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## **Uruguay Audiovisual Program**

### **Specific Rules for the**

### **Production of International Audiovisual Works in Uruguay**

### **Call for Proposals 2022**

#### **1- What Types of Projects Do We Seek to Support?**

The PUA's International Line seeks to support foreign audiovisual productions carried on totally or partially in Uruguay, such as production services of feature films, short films, music videos, animations, documentaries, series, and television programs.

The project submitted will consist of the pre-production, production and/or post-production activities to be conducted in the national territory. The project submitted must be worth at least USD 300,000 (three hundred thousand US dollars).

If the project is submitted only for the post-production stage, the minimum project amount must be at least USD 150,000 (one hundred and fifty thousand US dollars).

#### **2- Who Can Apply for This Call?**

Uruguayan legal persons formally incorporated and permanently domiciled in Uruguay, with at least twelve months of activity, that are not direct or indirect owners of audiovisual media services or who do not hold a corporate link with an owner of audiovisual media services, that provide duly accredited production and/or logistic support services, and that have an agreement with a foreign company for the production of an audiovisual work to be produced totally or partially in Uruguayan territory can apply for this call for proposals. In the case of a co-execution agreement, the foreign company must contribute the majority percentage of investment. The applicant company will be the Executing Entity of the project, and will be the entity responsible before the Program for the development of the project and the accreditation of the expenses. The applicant company must be registered in the INCAU Registry.

The beneficiaries of the support granted under the framework of the program will be the foreign legal entities responsible for the production of the audiovisual work that have an agreement with the applicant national company.

If there is more than one company contracting the service, a translated document must be presented (whenever applicable), identifying the company that will receive the cash rebate and must be signed by all the companies participating in the contract.



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Nacional de  
Desarrollo

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Upon applying, the foreign company must present a certificate of validity, existence and representation of its legal status translated into Spanish, as well as proof of being up to date with any tax obligations in its country of origin<sup>1</sup>.

Only when there is no certification of validity, existence, and representation in the country of origin, an original notarized statement translated into Spanish will be accepted, specifying the identification of the legal representative at the date of incorporation, type of company, headquarters, name, and validity of the company.

### 3- What Support will the PUA International Line Provide?

The submitted project will only consist of pre-production, production and/or post-production activities conducted within the territory of Uruguay, provided by Uruguayan citizens, individuals permanently residing in Uruguay and/or legal entities established in Uruguay.

The total amount of the project shall consist of all the expenses associated with the aforementioned activities and must be at least USD 300,000 (three hundred thousand US dollars), except for projects involving only post-production, for which the minimum cost required is USD 150,000. The total amount of the project must be the sum of the nominal amounts, taxes excluded.

Upon express written instruction from DINATEL, ANDE will reimburse a certain percentage of the total amount of the project, with a maximum support limit depending on the category of project submitted:

#### Maximum Support per Project Category

Total Project Amount	% of PUA Support	Maximum Amount of PUA Support
Between USD 300,000 <sup>2</sup> and USD 4,000,000	25%	USD 700,000
Between USD 4,000,000 and USD 8,000,000	17.5%	USD 850,000
Over USD 8,000,000	10.6%	USD 1,000,000

<sup>1</sup> The above-mentioned documents must be submitted with an official translation into Spanish. If the project is approved, the documents must be apostilled for the signing of the agreement.

<sup>2</sup> If the project activities are only post-production, the minimum amount of the project must be USD (one hundred and fifty thousand US dollars).



### Maximum Support per Category for Post-Production-Only Projects

Minimum Project Amount	% of PUA Support	Maximum Amount of PUA Support
Between USD 150,000 and USD 2,000,000	25%	USD 350,000
Between USD 2,000,000 and USD 4,000,000	17,5%	USD 425,000
Over USD 4,000,000	10,6%	USD 500,000

#### a. What Expenses Can Be Recognized?

All expenses associated with pre-production, production and post-production activities conducted in Uruguay, provided by Uruguayan citizens, individuals permanently residing in Uruguay and/or legal entities established in Uruguay, qualified as eligible by the Technical Committee, may be recognized, including:

- Specialized activities related to audiovisual production, including artistic and technical services.
- Filming fees: photography and camera equipment, art equipment, sound equipment, field production and location production.
- Postproduction, animation and VFX technical staff fees.
- Fees of direction, executive production, screenwriter and cast corresponding to Uruguayan individuals or permanent residents in the country<sup>3</sup>.
- Operating expenses for filming in the national territory: transport and mobilization, food, field production, locations.
- Artistic and technical production expenses: rental of equipment and technical production materials, purchase of materials deemed essential and exclusively to be used in the production and/or postproduction, and the use of which is to be exhausted during the execution of the project.
- Makeup, costumes, scenery, staging expenses.
- Expenses for the acquisition of copyrights and related rights of Uruguayan authors.

<sup>3</sup> The applicant production company may not present receipts in their name, even if, being a sole proprietorship, it provides technical services to production.



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Servicios de Comunicación  
Audiovisual



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Y EL AUDIOVISUAL

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Desarrollo

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- Other production expenses to be sustained in the national territory and considered admissible by the Technical Committee.

## b. What Expenses Cannot be Recognized?

Expenses associated with activities that are not directly related to the production of the audiovisual work may not be recognized, with the ones below being explicitly excluded:

- Development activities
- Distribution and marketing activities
- Financial costs and insurance external to production
- Expenses resulting from operation, infrastructure, office, equipment, own transport, permanent staff of the companies or any other input or contracting made prior to the execution of the project.
- Purchase of real estate or vehicles, civil and construction works whose use is not to be exhausted in the execution of the project; financial investments, such as term deposits, mutual funds, purchase of shares, payment of debts of any of the participants of the project.
- Company fees for the service
- Unforeseen expenses

## 4- What is the Program Execution Process?

### I. APPLICATION

Project applications must be submitted through the Uruguay Audiovisual website <https://uruguayaudiovisual.com/><sup>4</sup>, completing the application form<sup>5</sup>.

The call for applications is made in an open window regime, from July 21, 2022, and will remain open as long as there are funds available from those allocated for the International Line.

The application must contain:

- General description of the audiovisual work, background, production plan and total budget of the work to which the nominated project belongs.
- Project details: description of activities to be conducted in the country, including detailed budget and execution schedule, filming/post-production plan indicating the production locations in the national territory.
- Description and background of the companies participating in the proposed project and team.

<sup>4</sup> Applications are received by DINATEL through the application system provided by ANDE. Any queries related to the application must be channeled through [pua@miem.gub.uy](mailto:pua@miem.gub.uy)

<sup>5</sup> The form and the documents submitted in the application must be written in Spanish.



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Servicios de Comunicación  
Audiovisual



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de Educación  
y Cultura



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de Cultura

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NACIONAL DEL CINE  
Y EL AUDIOVISUAL

ANDE  
Agencia  
Nacional de  
Desarrollo

Uruguay XXI  
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- Accreditation of the agreement between the applicant company and the foreign company, at least, with a Letter of Intent<sup>6</sup>. The agreement must be signed by the legal representative of the foreign company(s) or a power of attorney must be attached to accredit the signatory.

If more than one company participates in the production services contract, a legalized document must be submitted indicating which company will receive the cash rebate. This document must be signed by all parties involved in the contract.

Only expenses incurred between the start date and the end date indicated in the project application will be considered eligible expenses. The start date cannot be prior to the date of application.

In exceptional, duly justified cases, applications for increases on approved projects that have already begun their activities may be considered, to the extent that the project submitted involves only an increase in the number of shooting days or new post-production activities, provided there are funds available in the call for proposals. The request must be made no less than 10 days prior to the beginning of the corresponding stage.

## II. EVALUATION

The evaluation process will be divided into two stages:<sup>7</sup>

### **Stage 1: Eligibility (7 business days)**

DINATEL's technical team will verify compliance with the conditions and information required for the application. If it is deemed necessary to expand and/or clarify any aspect of the information submitted, DINATEL will communicate with the applicants granting a deadline for the presentation of the information requested. The applicants that fail to send the documentation requested or projects that do not comply with the minimum requirements established for the call in these conditions will not pass to the next evaluation stage.

The date on which the applicant company submits all the correct documentation required by the Program, without observations, will be considered as the date of application.

### **Stage 2: Technical and Strategic Evaluation (10 business days)**

The technical and strategic evaluation will be conducted by the Inter-institutional Technical Committee, formed by a representative of: INCAU, MIEM and Uruguay XXI. The Technical Committee may request advice from external experts with knowledge in the subject matter of the projects.

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<sup>6</sup> If the project is selected, the contract signed between both companies, duly translated and legalized, must be presented at the time of signing the agreement with DINATEL. If the contract is signed in Uruguay, the signatures must be notarized.

<sup>7</sup> The deadlines for the evaluation and approval stage are not preemptory.



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de Telecomunicaciones y  
Servicios de Comunicación  
Audiovisual



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NACIONAL DEL CINE  
Y EL AUDIOVISUAL

ANDE  
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Uruguay XXI  
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The Technical Committee will conduct a technical and strategic analysis of the applied projects that have met the requirements of Eligibility Stage 1, based on the following criteria:

- **Potential impact of the project on the national audiovisual industry and related industries (50%)**
  - Potential for direct impact on the audiovisual industry
  - Potential impact on related industries such as: catering, transport, accommodation, among others.
  - Job creation according to level of qualification and link to the audiovisual chain
  - Contribution to the international visibility and promotion of the country as an audiovisual marketplace
- **Economic, technical viability and coherence of the project (30%)**
  - Feasibility of project realization in terms of size, budget and financial plan, production plan and proposed schedule
  - Consistency between objectives, activities, and results, based on production plan, distribution plan and marketing. The presentation of evidentiary documentation of distribution (for example: distribution contracts, etc.) will be an asset.
- **Background of the participating companies and the management team (20%)**
  - Background of the Uruguayan company
  - Background of the international company
  - Specific team that will manage the project (background of director, producer and key figures / team leaders engaged for the project).

In this instance, additional information may be requested from the applicant companies, to improve the information available for the evaluation and the scope of the activities to be carried out in Uruguay.

As a result of the technical and strategic evaluation process, the Technical Committee will prepare an evaluation report containing a recommendation for approval or rejection of the project in question, which will be submitted to DINATEL's Management. Only projects that have achieved a minimum evaluation score of 70, out of a maximum of one hundred, may be recommended for approval.

### **III. APPROVAL (15 business days)**

Based on the report prepared by the Inter-institutional Technical Committee, DINATEL's Management will adopt a final resolution on whether to grant support to the postulated project, which will be formally communicated to the applicant company.

In no case will the beneficiary status of the Program be formally acquired without the signing of the agreement between the Executing Entity (the company applying for the project) and DINATEL.



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Servicios de Comunicación  
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Nacional de  
Desarrollo

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#### IV. EXECUTION

If the project is approved and the availability of the funds in ANDE is verified, an agreement will be signed between the Executing Entity (the applicant company of the project) and DINATEL<sup>8</sup>.

The applicant and/or beneficiary company shall carry out the activities foreseen in the proposed and approved project. Should any modification to the approved project be necessary, it must be previously communicated through a formal justification note, and will be subject to approval by the Program.

The execution of the activities must begin within a maximum period of 6 months from the approval of the project. Expenditures for the acquisition of goods and services necessary for the execution of the activities shall be made by the Executing Entity and/or the beneficiary company as per the conditions established in the document of guidelines for reporting, which is an integral part of these Bases. The projects must be executed in accordance with the proposal.

Within 15 calendar days after the project completion date, a one-time request for reallocation of expenses may be submitted, which shall be governed in accordance with the provisions of the reporting guidelines and is subject to approval by the Program.

At the close of the project, once all planned activities have been executed, the Executing Entity shall submit a closing report and surrender of expenses, which shall be considered a sworn statement, within a maximum period of 60 calendar days from the end date indicated in the project. The surrender of expenses must be accompanied by an external audit report in a format provided by the Program, conducted by a local firm authorized by the Central Bank of Uruguay. This report may not include receipts dated after the indicated date of completion of the project, with the only exception of the invoice of the auditing firm, which may be dated later.

DINATEL will verify compliance with the established conditions and the admissibility of the expenditures submitted. Once compliance with the conditions agreed upon in the approved budget has been verified, ANDE, upon DINATEL's express written instruction, will reimburse the committed support, according to the amounts and percentages established in the contract signed between the Executing Entity and DINATEL.

In no case will reimbursements be made for projects that have not reached the minimum required expenditure of at least USD 300,000 (three hundred thousand US dollars), except for post-production-only projects, for which the minimum required expenditure is USD 150,000.

In cases where the executed budget is less than that originally budgeted for the project, an adjustment will be made and the amount to be reimbursed will be reduced in the same proportion with respect to the maximum amount committed for the project (understanding maximum amount committed as the amount established as the maximum reimbursement based on the original budget submitted).

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<sup>8</sup> In no case shall ANDE be obliged to make any payments that may arise from the projects until it has the corresponding funds credited to the Uruguay Audiovisual Program, as well as in the event that the balances are not sufficient for the total of the projects that may be approved.



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Servicios de Comunicación  
Audiovisual



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de Educación  
y Cultura



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de Cultura

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NACIONAL DEL CINE  
Y EL AUDIOVISUAL

ANDE  
Agencia  
Nacional de  
Desarrollo

Uruguay XXI  
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In those cases in which the deviation between the amount budgeted for the project and the amount actually spent is greater than 10%, an additional penalty will be applied, equivalent to one third of the percentage of deviation, on the amount to be reimbursed calculated in the previous paragraph.

In those cases in which the actual expenditure presented in the rendering of accounts is higher than the budget agreed in the agreement, only the contribution committed in the agreement will be reimbursed.

The reimbursement of the committed support will be made by ANDE to the beneficiary foreign company, once DINATEL's instructions have been received, to a bank account formally designated by DINATEL, which may not be located in a country that appears on the OECD's tax havens list. In the event that the designated bank account is owned by a legal entity other than the beneficiary foreign company, such circumstance must be evidenced in the agreement between the applicant company and the foreign company, in accordance with the application requirements.

Reimbursement will be made in two installments. The first will correspond to 90% of the amount to be reimbursed, and will be made following the approval of the final expenditure report. The second will correspond to the remaining 10% of the amount to be reimbursed, and will be made 3 months after the approval of the final surrender of expenses of the project, provided that the participating companies have not incurred in contractual breaches with national individuals and companies. The banking costs associated with this reimbursement will be charged to the beneficiary company.

Once the reimbursement has been made in the two corresponding installments, the contract will be considered fulfilled.

Notwithstanding the above, and for the sake of project monitoring, the Executing Entity must submit a progress report to DINATEL on a quarterly basis.

DINATEL reserves the right to request additional information whenever it deems necessary. For this purpose, the Executing Entity must allow DINATEL or its designee access to all information deemed necessary for the monitoring and evaluation of the project.

In case of total or partial noncompliance with the established conditions, falsification of information or failures in the procedures agreed upon in the agreement by the Executing Entity and/or by the foreign company, DINATEL and/or any of the PUA participating institutions will proceed to (temporarily or definitively) suspend the execution of the project, and the corresponding administrative and legal actions will be undertaken in keeping with the appropriate national regulations.

## **5- Regarding the Amount of the Call for Proposals**

For the implementation of this International Line of the PUA, the total amount allocated may reach up to USD 3,500,000 (three million five hundred thousand US dollars). DINATEL and/or the Inter-Institutional Committee reserve the right not to allocate the entire amount provided herein, either due to non-availability of funds and/or for any other reason that the Committee deems justified.





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Servicios de Comunicación  
Audiovisual



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y Cultura



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NACIONAL DEL CINE  
Y EL AUDIOVISUAL

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Nacional de  
Desarrollo

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## 6- General and Specific Rules

These Specific Rules constitute the specifications that will govern the "International Line" of the PUA, in all matters not provided for in the General Rules of the Uruguay Audiovisual Program 2022.