

Guidelines for Applying for a Letter of Intent for Reimbursement

The purpose of the **Reimbursement Act** is to support productions that promote Icelandic culture, introduce the country's history and nature, or enhance the experience, knowledge, and artistic ambition of those involved in the production.

Applicants are advised to familiarise themselves with [Act No. 43/1999](#) and [Regulation No. 450/2017](#) on film production reimbursements before applying for a **Letter of Intent**. The application must be submitted **before** the production begins in Iceland.

It is also important to note that according to **Article 5** of the Reimbursement Act, an **application for reimbursement payment must be submitted within six months after the completion of the production**. The production is considered completed at the latest by its **premiere**. In the case of a **TV series**, the production is considered completed upon the **premiere of the last episode of a single season**.

Application Process

The **Letter of Intent** application must be submitted electronically through the online [application portal](#) available on the **Icelandic Film Centre's** website. Once the reimbursement application is submitted, confirmation of receipt will be sent via email. If additional documents are required before the application can be processed, the applicant will receive an email notification.

A **committee appointed by the Minister** will review all applications and assess whether they meet the conditions set out in the **Act and Regulations**. The committee **meets every two weeks**, and all required application documents must be submitted at least **five business days** before the scheduled meeting.

Required Documents

Company Registration Certificate

A certificate from the Company Register confirming the CEO and board members of the company must be submitted. This document can be obtained free of charge from the [Icelandic Revenue and Customs Company Register website](#).

Script

A finalised script must be submitted with the application.

Project Assessment

The project assessment serves as a benchmark for determining whether the production qualifies for reimbursement. The assessment consists of two parts:

1. **Cultural Criteria**
2. **Production Criteria**

Each criterion is assigned points, and the project must score a minimum of 23 points in total and at least 4 points in the cultural section.

The applicant must provide a clear rationale for how the project meets the criteria when completing the assessment form. A link to the [assessment form](#) (to be submitted as a Word document) is available on the Film Centre's website. Applicants should also carefully review the [scoring explanations](#) before completing the assessment.

Confirmation of Distribution

To qualify for reimbursement, the project must be **intended for public exhibition**. Therefore, the application must include **confirmation and details on where and how the project will be publicly exhibited**.

Special attention is drawn to the fact that the following **do not qualify** for reimbursement:

- **Advertisements and news-related content**
- **Short films**
- **Recordings of sports events and live performances**
- **Content primarily intended for promotional purposes**
- **Content intended solely for distribution within a private network**

Statement on Compliance with the Act's Objectives

Applicants must justify how the project aligns with the **objectives of Act No. 43/1999**, which aim to promote **Icelandic culture** and highlight the **country's history and nature**.

Budget and Reimbursement Base Calculation

Before submitting calculations for the **reimbursement base**, the applicant must carefully review **Article 5(a) of the Reimbursement Act**, which defines **eligible production costs**.

Total production cost refers to **all expenses incurred in the production of a film or television project**, regardless of where the production activities take place or whether the costs are eligible for rebate in Iceland. This includes costs incurred in **Iceland, within the EEA, and outside the EEA**.

The application must include a **detailed budget** (in **Excel or PDF format**) outlining costs incurred **in Iceland** and, if applicable, in **other EEA countries**. If applying for reimbursement **only** for expenses paid to **Icelandic tax-liable entities**, then a **full production budget** is not required—only the **cost items for which reimbursement is requested**. Only costs **paid by the applicant** are eligible for reimbursement. This also applies to expenses incurred **within the EEA but outside Iceland**.

Only costs incurred in Iceland and meeting the conditions in **Article 5(a) of the Reimbursement Act** are **eligible for reimbursement**. However, if **more than 80%** of the total production cost (as defined above) is incurred in Iceland, reimbursement can also be claimed for costs within the **EEA, Greenland, and the Faroe Islands**.

According to the **Reimbursement Act**, **salaries and contractor payments** only qualify if they are **taxed in Iceland**. If the project budget includes **contractors or employees taxable within the EEA but outside Iceland**, these costs must be **excluded from the reimbursement calculation**.

Reimbursement will not be granted for costs that have **not been fully paid** when the production is completed, and the **reimbursement request is submitted**. This includes:

- **Deferred fees**
- **Company overhead costs that are calculated as a percentage of the production budget**
- **Estimated future costs**

If a **special purpose vehicle (SPV)** or subsidiary is established for the production, **indirect administrative costs, parent company overhead, or producer fees** based on a percentage of the parent company's revenue **are not eligible for reimbursement** under **Article 5(a), section d** of the Reimbursement Act.

If no **SPV** is established, any costs attributed to the project for **indirect contributions** or **shared company overhead** (e.g., general administration) must be **calculated based on the project's actual share of operations** and reflect **resource usage (equipment, facilities, labor, etc.)**. Applicants must submit a **ledger statement** from the production company confirming the **actual costs used in the calculations**.

Public Funding Deduction

All **public funding**, including grants from the Icelandic Film Centre, **must be deducted from the reimbursement base**. This applies **regardless of whether the funds have been fully disbursed** at the time of the reimbursement request.

35% Reimbursement

To qualify for the **35% reimbursement rate**, a project must meet **all three** of the following conditions:

1. **Eligible production costs in Iceland must be at least ISK 350 million.**
2. **Principal photography in Iceland must be at least 10 days**, with the total number of **combined shooting and post-production days in Iceland being at least 30**.
3. **At least 50 crew members must be directly employed in production in Iceland**. These individuals must be **taxable in Iceland** and must work on the production for at least **one full day each**, either as **employees or contractors**.

Financing Plan

A **detailed breakdown** (in **Excel or PDF format**) must be submitted, listing all **financing sources and their current status**. The **total financing amount** must match the **total budget**.

Contracts or letters of commitment for secured financing must be included with the application. Applicants are reminded that by the time the **reimbursement payment request** is submitted, **all financing must be confirmed**.

Additional Information

Information on **expenditures by region** and **employment distribution by gender** is collected **for analytical purposes only**. These data points **do not** affect reimbursement decisions but are used to **assess the societal impact** of the reimbursement scheme.

