

Re: Motion for consideration at the 2021 Annual Meeting scheduled on 15/09/21

MOTION: "To compel the verksamhetskommittee (the committee responsible for the förenings annual budget for operations), to perform a cost-benefit analysis of registering with Filmägarens kontrollbyrå (FKB) and *if* the committee thereafter considers registration and the opportunities it presents to be (1) financially viable, (2) able to be carried out with our current resources and (3) a positive step toward fulfilling the aims of our förening, *then* Föreningen Film i Malmö is charged with undertaking immediate steps to register with FKB."

A. Background

FKB is Sweden's national, privately owned and operated, register of cinemas. The registration process requires completion of an application that includes the cinema's name, address, organisation number, phone number, website and description of equipment (sample application attached to this email). The application requires no processing fee.

FKB collects data submitted by each cinema after each film screening including the number of tickets sold, the date, time and title of film. This information is accessible by authorized operators of the registered cinemas.

B. Benefits of registration with FKB

1. The cost for screening rights for films through Swedish distributors becomes negotiable on a per-ticket sold basis.

For example, films in Folketsbio or Triart's catalogue carry a per ticket sold cost ranging from 28-40SEK per ticket sold. If 10 people attend a screening, these distributors invoice the cinema based on the data reported to FKB. If the agreement was for a 32 SEK/ticket, the invoice the cinema would receive would be for 320 SEK (exclusive 6% moms). Other distributors may request a firm sum and a percentage of profit over that sum. (Other distributors, such as Nonstop or S Studios request a sum total plus a percentage of profit over that sum.)

Screening rights for unregistered entities, such as Film i Malmö today, are firm prices (somewhat negotiable) ranging from 1500-7000 SEK. These prices are not tied to the number of tickets sold or attendees.

2. A vast new selection of films become available for screenings to our members.

Our current selection from SwedishFilm includes majorly large American distributors (Paramount, Disney, Universal) and a small number of Scandinavian distributors (Scanbox, Nordisk, SF). Distributors not included (FolketsBio, Triart, Njuta, Edge, Nonstop, S Studios and more) carry the rights to high-quality legacy and new release films which are presently only available to Film i Malmö under an agreement costing a firm price as described above.

The film catalogues that would become available for Film i Malmö screenings would double the number of available titles and, importantly, mark an exponential increase in the artistic quality of available titles.

3. Increased economic incentive for film-loving members

Film i Malmö would be able to maintain its non-profit ideals while better serving its members.

With careful calculations, FIM could sell tickets to members at approximately half the price they would find at other cinemas in Malmö.

This graph represents a simplified, hypothetical price-cost analysis:

TICKET PRICE (incl. MOMS)	INCOMING MOMS 25%	COST FOR RIGHTS (approximation)	OUTGOING MOMS 6%	TAXABLE REVENUE PER TICKET SOLD	MOMS
55	11	35	2	11	-9
50	10	35	2	5	-8

C. Costs of registering with FKB

1. Film i Malmö would need to purchase a custom printed roll of tickets (5000 tickets / roll) at a cost of approximately 1700 SEK. These rolls are custom printed with serial numbers (#1-5000), the *firm* ticket price (ex. 50 SEK or 55 SEK) and “Film i Malmö”.

2. Film i Malmö would need to register for MOMS (fee approx 1000 SEK) and F-Skatt. ([Click for relevant Skatteverket page](#)) (This would **not** change its status from an ideell to an ekonomisk förening.)

- MOMS. 6% moms is required to be paid to film distributors. Ticket sales include 25% moms. (Additional point: Film i Malmö is presently paying rent to Hypnos Theatre that includes 25% MOMS but is not able to collect because the organisation is not registered for MOMS and does not currently sell anything. Fees collected are membership fees.)
- F-SKATT. A percentage of ticket sales would be reported as taxable income.

3. Changes in financial accounting. ([Click for relevant Skatteverket page](#))

Summary points

- Kassaregistration NOT required if ticket sales do not exceed 190,400 SEK (or 3,808 tickets sold at 50 SEK / ticket);
- FIM becomes financially accountable. In 2020, FIM met the requirements and applied for nonprofit (allmännyttiga) status because all income was membership fees, donations or stipends. ([click for tax rules applicable for ideell föreningar](#));
- FIM is NOT required to employ an authorised financial auditor (redovisor) unless the capital ownership exceed 40 million SEK.

4. Impact on film screenings

Preparation for screening. (Film selection and negotiations with distributors will require more time than for film screenings under the SwedishFilm license agreement.)

Screening films **inside** the SwedishFilm licensing agreement, the process includes

- Film selection
- Film acquisition
- Social media promotion (Insta, FB, website)

Screening films **outside** the SwedishFilm license would include all of the above and additionally

- Contact with distributor
- Receipt and payment of invoice
- (optional) Public promotion: FIM is not legally allowed to advertise film screenings where the rights are granted through the agreement with SwedishFilm in any place other than on FIM-owned or operated properties which include the homepage, social media and the physical location (Hypnos Theatre). Agreements with other distributors outside the SwedishFilm licensing agreement include the opportunity to advertise to the general public without restriction.

At screenings

For SwedishFilm licensed screenings

- Volunteer ensures attendees’ membership status and
- Reports the names of attendees.

Non-SwedishFilm licensed screenings

1. Volunteer ensures attendees' membership status and
2. Takes swish or card in exchange for a numbered ticket provided by FKB

Post-Screening

For SwedishFilm licensed screenings, a volunteer enters the names of attendees into a report for Malmö Stad (Obs. A new process.)

For Non-SwedishFilm licensed screenings the numbered tickets sold are reported via FKB's online database.

5. Notes for further consideration:

- A. Contact with FKB to ensure that an ideell förening may qualify for registration
- B. Discuss costs with distributors. Consider possibility that some distributors may require a firm sum (ie. Nonstop, S Studio) and how do we take this cost into consideration?
- C. Discuss film materials with distributors (Hypnos Theatre is not able to screen the industry-conventional DCP, but many/most distributors do have available alternatives)

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