



GUIDELINES FOR FILM PRODUCTION REBATE PROGRAMME FOR THE CAYMAN ISLANDS

1. INTRODUCTION

- 1.1. The Cayman Islands Film Commission (“**CIFC**”) is a government agency aligned with the Ministry of Tourism and Ports. The CIFC is mandated with the promotion and development of the Cayman Islands film industry.
- 1.2. The Rebate (“**Rebate**”) is an incentive provided by the CIFC, calculated as a percentage of Cayman Islands Qualifying Production Expenditure (“**CIQPE**”); CIQPE is discussed in Section 4 of these guidelines.
- 1.3. This document sets out the guidelines for Rebate applicants (“**Applicants**”) and producers and outlines the guidelines for the application process. These guidelines may be subject to change from time to time, and their interpretation and application are at the CIFC’s sole and absolute discretion.
- 1.4. Please refer any questions regarding the Rebate to the CIFC by email to cifilm@caymanislands.ky. These guidelines may be downloaded from the CIFC website at <https://www.visitcaymanislands.com/en-us/cayman-film-commission>.

2. ELIGIBILITY

- 2.1. Productions that commenced principal photography (filming) before 18th January 2024 are not eligible for the Rebate.
- 2.2. To be eligible for the Rebate, a production must satisfy the following criteria, which are explained in greater detail below:
 - Applicant Profile;
 - Production Format;
 - Funding Structure;
 - Minimum CIQPE.

- 2.3. Applicants receiving other Cayman Islands government funding for the making of their production may not apply for the Rebate directly or through a third party.

Applicant Profile

- 2.4. Each Applicant must be a production company or a production services company.
- 2.5. The entity that is principally responsible for all activities involved in making the production in the Cayman Islands (the “**Producer**”) can make a Rebate application via an Applicant.
- 2.6. If applying via an Applicant, the Producer must permit the Applicant full access to the legal and financial records relating to the production in the Cayman Islands and enter into a legally binding agreement with the Applicant with respect to the Rebate application process and distribution of funds; the Applicant must provide a copy of the legally binding agreement to the CIFIC.
- 2.7. The following production categories are eligible:
- Feature films (including films made for television);
 - Documentaries;
 - Scripted television series;
 - Unscripted (reality) television series and game shows;
 - Video games.
- 2.8. The following production categories are excluded:
- Commercials;
 - News and current affairs;
 - Productions with the primary purpose of fundraising;
 - Training or in-house corporate advertising and promotions;
 - Sports and public events coverage.
- 2.9. Productions containing visual or implied scenes that could potentially have a negative impact on the Cayman Islands economy or tourism industry do not qualify for the Rebate.

Minimum CIQPE

- 2.10. Minimum CIQPE thresholds:
- CI\$250,000 across all eligible production categories.

Rebate Value

- 2.11. The Rebate is calculated as a minimum of 15% of CIQPE.
- 2.12. There is an uplift (additional rebate) worth 10% of CIQPE incurred on unscripted productions filmed in the Cayman Islands.

- 2.13. There is an uplift (additional rebate) worth 5% of CIQPE incurred on productions that are explicitly and visibly set in the Cayman Islands.
- 2.14. There is an uplift (additional rebate) worth 5% of CIQPE incurred on productions that portray the Cayman Islands in a positive light, at the discretion of the Minister of Tourism.
- 2.15. There is an uplift (additional rebate) worth 5% of CIQPE incurred on productions that incur at least \$1.5M in CIQPE and submit a plan for training Caymanians, to be approved by the CIFC.
- 2.16. There is an uplift (additional rebate) worth 5% of CIQPE incurred on Cayman Brac or Little Cayman.
- 2.17. There is an uplift (additional rebate) worth 10% of CIQPE incurred on Cayman Islands resident Qualifying Local Vendors and Qualifying Local Labour (as defined below).

Maximum Rebate Value

- 2.18. The Rebates and uplifts (additional rebates) may be combined where eligible; however, the maximum Rebate for any individual CIQPE is capped at 35%.

3. APPLICATION PROCESS

- 3.1. The Rebate Application is an online (electronic) form, which can be found on the CIFC website at <https://www.visitcaymanislands.com/en-us/cayman-film-commission>.
- 3.2. The Rebate Online Application Form should be accompanied by all required documentation and must be submitted to the CIFC before the Rebate Application process can commence.

CIFC Approval

- 3.3. To determine potential rebate eligibility for any production, applicants must first obtain a Production Licence from the CIFC. The Rebate Application should be submitted within a timeframe of thirty (30) to sixty (60) days after the Production Licence is granted by the CIFC.
- 3.4. A response can be expected from the CIFC within thirty (30) days of submission of the script and/or other relevant materials required by the CIFC that provide a full description of the production.
- 3.5. The CIFC reserves the right to request further information from the Applicant before reaching a final decision regarding the content's suitability for a Production Licence.
- 3.6. Film scripts or treatments (in the case of feature films and scripted television productions) and formats and storyboards (in the case of non-scripted television productions) that have not been approved in writing by the CIFC will not be eligible for the Rebate.

Interim Certificate

- 3.7. The Interim Certificate confirms the eligibility of the production for a Rebate in principle, and the estimated

amount of the Rebate payment which, at this stage, should be viewed only as a preliminary indication. The production is subject to a Final Assessment before the issue of the Final Certificate, as outlined below.

- 3.8. The Applicant must obtain an Interim Certificate before commencing principal photography (filming).
- 3.9. To obtain an Interim Certificate, the following documentation must be included with each Application Form:
 - Copy of the Production Licence granted by the CIFIC;
 - Latest draft of the shooting script, treatment or format, as applicable, with all available storyboards and synopses;
 - Shooting schedule for the full production in the Cayman Islands;
 - Total itemised indicative budget for the full production in the Cayman Islands (the budget can be presented in any industry-recognised format (e.g., Movie Magic) preferred by the Applicant, must specify the expected CIQPE in CI\$ and be accompanied by the CIFIC worksheet);
 - A copy of the executed agreement(s) between the Applicant (and the Producer, as applicable) and the international financier(s) of the production;
 - Where the Producer and the Applicant are different entities, a copy of the agreement between the Applicant and the Producer covering the production and the Rebate application;
 - Copy of relevant production insurance binder, including proof of Public Liability Insurance and Workers' Compensation Liability;
 - Any other documents requested by the CIFIC.
- 3.10. Once the CIFIC has received the completed Application Form together with all required supporting documentation, an Interim Certificate should be issued within thirty (30) days; note that this approval may be subject to conditions.
- 3.11. Principal photography (filming) must commence within ninety (90) days of the issue of the Interim Certificate by the CIFIC and can receive an extension of up to an additional ninety (90) days.
- 3.12. In circumstances where principal photography (filming) does not commence within the time periods set out in clause 3.11 of these guidelines, the Interim Certificate shall expire and become invalid; the Applicant and/or Producer will be allowed to apply for another Interim Certificate relating to the same production.
- 3.13. Where an Applicant holds an Interim Certificate and material elements of the production subsequently change, at the time of making such changes, the Applicant must notify the CIFIC in writing, and confirm whether implementing the changes would affect the eligibility of the production for a Rebate. Changes include, but are not limited to:
 - Changes in the production that affect the budget whereby the total CIQPE is likely to vary by +/- 20% from the Interim Certificate value;
 - Changes to creative personnel and/or cast;
 - Filming locations;

- Changes to the production schedule;
 - Material changes to the script.
- 3.14. An Applicant that has already received an Interim Certificate must notify the CIFIC in writing promptly if the production is cancelled or otherwise becomes ineligible for the Rebate.
- 3.15. The Applicant must (and where applicable shall confirm that the Producer) maintain proper books of account, receipts and records in accordance with the norms of the international production industry.
- 3.16. Upon written request by the CIFIC, the Applicant must supply footage/rushes and/or statements of cost and production progress reports together with full explanations of any other information that may reasonably be requested from time to time.

Final Assessment

- 3.17. Final confirmation from the CIFIC of the amount of Rebate payable to the Applicant shall be evidenced by the issuance of a final certificate of Rebate eligibility (“**Final Certificate**”).
- 3.18. To be eligible for a Final Certificate, each production must have completed principal photography (filming) (or post-production where applicable) in the Cayman Islands.
- 3.19. To obtain a Final Certificate, the Applicant must provide a list of documents to the CIFIC within one hundred and eighty (180) days of completion of principal photography (filming) (or post- production) work in the Cayman Islands. The documents to be provided are:
- Proof of completion of principal photography (filming or post-production where applicable) in the Cayman Islands;
 - If the final film shooting script, treatments or format has deviated from the original scripts provided for the Interim Certificate, the Applicant is to provide the final versions;
 - A written statement summarising all CIQPE, setting out the Rebate claimed (Audited Expenditure Statement) and the auditor’s working spreadsheets and documentation that support the Audited Expenditure Statement. The auditor must be approved in advance by the CIFIC and may not be an officer, partner or employee of the Applicant or any affiliated entity, or any other entity involved in the production;
 - Marketing deliverables including ten (10) publicity stills from the production;
 - Any other documents requested by the CIFIC.
- 3.20. The CIFIC will carry out the final assessment of the Rebate application within thirty (30) days of receiving all required documentation and the Audited Expenditure Statement. The final assessment will ensure that all documentation submitted is acceptable (in form and substance) to the CIFIC. The decision to accept the application for assessment will be at the CIFIC’s sole and absolute discretion.
- 3.21. The CIFIC reserves the right to require any further information deemed necessary from the Applicant prior to

issuing the Final Certificate.

- 3.22. If there are no questions or additional information required, the Rebate should be paid to the Applicant within ninety (90) days of the issue of the Final Certificate.

4. CAYMAN ISLANDS QUALIFYING PRODUCTION EXPENDITURE (“CIQPE”)

- 4.1. CIQPE is expenditure incurred by the Applicant (or Producer as applicable) wholly in respect of the applicable production and attributable to the categories of goods and services used and/or consumed in the Cayman Islands as set out below.
- 4.2. The Applicant is advised to monitor the minimum CIQPE and other eligibility criteria during production to ensure that the production continues to meet eligibility guidelines.
- 4.3. The Applicant must provide evidence that all relevant individuals engaged in the production in the Cayman Islands are local residents or hold valid Work Permits. Any fees or expenses paid to qualifying individuals (which includes certain crew and extras) only qualify as CIQPE if the qualifying individual has a valid Cayman Islands Work Permit if they are not a Cayman Islands resident.
- 4.4. If the CIFIC deems any transaction for which CIQPE is claimed to have been conducted in a manner other than at arm’s length (i.e., at a reasonable commercial rate and not a related- party transaction), the CIFIC may apply a market rate to the cost of the applicable goods or services or exclude the costs from CIQPE. All related-party transactions should be declared separately in the audit report.
- 4.5. All claims of CIQPE will be subject to proof that each payment has been incurred and discharged in full prior to the finalisation of the Audited Expenditure Statement. Individuals may not be paid in cash (excluding per diems, in accordance with clause 4.12 below). Cash payments to other suppliers: (i) above CI\$2,500 can only be claimed as CIQPE with the prior written approval of CIFIC; (ii) below CI\$2,500 must be supported by machine-generated and verifiable receipts; and (iii) below CI\$2,500 where a machine-readable and verifiable receipt cannot be provided can only be claimed as CIQPE with the prior written approval of CIFIC. In addition to the above and always, any necessary cash payments made to suppliers will be subject to additional CIFIC scrutiny and may not qualify as CIQPE at CIFIC’s sole discretion.
- 4.6. If the CIFIC reasonably suspects (in its sole and absolute discretion) the presence of dishonesty, fraud or willful negligence or misconduct on behalf of the Producer and/or Applicant, it may cancel, reject, withdraw, withhold or revoke (in whole or in part) the Rebate. Furthermore, CIFIC may, in its sole and absolute discretion impose a permanent restriction on the Applicant and/or Producer from applying for and/or receiving a Rebate (whether directly or indirectly or in whole or in part) in the future. The CIFIC reserves the right to report any suspected fraudulent submissions to the appropriate authorities.

Cast and Other Above-the-Line Personnel

- 4.7. Fees paid to cast members qualify as CIQPE with respect only to the period during which the services are provided in the Cayman Islands.
- 4.8. Extras (i.e., non-speaking, front-of-camera roles) are treated as local services.
- 4.9. Fees paid to other above-the-line personnel (including, but not limited to, executive producers, producers, directors, casting directors, talent agencies, consultants, stunt performers and screenwriters) qualify as CIQPE in respect only of the period during which the services are provided in the Cayman Islands.
- 4.10. Fees paid to cast and other above-the-line personnel are limited to 25% of the total CIQPE.

Crew

- 4.11. Fees paid to below-the-line crew qualify as CIQPE with respect only to the period during which the services are provided in the Cayman Islands.

Per Diems

- 4.12. Per diems of up to CI\$ 100 per person per day, paid to cast or crew, qualify as CIQPE for the period during which the contracted individuals are providing services in the Cayman Islands.

Equipment

- 4.13. On-island equipment rental fees qualify as CIQPE provided that the equipment is used or consumed within the Cayman Islands.
- 4.14. Equipment depreciation costs do not qualify as CIQPE.

Location Hire and Other Localised Services

- 4.15. Budgeted production costs (including hire of extras, location rental, set building, accommodation, domestic travel, post-production services and location hire) generally qualify as CIQPE, unless they are specifically excluded.
- 4.16. The purchase or long-term leasing of land and related costs are excluded from CIQPE.

Overheads

- 4.17. General business overhead costs such as office rental and utilities may be CIQPE only (i) in respect of payments to authorised Cayman Islands-registered suppliers and only (ii) to the extent that they are wholly and properly incurred in respect of the applicable production in the Cayman Islands.

International Transport

- 4.18. International travel costs qualify as CIQPE provided that the travel is booked via a travel agency located in the Cayman Islands (or booked directly with Cayman Airways). If the Applicant can show that no suitable local agency exists, travel costs booked through non-Caymanian travel agencies will qualify as CIQPE.

Professional Advisors

- 4.19. Provided that they are supplied by professional advisors registered and based in the Cayman Islands, legal, accountancy, payroll service and audit fees may qualify as CIQPE to the extent that they apply wholly and properly to Cayman Islands elements of the applicable production (in the case of payroll services, to the extent of handling payroll for personnel whose services qualify as CIQPE of the applicable production).
- 4.20. Reasonable costs attributed to the preparation of the Rebate documentation by advisors described in clause 4.19 above may qualify as CIQPE.
- 4.21. Applicants should ensure that the advisors provide a breakdown of their fees so that they are able to identify and attribute which work is/was related to the production to qualify as CIQPE.

Insurance

- 4.22. Provided that the policies are sourced and paid for via a broker based and licensed in the Cayman Islands, the cost of policies such as workmen's compensation, third-party liability and production insurance may qualify as CIQPE to the extent that the policies are taken out in respect of production or post-production activity, in the Cayman Islands. If the Applicant can show that no suitable local broker exists, policies paid for via a non-Caymanian broker will qualify as CIQPE.

CIQPE Exclusions

- 4.23. Financing Expenditure:
- Financing expenditure, which includes bank/credit card charges, currency exchange fees and adjustments, and returns payable on amounts invested in the production and expenditure connected with raising and servicing finance for the production, such as interest payments, is excluded from CIQPE.
- 4.24. Production and Investment Agreement:
- All legal work on a Production and Investment Agreement (PIA), including debt and equity, is considered financing and therefore excluded from CIQPE.
- 4.25. Errors & Omissions Insurance ("E&O"), Completion Bonds:
- Insurance policy costs relating to errors and omissions and completion bonds are excluded from CIQPE.
- 4.26. Deferrals, Profit Participation, Residuals:
- Expenditure that is dependent on the production's commercial performance and its

earnings such as:

- Any form of contingent deferred payment;
- Payments dependent on any form of profit to be derived from the production;
- Amounts payable in relation to any form of residual payment under any entertainment industry union or guild agreement;

is excluded from CIQPE.

4.27. Advances:

- All payments made by way of an advance on a payment that is otherwise a deferred, contingent or residual payment (as described above), are excluded from CIQPE.

4.28. Gifts and entertainment expenses:

- Cast perks, gifts, entertainment and gratuities are excluded from CIQPE.

4.29. Publicity and marketing costs:

- Publicity and promotion expenditure is excluded from CIQPE.

4.30. Purchase of capital goods:

- The purchase cost of capital goods (goods that have a useful life following the completion of the Cayman Islands production activity) is excluded from CIQPE except with the specific prior written agreement of the CIFC for each item. Where items have been purchased by the Applicant or the Producer (or by any affiliate or party related to either the Applicant or the Producer), the cost of renting such items is excluded from CIQPE.

5. ASSIGNABILITY

5.1. After the Interim Certificate is issued, the Applicant may assign the right to the Rebate, pursuant and subject to the Final Certificate. The Applicant's right to the Rebate may be assigned subject to the following:

- To a single assignee that is not a person or entity that is currently a target of any economic sanctions administered by the government of the Cayman Islands, the United Nations (the UN), or any similar organisation including but not limited to any list of restricted entities, persons or organisations maintained by any such governmental entity, UN or similar organisation ("**Qualified Assignee**");
- Once only, in the entire amount of the Rebate, and not subject to further assignment except only by re-assignment from the original assignee to Producer prior to payment of the Rebate ("**Re-Assignment**");
- In each case (including Re-Assignment), using a form of assignment ("**Assignment**") approved in writing by the CIFC and executed and delivered by the Applicant and the assignee with a copy thereof promptly delivered to CIFC:
 - By email to: cifilm@caymanislands.ky
- Upon assignment, prior to payment of the Rebate, the assignee shall execute and deliver to the CIFC an

acknowledgement and acceptance of the assignment (“**Acknowledgement**”); this Acknowledgement must be approved by CIFC.

- 5.2. The CIFC shall have no obligation to pay the Rebate to anyone other than the party entitled to the Rebate as set forth in the forms of Assignment and Acknowledgement delivered most recently to the CIFC, notwithstanding any contrary notice or other information delivered to the CIFC by the Producer, assignee or any third party except only via a Re-Assignment.
- 5.3. The right to the Rebate may be assigned by the Applicant for security to a single financier of the production if the financier is a Qualified Assignee. Until such time, however, as an Assignment and an Acknowledgement are delivered to CIFC, as described above, such assignment for security shall not constitute an assignment of the Rebate and CIFC need not be concerned with any such security assignment even if CIFC has notice of it.

6. GENERAL

- 6.1. The CIFC will use all reasonable efforts to maintain the confidentiality of the information provided by the Applicant but may be required to share certain information supplied by the Applicant with public authorities, regulators and independent consultants.
- 6.2. The CIFC shall be entitled at any time, through a qualified accountant to inspect and audit all books of account and records maintained by the Applicant and/or the Producer in respect of all data relevant to the Rebate and to contact the Applicant’s auditors directly where required.
- 6.3. The CIFC will be given a credit in the end credits or end crawl in all cases on all prints of the film (or other content as applicable), in the form of a logo, provided by the CIFC.
- 6.4. The CIFC will have the right to publicise the filming of the Applicant’s production in the Cayman Islands, and the Applicant will assist the CIFC to facilitate the promotion as requested. For example, the CIFC may request that the Applicant and/or Producer provide publicity stills shot in the Cayman Islands for marketing purposes.
- 6.5. Definitions below are for guidance purposes, but the CIFC reserves the right to make any final determinations.

7. DISPUTE RESOLUTION

- 7.1. In the event of a dispute between the parties concerning any matter arising from or concerned with this Agreement, the parties shall use reasonable efforts to settle the dispute through negotiations conducted in good faith between the respective senior officers of the parties who have authority to settle same.
- 7.2. If the dispute is not settled through negotiations, the parties shall attempt to resolve the dispute by mediation with a mediator to be selected by both parties as per agreed terms.
- 7.3. If the dispute is not resolved by mediation within 28 days of initiation of the procedure or such extended period as the parties may agree, either party may enforce any right or pursue any remedy which it may have at law or in equity.

8. DEFINITIONS

Here are the definitions of some terms used throughout the Rebate Guidelines.

“Caymanian”: a person who possesses Caymanian status under the repealed Immigration Law (2015 Revision) or any earlier law providing for the same or similar rights, and includes a person who acquired that status under Part 5 of the Immigration Transition Act.

“Completion Bond”: a contract that provides a level of protection and ensures that the Production will be delivered on time and within budget.

“Errors & Omissions (E&O) Insurance”: an insurance policy that protects films, TV, video and podcast producers from the financial impact of professional mistakes – either negligence or breach of contract or rights.

“Feature film”: a full-length movie typically intended for theatrical and/or digital release. Definitions can vary, but the film industry generally considers a film over 40 minutes in length as a ‘feature’ and it can span countless genres and styles, from thrillers and sci-fi to dramas, comedies, documentaries, and animations.

“Film script treatments” (or film script treatment): a multi-page, detailed synopsis of a film project. It contains the key elements of the film, like important scenes, main characters, and crucial plot points. It is written in prose, not as a script.

“Non-scripted television production”: a production filmed without scripted materials.

“Producer”: who is responsible for raising finance, hiring key crew and arranging distribution. May also be involved in the day-to-day shoot at a more creative level.

“Production”: the whole process of making a film, or more specifically the actual shoot.

“Production company” or “production services company”: a company that produces content, sometimes in a variety of mediums, including film, television, music, etc. It is a creative powerhouse that supervises the entire filmmaking process and encompasses a diverse team of professionals.

“Qualified Local Vendor”: an entity registered in the Cayman Islands with Trade & Business licences (or equivalent) as required, having a physical location with at least one worker regularly at the location, in the business of selling or renting physical goods with local inventory or providing services to film productions.

“Qualifying Local Labour”: a person ordinarily resident in the Cayman Islands with legal right to work in the film industry providing documented services in connection with one of the following aspects of production: managerial; logistical; artistic; technical; post-production services; animation services.

“Resident”: a person who legally and ordinarily resides in the Cayman Islands.

“Shooting script”: a key element in the production of a film as this type of script includes detailed cinematography instructions laid out in the order that they'll be needed. It includes camera shots, props, and locations.

“Storyboards”: a visual representation of a film sequence that breaks down the action in a film into individual

panels. They aid in visually organizing the composition, action and look of a film before the commencement of filming or production.

“Script”: a document that comprises setting, characters, dialogue, and stage directions for movies, TV shows, and stage plays. Production directors follow the instructions provided by the script.

“Scripted television production”: a production filmed upon scripted materials.

“Work permit”: any type of work permit including a temporary work permit granted under section 63, and, subject to section 68 of the Immigration Transition Act, includes any type of work permit prescribed by regulations.