

Brazilian Audiovisual Industry Guide

General information about
the sector and how to work
with Brazil



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CULTURE

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Introduction

This guide was prepared by the Brazilian Ministry of Culture's Audiovisual Secretariat and aims to provide relevant information about the Brazilian audiovisual market and its financing and regulation mechanisms, including aspects of co-production and international deals.

Its main goal is to present the Brazilian audiovisual sector to potential partners abroad, building bridges between Brazil and international agents, players, and institutions to work together in production, co-production, and distribution.

Welcome to the Brazilian audiovisual industry!

**This guide uses information from the Audiovisual Producer's Guide, published by the Brazilian Lawyers' Association of the State of Rio de Janeiro in 2012.*

1.

Brazil and its Audiovisual Industry in Numbers

9th largest economy

in the world, with a GDP of US\$ 2.17 trillion

Population of around

200 million

people

43.815

companies in the audiovisual sector (2021)

5th largest country in the world

In 2023,

728 movies

were released in Brazilian cinemas, including 273 Brazilian productions

Around

US\$ 440 million

were generated at the box office in 2023

Exhibition park with around

3.500

movie theaters with an average growth of 5% per year

The Brazilian audiovisual sector adds around

US\$ 5 billion

to our GDP

2 Who is responsible for policies to promote the audiovisual sector at a federal level in Brazil?

The leading state agencies responsible for promoting audiovisual activity at the federal level are the Brazilian Film Agency (ANCINE) and the Audiovisual Secretariat (SAv/MinC), both connected to the Ministry of Culture.

ANCINE (Brazilian Film Agency): Institution that regulates and supervises audiovisual and cinematographic activity in Brazil at a federal level. It promotes production, registers companies, monitors market results, registers co-production contracts, and regulates audiovisual activities, among other important tasks.

The Audiovisual Secretariat (SAv): Institution responsible for planning, promoting, and coordinating activities to ensure compliance with audiovisual legislation. Its current priorities include promotion, preservation, training, innovation, and audiovisual internationalization. It is also leading the process of formulating the next Plan of Guidelines and Goals for the Brazilian Audiovisual Industry, which will set the sector's direction for the next decade.





Margareth Menezes
Minister of Culture - MinC



Joelma Gonzaga
Secretary

Audiovisual Secretariat
SAv



Alex Braga
President-Director

Brazilian Film Agency
ANCINE

3. Financing Mechanisms

Brazilian audiovisual production is made possible through financing mechanisms and financial incentives for producing, distributing, and exhibiting audiovisual productions. Below are the primary sources of funding currently in operation in Brazil:

3.1. Federal Law of Incentive to Culture (Rouanet Law)

A tool created by the Federal Government to foster cultural production, preservation, and promotion through tax deductions from companies supporting cultural projects. The main evaluation criteria are based on the capacity to expand the population's access to culture, the cost compatibility, and the technical and operational capacity of those who present the projects.

In 2023, projects approved for funding via the Rouanet Law totaled R\$ 16.6 billion (approximately US\$ 3 billion). The amount effectively raised from companies or individuals interested in supporting and sponsoring cultural projects was R\$ 2.2 billion (Around US\$440 million).

In the audiovisual segment, the Rouanet Law fosters projects such as:

- a)** Audiovisual Production (short and medium-length films, TV shows);
- b)** Audiovisual Promotion: festivals/exhibitions/events and independent video-on-demand platforms for the promotion of audiovisual collection and content (primarily national ones);
- c)** Electronic games (educational and cultural applications and games);
- d)** New audiovisual formats (web series and transmedia projects).

3.2. AUDIOVISUAL LAW (Law No. 8685/93)

This is one of the most important instruments for promoting audiovisual activity in Brazil. It has different support mechanisms, through investment (giving the financier the right to participate in the project's results), sponsorship (limiting the counterparts to promotional and advertising aspects, without participation in the project's financial results), or co-production, and can finance projects of different formats, including feature films, telefilms, and miniseries.

The maximum amount that can be used per audiovisual project through each of the law's provisions varies between R\$ 3 and 4 million (around US\$ 600 to 800 thousand).

3.3 Provisional Act 2228-1/2001

This important instrument authorizes the creation of National Film Industry Financing Funds - FUNCINES - aimed at fostering the expansion of private investment in the audiovisual sector. One of its main provisions encourages investment in audiovisual works through part of the international profit remittance by programmers.

3.4. Audiovisual Sector Fund (FSA)

Created in 2006, it has become Brazil's primary public financing mechanism for the audiovisual sector. Through a public selection process that operates in the modalities of investment, credit, and non-repayable funds, the fund contemplates projects for producing and distributing films, television content, video games, and international co-productions. The FSA also provides resources for the development of infrastructure, such as for the renovation and expansion of the exhibition park and the updating of its technologies.

Recently, the Audiovisual Sector Fund raised about R\$ 1 billion (US\$ 200 million). The year 2022 was marked by the resumption of public policies associated with the fund, especially those aimed at promoting the production and commercialization of audiovisual content. In 2023, the FSA's Annual Investment Plan was approved in a total amount of R\$ 1.2 billion (around US\$240 million), to be offered through its three main programs.

On December 21, 2023, ANCINE and BRDE (Regional Development Bank of the Extreme South) launched the **Public Notice for International Co-productions for Cinema**, with resources from the Audiovisual Sector Fund in the amount of R\$ 120 million , or around US\$ 24 million. With registrations open from January 15 to April 12, the notice selected projects for the independent production of Brazilian cinematographic works of feature films (fiction, documentary, and animation), carried out in an international co-production regime, with movie theaters as first exhibition window, presented by independent Brazilian production companies. The projects could be at any stage of the production process, as long as they did not have a Brazilian Product Certificate (CPB) issued by ANCINE yet.



4. **International co-production**

It is the modality of audiovisual production carried out jointly by companies based in 2 (two) or more different countries. In this context, Brazilian and foreign companies must share the responsibilities for the economic organization of the work, which includes contributing with financial resources, goods, and/or services. Likewise, the co-producers must share the production's copyrights.

It should also be noted that the participation of a foreign economic agent in a Brazilian audiovisual production only through investments resulting from the tax incentive mechanisms provided for in articles 3 and 3A of Law 8.685/93 and in article 39, X, of Provisional Act 2.228-1/2001 is not considered an international co-production.

Among the advantages of the international co-production regime is the treatment of the audiovisual work as a national work in the countries of all its co-producers, which allows access to public financing mechanisms available in all these countries and facilitates the entry of the work in the foreign audiovisual market.

It is possible to carry out international co-productions in Brazil under two modalities:

- A.** In association with a foreign co-producer from a country Brazil has a co-production agreement with;
- B.** In association with a foreign co-producer from a country Brazil does not have a co-production agreement with.

Brazil has bilateral co-production agreements with Argentina, Canada, Chile, France, India, Israel, Italy, Portugal, South Africa, Spain, the United Kingdom, and Venezuela.

At the multilateral level, Brazil is signatory to the Latin American Agreement on Film Co-production with Argentina, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, Mexico, Nicaragua, Panama, Peru, Spain, Uruguay, and Venezuela.

Currently, four bilateral co-production agreements signed by the Brazilian government are in the process of being internalized into the national legal system:

- The Cinematographic and Audiovisual Co-production Agreement between the Government of the Federative Republic of Brazil and the Government of the French Republic, signed on May 8, 2017;
- The Cinematographic Co-production Agreement between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China, signed on September 1, 2017;

- The Television Co-production Agreement between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China, signed on April 14, 2023;
- Agreement between the Government of the Republic of South Africa and the Government of the Federative Republic of Brazil on Audiovisual Co-Production, approved by the National Congress on September 20, 2023.

4.1. Recognition of an international co-production

ANCINE must expressly recognize that an international co-production meets the national law's requirements to be considered Brazilian. First, the Provisional Recognition of International Co-production (RPCI) is requested, which is essential to start raising and using federal public funds from incentive programs to the audiovisual market. This recognition is not mandatory in the case of co-productions carried out outside the scope of international agreements and which do not use federal public funds. Thus, even if the production of a particular audiovisual work is not subject to any international agreement, it will be necessary to apply for the RPCI to access federal public resources.

The definitive recognition of Brazilian audiovisual work carried out under an international co-production regime occurs after the work is completed through the issuance of the Brazilian Product Certificate -CPB.

4.2. Co-productions outside the regime of international agreements

For a co-production made outside the scope of an international agreement to be recognized as Brazilian, the Brazilian producer must own at least 40% of the patrimonial rights of the work and at least 2/3 (two-thirds) of the artists and technicians involved in the production must be Brazilian or resident in Brazil for more than 3 (three) years.

If most of the patrimonial rights over protected intellectual elements or creations, pre-existing to the production of the audiovisual work, are owned by foreigners, the work can only be considered Brazilian if the foreign owner of those rights grants express authorization for the economic exploitation of such elements and creations by the Brazilian production company, or by its grantees. Such authorization may not contain any limitations as to time or territory, nor will the consent of the foreign holder be required for the producer to execute the contract during economic exploitation.

Brazil's international co-productions with other countries released in cinemas between 2013 and 2022 totaled 189 films, and Brazil's main partners are currently Argentina, Portugal, and France.



5. Internationalization of the Brazilian audiovisual industry

In addition to the Ministry of Culture, through the Audiovisual Secretariat and the Brazilian Film Agency, Brazil also develops articulated actions for internationalizing Brazilian audiovisual production through the Ministry of Foreign Affairs, with its network of Embassies and Consulates and the Guimarães Rosa Institute, Itamaraty's cultural diplomacy institution responsible for promoting Brazilian culture abroad.

“It is also worth mentioning the actions developed by the Brazilian Trade and Investment Promotion Agency (ApexBrasil) through the export programs Brazilian Content, Cinema do Brasil and Brazil Games, operated in partnership with the sector entities Brasil Audiovisual Independente (BRAVI), Audiovisual Industry Syndicate of the State of São Paulo (SIAESP) and the Brazilian Association of Game Developers (ABRAGAMES) aimed to promote our audiovisual industry internationally”.

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