

## ELIGIBLE COSTS FOR ANIMATION

### 50% - 45% TAX REBATE FOR INTERNATIONAL PRODUCTIONS

For the expenses to be considered for the purposes of calculating the deduction, it will be necessary that **“the services that originate the expenses are effectively provided in the Canary Islands**, or in the case of deliveries of goods when they are made in the territory. All this regardless of the nationality of the supplier, that supplies the goods or renders the services”.

**Eligible expenses incurred in the Canary Islands**, in the case of **animation**, must be of at least **200,000 euros**.

The following are understood to be included in the deduction base as eligible costs:

- **Direction Dept:** director, first assistant director, script supervisor, second assistant director, art director and assistant art director.
- **Production Dept:** executive producer, line producer, production manager, production assistant, second production assistant, production accountant, production secretary, creative producer, animation consultant and financial controller.
- **Photography Dept:** 3D technical director, 3D assistant technical director, R&D supervisor, equipment maintenance, concept development director (R&D Programs), IT Supervisor maintenance crew coordinator.
- **Visual Development Dept.:** Concept development director, production coordinator, production assistant, style bible, texture study. As well as the necessary material for audiovisual development (research materials, character design, model sheets, background design, effects design, colour models, music test, voice test, voice test recording, production DV assistant, documenting and technical assistance, prop design, teaser, work in progress, trailer, making of, etc.)

- **Pre Production Dept.:** storyboard supervisor, storyboard artist (3D Layout), character modelling, 3D Layout static composition, 3D Layout supervisor, 3D model sheets, BG models, rough background layout (3D character setup), clean background layout (specialist in capturing assistance motion), reused background layout (motion capture), texture supervisor, colour supervisor, shade supervisor, 3D character modelling supervisor, 3D modelling supervisor, motion capture supervisor, 3D setup supervisor, motion capture senior Supervisor, set up and rigging specialist, lip sync, textures, shades, lighting director, senior lighting artist, lighting artist, set up and skinning problem solver, 3D props modelling, animation final touches, clean-up motion capture specialist and head. As well as other pre- production roles, animatic, animatic editor, animatic assistant editor, animatic suite, AVID, substitute materials and artists.

- **Dialogue Dept.:** dubbing director, casting, Spanish dubbing director, dialogue adaptor, dubbing actors. As well as other necessary tasks and materials (voice recorder, voice editor, dumping and materials, animation cards, voice cards, shooting cards translations, lip-synch, dubbing studio, voice casting, suite sound dubbing, lab studio recorder, audio materials, transfer equipment, dialogue editor, suite editor, suite track reading, and track reading.)

- **Soundtrack Dept.:** main theme composer, secondary theme composer, song composer, adaptor, lyric writer, singers, musicians, sound recording director, assistants, background music composer, orchestra performance. As well as other necessary tasks (recording studio, sound effects, stereo mix, materials and dumping, synchronization, soundtrack recording, video transfer, 35mm transfer, trailer.)

- **Production Dept.:** 2D background supervisor / 3D effects supervisor, 2D backgrounds, 3D backgrounds, background artist, 2D /3D fx animation supervisor, 2D /3D fx master animations, render equipment, dynamic supervision equipment, junior animators, dynamic composition supervisor, 2D assistant, render optimisation supervisor, render operator, inbetweener, colour scan composting supervisor, layout technical supervising, 2D animation effects, animation retakes. As well as other necessary equipment (rendering farm, 3D workstation, inferno, flame, software, movement capturing materials, Shake composition station materials, digital weight materials, technical equipment materials, special effects materials, composition artist, effects artist, WS grading, 2K effects and WS conforming and postproduction supervisor.) Art director, Animation Director, Director of Photography, Visual Effects Supervisor, CG Supervisor, Editing First Assistant, Editing Second Assistant, 3D Location and Props modelling supervisor, 3D Location and Props Lead, 3D Location and Props Senior Artist, 3D Location and Props Artist, 3D Location and Props Junior Artist, 3D Texturing locations and props Lead, 3D Texturing locations and props Senior Artist, 3D Texturing locations and props Junior Artist, 3D Character modelling supervisor, 3D Character

modelling Lead, 3D Character modelling Senior Artist, 3D Character modelling Artist, 3D Character modelling Junior Artist, 3D Character Texturing Lead, 3D Character Texturing Senior Artist, 3D Character Texturing Artist, 3D Character Texturing Junior Artist, 3D Character and props setup Supervisor, 3D Character and props setup Senior Artist, 3D Character and props setup Artist, 3D Character and props setup Junior Artist, 3D Layout Supervisor, 3D Layout Lead, 3D Layout Senior Artist, 3D Layout Artist, 3D Layout Junior Artist, 3D Layout Technical Lead, 3D Layout Technician, 3D Scene Composition Supervisor, 3D Scene Composition Lead, 3D Scene Composition Senior Artist, 3D Scene Composition Artist, 3D Scene Composition Junior Artist, Scene Composition Senior Technician, Scene Composition Technician, 3D Scene Lead Animator, 3D Senior Animator, 3D Animator, 3D Junior Animator, 3D Animation Senior Technician, 3D Animation Technician, 3D Scene Lighting Lead, 3D Senior Lighting Artist, 3D Lighting Artist, 3D Junior Lighting Artist, 3D Assistant Lighting Artist, 3D Senior Lighting Technician, 3D Lighting Technician, 2D/3D background paint artist, 2D/3D background paint junior artist, 3D Supervisor for Character Hair and Cloth, 3D Lead for Character Hair and Cloth, 3D Senior Artist for Character Hair and Cloth, 3D Artist for Character Hair and Cloth, 3D Junior Artist for Character Hair and Cloth, 3D Special Effects Supervisor, 3D Special Effects Lead, 3D Special Effects Senior Artist, 3D Special Effects Artist, 3D Special Effects Junior Artist, 3D Special Effects Senior Technician, 3D Special Effects Technician, Compositing Supervisor, Compositing Lead, Senior Compositing Artist, Compositing Artist, Compositing Junior Artist, Production Planner, Production Manager, Associate Production Manager, Production Supervisor, Production Coordinator, Production Assistant, Production Trainee, Render Lead, Render Technician, Software Development Supervisor, Software Development Team Supervisor, Software Development Lead, Software Development Senior, Software Development Technician, Software Development Junior, Work and Documenting Process Supervisor, Work and Documenting Process Technician, Work and Documenting Process Junior, Computing Systems Supervisor, Computing Systems Lead, Computing Systems Senior, Computing Systems Technician, Computing Systems Junior.

- **Postproduction Dept.:** postproduction manager, assistant, film editor, 3D technicians (AVID editor, assistant editor, miscellaneous assistants, AVID), 3D director (title editor), on-line editor, on-line editor assistant, video transfer, film stock editing, transfer technician, video transfer of film, final copy of video transfer of film, on-line suite, on-line title, distribution equipment, transcoding including IQC materials, Tetacam digital PAL and Betacam digital NTSC. As well as other necessary tasks [on-line digital edition / lab sound preproduction, graphics / postproduction manager, credit titles / sound editor, digital composition, sound editor assistant, dumping (back-ups) 7 sound technicians, digital video master, Foley artist, audio synchronization, sound editor assistant, film resolution master, Foley artist, preproduction sound crew, Foley artist assistant, music editor, pre-mix dialogue editor, special effects (sound library), suite digital edition (sound), sound transfer, Foley studio, suite digital music edition, music transfer, suite digital edition (dialogues), dialogue transfer, audio material, sound final edition, final sound track, sound edition supervisor, sound engineer, final mix, international mix, music editor, music editor assistant, copy protection, Dolby license, Foley effects and Foley effects sound.]

- **Rental, supplies, maintenance and other expenses:** rental expenses corresponding directly to the cost of the facilities where all the staff and the positions above (particularly the production crew) carry out the commissioned project. Similarly, this section also includes supply expenses such as electricity and water; maintenance and cleaning of facilities expenses; other expenses like telephone and facilities security against dangers like breaking in and robbery.

- **Hardware expenses:** costs of use and maintenance of computing equipment, tools and platforms (for instance, cloud) which are essential and are used to carry out the production (computers, servers, screens, digital canvases, switches and wiring, etc.). In the event of their being company assets they will be measured by yearly amortization or as direct expense if they are leased, hired or pay per use.

- **Software expenses:** costs for using and maintaining computer programs and applications needed and essential to produce an animation film. In the case of their being purchased licenses that become company assets, they will be measured by yearly amortization or as direct expense if they are leased, hired or pay per use.

- **Laboratory expenses:** negative cut, audio transfer to 35mm/ 35mm postproduction supervisor, negative cut /internegative, Dolby mix / preparing final copy, Dolby version licence, colour work, optical effects, interpositive, interpositive textures, printing response, printing check-up, printing maker, storage fees, optical sound track, sound negative, image management, transfer engineer, EDL management and verification, telecine / self-confirmation plans, MEGADEF colour correction, test sheets, internegative transfer to 35mm, interpositive colour correction, image archive, DTF 200 G, transfer to 35mm. As well as other expenses related to the lab and obtaining the final copy (sound design, dialogue recording, actors, Foley, effects artist, mix suite, international track, magnetic-optical disc transfer) and sound (35mm negative, dialogue recording, magnetic- optical disc transfer).

- **Insurance** covering activities directly connected to the production, maintenance and accommodation of the crew taking part in the production, expenses for goods transportation in Spain and rentals directly connected to the production.

- **Those expenses for transport in Spain.**



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**However, the following expenses do not qualify for the deduction base:**

- Administrative staff including office rental, personnel costs, purchase or rental of office stationery, work and legal consulting and audits.
- Transportation costs are also excluded unless these are met in Spain.
- Expenses deriving from the tax amortization of assets directly related to the executive production of the series, in proportion to their relation to the production, will not be part of the deduction base if these expenses are not incurred in Spain but are investments made overseas which are later on connected to the series; the amortization of assets related to the production or financial expenses are not included either.