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TV Business Abroad

1. Extra funding/tax breaks in chosen country
2. Joint Venture (JV)
3. Co-production
4. Establishing an overseas entity
5. Withholding tax

Joint Venture (JV)

- A JV can be a share of shares in one co-owned entity
- A JV can be a contract, for co-creation of a TV business so going further than a co-production with staff/shared monetary contribution, office etc
- Foreign ownership - check rules for foreign ownership

Joint Venture (JV) cont'd

- The purpose of the venture or project: TV, Film, digital apps?
- The type of company to be created
- The procedures for setting up the joint venture
- The management rules, rights, and obligations of the parties
- The duration of the joint venture
- Rules regarding the dissolution of the joint venture
- The profit/income sharing method

Co-production

- Sharing contribution to 100% budget for a series
- Sharing talent
- Rights - often split according to territory and budget contribution
- Treaty tax breaks
- Net Profit share
- International versions

China

TV JVs:

- Permitted
- Restricted (TV)
- Prohibited

China

- The national security review (NSR) regime applicable to a proposed foreign investment in, or acquisition of, a domestic Chinese enterprise.
- Control includes:
- a foreign investor, together with its parents and subsidiaries, or several foreign investors together, obtaining ownership of 50% or more of the share capital of the relevant Chinese enterprise as a result of the transaction;

China

- a foreign investor, holding voting rights (though less than 50%) that are sufficient to exercise a major influence on corporate decisions; or
- taking actual control over decision-making, finance, human resource or technology of domestic enterprise through any other means.
- Best approach still co-production.

USA

- Choose USA State
- The most common option for an overseas company to establish a presence in the US is to incorporate a subsidiary
- The subsidiary can be a corporation or a limited liability company (LLC)
- It is also possible for an overseas company to do business through an intermediary such as a sales representative, distributor or branch office. However, these structures can expose the overseas entity to much more risk and liability in the US

Other strategies

- M & A
- Assets purchase/buy-outs
- EIS/SEIS
- Shareholder investments
- Loans

- Questions

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