



STATE OF ISRAEL
Ministry of Industry
Trade and Labor
Investment Promotion Center



*Inspiration
Invention
Innovation*

Filming in Israel

Invest in Israel

www.investinisrael.gov.il

Cost Effective All-Included Solution



F i l m i n g i n I s r a e l

Israel - A cost-effective, professional filming package tailored to your needs

Israel offers film producers a cost-effective, all-inclusive solution, comprising an attractive tax benefit package, a compact yet greatly diverse environment, highly professional crews, a complete range of the highest quality filmmaking facilities, and first rate infrastructure... all at a competitive price.

Israel offers a vast variety of locations - all within easy reach

An all-year-round comfortable climate, varied and breathtaking scenery, and people and faces that represents the multi-cultural society of Israel. Israel offers an extremely diverse microcosm of the world in a country half the size of the Netherlands.

Highly professional and creative crews - all English speaking

The expertise, innovation and creativity of the local film crews are demonstrated by Israel's award-winning films.

First-rate production facilities

Israel offers a full range of Production Services, State-of-the-Art equipment and fully equipped studios.

Modern infrastructure and high tech communications network

Israel's telecommunications network is one of the most advanced in the world.

The transportation network offers quick and easy access to a variety of film locations, a wide range of hotels and a host of other amenities anywhere in the country.



20%
REDUCTION

**The new
20% Tax Benefit
Package offers
a significant incentive
for production in Israel**



“ There are many reasons to co-produce with Israel. Foremost the creative talent, the available finance, the advice and support from the Israeli Funding bodies, expert crews and great landscapes...”

Bettina Brokemper – The German co-producer of “Sweet Mud” (Director: Dror Shaul), “The Syrian Bride” and “Lemon Tree” (Director: Eran Riklis)

Invest in Israel
where breakthroughs happen

Israel has it all Within a Few Hours Drive



Feature films produced with international partners

France	28 co-productions
Germany	14 co-productions
Canada	4 co-productions
Italy	3 co-productions
Belgium	2 co-productions
Australia	1 co-production
Poland	1 co-production

International co-productions are of great importance to the Israel film industry in terms of creating international cooperation and partnerships, in stimulating a creative atmosphere, in creating better production conditions, and in terms of budget allocation.



F i l m i n g i n I s r a e l

Diverse yet compact

Israel brings together the geography, people and culture of Europe, Asia and Africa all in one place.

At a little more than 22,000 sq km, Israel's diverse yet compact geography and eight months of sunshine make it an ideal location for filming.

From sandy Mediterranean beaches and green forests and fields along the verdant coastal plain, to the rolling hills of the Galilee, the snow-capped peak of Mount Hermon, the desolate wasteland of the Dead Sea, the desert plains and rocky hills of the Negev, and the dramatic red granite mountain range bordering the Red Sea, Israel has it all within a few hours drive.

This variety is also reflected in the country's urban settings. **Jerusalem**, one of the world's religious centers, offers both Middle Eastern bazaars as well as areas reminiscent of the winding streets and alleys of quaint European towns and cities, while **Tel Aviv** is a bustling modern city dotted with skyscrapers and sidewalk cafes reminiscent of Italy and France. Similarly **Acre** is a walled Mediterranean city with a classic charm, while **Caesarea** offers Roman ruins equivalent to those found in Italy.

Israel's architecture reflects a seemingly endless mix of styles and influences from every stage of recorded history, with Roman aqueducts and biblical landscapes telling the story of the country's rich historic legacy. Classical, Middle Eastern, Byzantine: there is almost no style of design and architecture that cannot be found in Israel to fit the period of each film.

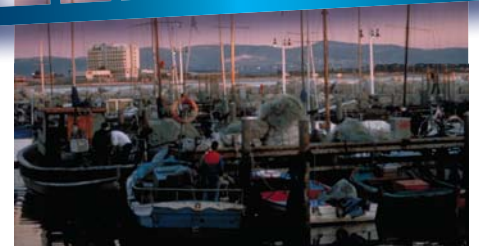
Modern Infrastructure

Israel offers you modern conveniences including:

- Well developed highway system built to international standards
- Large selection of first class hotels throughout the country
- First class international airport with frequent flights to major cities worldwide
- State of the art communications system
- World renowned high-tech expertise



*Israel - Breathtaking scenes across dozens of starkly different locations-
now at 20% less cost!*



5 Star hotels, a highly advanced communications network and a top notch road grid - The 20% rebate just makes it all more accessible.



Highly Trained, Vastly Experienced Crew

**Among the films Co-produced
with International Partners:**

- Late Marriage ■ The Syrian Bride
- Sweet Mud ■ Metallic Blues
- Love Life ■ The Bubble
- Jelly Fish ■ Live and Become
- Free Zone ■ Avanim ■ 9.99
- The Band's Visit ■ Lebanon
- Lemon Tree ■ Restless
- Waltz With Bashir





F i l m i n g i n I s r a e l

Professional Crew & Cast

Israel offers a unique opportunity to cast actors and extras from its abundantly diverse population with roots in over 100 countries covering Europe, Africa, the Americas, and Asia... and of all ages and backgrounds.

Most of the population speaks English and a great number of Israelis are also fluent in a variety of other languages including Russian, Arabic, French, Spanish, and German, to name a few.

Israel's highly trained, multi-lingual technicians & crews have vast experience in international productions shot in Israel and abroad.

World-Class Equipment and Production Facilities

Israel offers foreign filmmakers a full array of production services, including equipment, studios & equipment package deals and boasts some 120 production companies, 10 production studios, and 30 post production facilities.

Israeli production companies have years of experience and are highly proficient at providing both complete and partial production services, including location scouting, production management, equipment, costume design, props, special effects, etc.

Finance & Banking

Israel offers financial frameworks broadly in line with those of Europe and the US. Israel's well-established banking system meets the most advanced international banking standards and offers top-quality international banking services, through its affiliation with banks worldwide.

The world's top accounting firms have a local office in Israel as well.



Israel offers you an exquisite diversity of native actors and extras from over 100 countries



120 production companies, 10 production studios, and 30 post production facilities - for a 20% lower investment...



Worldwide Success



Israel currently has official Co-production Agreements with:

■ Australia ■ Belgium ■ Canada
■ France ■ Germany ■ Hungary
■ Italy ■ Poland ■ Sweden



F i l m i n g i n I s r a e l

Israeli Films – An Industry on the Rise

Israel's film industry provides a solid, busy, vibrant and creative film community which is committed to further developing and encouraging cooperation with filmmakers from all over the world.

Israeli films have won international acclaim including **8 Oscar nominations** in the best Foreign Language Film category. The esteem in which Israel's actors, directors, and production crews are held by the global film industry, manifests itself in the host of internationally celebrated feature films made in Israel.

Recent Israeli feature films such as **Jelly Fish**, **The Band's Visit**, **Beaufort**, **Lemon Tree**, **My Father My Lord** and **Waltz With Bashir** were invited to and screened at major international film festivals and have also won prestigious awards.

Recently, Israeli films were selected and screened in more than **200 International Film Festivals** and won **more than 80 prizes**, including: **The Golden Globe Award** in Hollywood; the **Caesar** in Paris; the **World Cinema Jury Prize** at Sundance; the **Silver Bear** and the **Crystal Bear** at the Berlin International Film Festival; two times **Camera d'Or** in the Cannes International Film Festival; the **Best Narrative Feature Film** at Tribeca; the **Grand Prix of the Jury** at Montreal; **Sakura Grand Prix** at Tokyo; and the **Best European Actor** and the **European Discovery for First Feature Director** for 2007 at the European Film Academy Awards.

The worldwide success of Israeli films is reflected in the increase in co-productions and foreign investments in Israeli films. Foreign investment in Israeli films in 2008 made up 40% of the total amount invested in Israeli films.

Israel has a very elaborate public funding and public film support system for all genres.

Israel's novel approach to filmmaking coupled with a "can do" culture and free spirit, creates an environment that breeds excellence.



Annual Israeli local productions include 14-18 full-length feature films, of which 4-6 are international co-productions, as well as 85 documentaries, of which 10-15 are international co-productions.



Film Law Benefits

20%
REDUCTION

The Law for the Encouragement of the Production of Films was approved by the Israeli Knesset on October 28th, 2008.

The main aim of the law is to encourage the production of foreign films in Israel.

To this end, the law offers generous tax benefits that reduce the cost of production by up to 20%.

The law recognizes two models:

a) Foreign Productions b) Co-Productions

In both cases the benefits by law accrue to an Israeli production company who is expected to pass on these benefits to the foreign production company.

Foreign Production Model

Films or TV series produced by foreign filmmakers in Israel retaining the services of an Israeli production company.

An Israeli film production company that purchases Israeli goods and services on behalf of a foreign production company can withhold tax payments of 17%, which subsequently does not have to be transferred to the Tax Authority. Given the 15.5% value added tax rate, the effect is a savings of **19.6%** in the cost of those goods and services as shown below.

Example:

■ A qualified production of	\$1,000
■ Value Added Tax (VAT) in Israel - 15.5%	\$155
Total	\$1,155
■ Withheld tax of 17% according to the Film law Benefit.....	$17\% \times (\$1,155) = \196
■ Expenses following tax reduction (i.e - actual reduction of 19.6%).....	\$804

To qualify for this benefit, the foreign production company needs to have an Israeli company purchase these goods and services on its behalf. This benefit pertains to films in which the local production costs exceed 8 million shekels (approximately \$2 million).





F i l m i n g i n I s r a e l

Co-Production Model

Films with Israeli co-producers and co-financiers who own certain rights in the film.

A Co-Produced film between an Israeli production company and a foreign production company is entitled to tax benefits as well. To qualify, the total production expense in Israel less 85% of the amount of the investment made by the Israeli residents in the film's budget, must be at least 4 million shekels (approximately \$1.0 million).

- When the foreign investor's share is at least 75%, the Israeli producer will be able to withhold tax payments of 13% over most Israeli goods and services purchased for the production of the film. Taking into consideration the VAT (see above example) this implies an actual reduction of **15%** in the costs of the production in Israel.
- When the foreign investor's share is 50% - 75%, the Israeli producer will be able to withhold tax payments of 9% on most Israeli goods and services purchased for the production of the film. Taking into consideration the VAT (see above example) this implies an actual reduction of **10.4%** in the costs of the production in Israel.

Other important aspects of the Law:

- The responsibility to pass on the benefit to the foreign company will be vested in the Israeli production company.

For this reason, the foreign production company must complete a form stating that they were informed that the provisions of the Law for the Encouragement of the Production of Films apply to the production costs of the film in Israel. This form will be submitted to the Tax Assessment Officer by the Israeli production company.

- These tax benefits relate only to costs "below the line". The provisions of the Film Law do not apply to payments to the film's director, producer, screen writer, lead actor (i.e. any actor whose income for acting in the film, excluding a share in the film's income, is at least NIS 150,000 [approximately \$ 37,500]) and for the purchase of the copyright on which the film's script is based (if relevant).



Israel's all-inclusive film package. All you need for your film, and 20 percent less funding...



For further information please contact:

Ministry of Finance: pniot@mof.gov.il

Israel's Tax Authority: taxes@mof.gov.il

Invest in Israel: investinisrael@moital.gov.il

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where breakthroughs happen

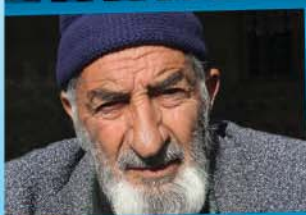


Invest in Israel

is the investment promotion center of Israel's Ministry of Industry, Trade and Labor and is the governmental focal point for foreign investors.

Invest in Israel

provides a wide range of personalized services, assistance to potential investors, and serves as a resource for investment related information about Israel.



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