The funding decision

is accompanied by separate communication instructions.

## 3. Eligible costs

The costs incurred in the production of the audiovisual works in the area of the requested incentive budget after the production incentive application is submitted, including the pre-production phase and post-production, are eligible. Non-eligible costs are costs that are not directly related to the production, such as financing expenses and productions for the exclusive use of the company.

The cost estimate attached to the funding decision shall determine the maximum amount of eligible costs. Funding may be granted only for activities which take place after the application for production incentive has been submitted.

The costs must be paid, in the accounts and net before they are audited and remitted. Upon request, the recipient must provide the information required to control the project expenses.

Eligible salary costs include the salaries of individuals involved in the implementation of the production, who are:

- I) registered in Oulu, if the incentive has been applied for from the budget of BusinessOulu, or
- II) registered in Raahe, if the incentive has been applied for from the budget of the City of Raahe, or
- III) registered in Kalajoki, if the incentive has been applied for from the budget of the City of Kalajoki, or
- IV) registered in Koillismaa, if the incentive has been applied for from the budget of Naturpolis Oy.

The following salaries are accepted:

- I) salaries for work performed in Oulu, if the incentive has been applied for from the budget of BusinessOulu, or
- II) salaries for work performed in Raahe, if the incentive has been applied for from the budget of the City of Raahe, or
- III) salaries for work performed in Kalajoki, if the incentive has been applied for from the budget of the City of Kalajoki, or
- IV) salaries for work performed in Koillismaa, if the incentive has been applied for from the budget of Naturpolis Oy.

### Other costs

Services purchased from external sources can be accepted according to the plan and invoicing.

Eligible costs include:

- I) goods and service purchases incurred in Oulu, transportation and accommodation costs in Oulu, and rental costs for facilities and equipment rented for production in Oulu, if the incentive has been applied for from the budget of BusinessOulu, or
- II) goods and service purchases incurred in Raahe, transportation and accommodation costs in Raahe, and rental costs for facilities and equipment rented for production in Raahe, if the incentive has been applied for from the budget of the City of Raahe,
- III) goods and service purchases incurred in Kalajoki, transportation and accommodation costs in Kalajoki, and rental costs for facilities and equipment rented for production in Kalajoki, if the incentive has been applied for from the budget of the City of Kalajoki, or
- IV) goods and service purchases incurred in Koillismaa, transportation and accommodation costs in Koillismaa, and rental costs for facilities and equipment rented for production in Koillismaa, if the incentive has been applied for from the budget of Naturpolis Oy.

The costs can also include the travel expenses of a maximum of five (5) people from Head Of Department to Oulu/Raahe/Kalajoki/Koillismaa within the borders of Finland. The costs of personal equipment and the production company's permanent office rent or loan repayment costs cannot be included in the purchases. The services to be purchased shall be listed in a separate cost breakdown.

Other costs can be accepted up to a maximum of 20 % of approved production and wage costs excluding the side costs of the salary (flat rate). Other costs include, for example, travel costs of the crew, Oulu production incentives for the audiovisual sector overheads, and producer fees. The costs are not reported and do not need to be included in the recipient's project accounts.

#### 4. Reporting and auditing

The person responsible for carrying out the production on behalf of the recipient shall report to BusinessOulu on the progress of the project. The accounting statement must be accompanied by a breakdown of the costs and an auditor's

report. Once the cost report has been approved, the BusinessOulu project authorises the project to invoice the approved cost amount. The invoice shall be accompanied by the cover sheet of the accounting statement, and the case number must be stated as a reference. The recipient shall, upon a separate request, report on the services related to the use of funding for a period of three years after the end of the project.

All costs associated with the production shall be reported at the latest with the final accounting statement. With each accounting statement, the recipient shall submit an audit report on all production costs incurred for which funding is sought from the production incentive. The auditor does not have to comment on other costs. The costs of the project auditor's report can be accepted as a direct cost of the project.

If total costs for production are less than 20,000 euros, an accountant's statement instead of an auditor's statement is sufficient for the report.

If the production to be financed generates costs in two different calendar years, the costs shall be broken down annually. A binding statement of costs for the first year of production shall be made by 10 January of the following year. If no notification is made, the production company loses its right to the incentive for the previous year. The payment of the costs can be applied for annually or at one time.

The recipient of funding must provide the funder with correct and sufficient information to monitor compliance with the conditions of the funding decision and the implementation of the project. Related audits may also be carried out by an authority or an auditor. The right to audit is valid for ten years from the final payment of the project funds. The project documents and other material necessary for monitoring and auditing the project must be kept for at least the same time. The recipient of the funding must assist the audit and provide the necessary information to the auditor without compensation.

The inspector has the right to take possession of the material that is the subject of the audit.

## 5. Disbursement of funding

For the purpose of disbursing the funding, the production company will provide BusinessOulu with a breakdown of the costs of the total production, the expenses included in the funding, the auditor's report, and the final report. Once these documents have been approved by BusinessOulu, the applicant is granted permission to invoice the incentive to be paid for the approved costs. The invoice shall be addressed to BusinessOulu, the project number and the registration number must be noted as reference, and a copy of the cost breakdown attached.

The right to the funding granted or a part thereof shall lapse if the recipient fails to submit reports or additional information requested within the time specified in the funding decision or specified separately.

## 6. Changes in the production and the status of recipient

The recipient must immediately notify any significant changes to the production plan. Such changes include changes in production schedules, budgets, or key human resources. The recipient shall notify in advance if it carries out significant

business changes or corporate restructuring during the project.

## 7. Suspension and recovery of funding

The payment of the funding may be suspended if:

- I) the recipient does not provide the requested, correct, or adequate information or uses the funding in a way that violates the funding decision;
- II) the criteria for funding have changed substantially;
- III) the financial position of the recipient deteriorates significantly; or
- IV) the company has tax debts.

Funding already paid out or a part of it may be ordered to be recovered in accordance with Annex 1 (recovery). The recipient shall, without delay, refund all or part of the funding which has been paid incorrectly, in excess or manifestly without grounds, or if it is ordered to be recovered.

## ANNEX 1. Recovery and refunding of payments

The disbursement of the funding may be stopped, and the funds paid shall be recovered if the recipient of the funding

1. has failed to return all or part of the funding to be returned in accordance with these conditions;
2. has used the funding essentially for purposes other than it was granted for
3. has concealed or provided false or misleading information on facts which might have significantly affected the granting, amount, or conditions of funding;
4. otherwise, in a manner comparable to paragraphs 1 to 3, violated the provisions on the use of funding.

The funding may be ordered to be suspended and the funding already paid, or a part thereof, to be recovered if:

1. incorrect or misleading information has been provided for the payment or supervision of the funding, if information has been concealed or refused to provide, or the information requested has not been provided by the due date;
2. funding has not been used in accordance with the funding decision;
3. the recipient of the funding has refused to assist in the audit of the project
4. the recipient has terminated or substantially altered the funded project or transferred it to another;
5. the recipient of funding has been subjected to enforcement proceedings, liquidation, bankruptcy, or restructuring ‘
6. the European Union legislation requires that the funding be recovered;
7. or the recipient of the funding acts in another manner comparable to the grounds listed in this paragraph.

The recipient shall pay interest on the amount to be reimbursed or recovered. Interest shall be determined from the date of disbursement of the funding. It shall be calculated as an annual interest rate plus three percentage points. The annual interest rate is determined in accordance with the Interest Act.