

BCP

BRANDED CONTENT
PRODUCERS BELGIUM

Production Guide

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FOR ADVERTISING FILM AND BRANDED CONTENT

The **BCP Production Guide** outlines the **recommended steps for producing an advertising commercial or branded content**, as advised by BCP Belgium, the federation of Belgian independent advertising production companies.

It **covers every phase of the production process**, from the initial briefing by the client/advertiser to the delivery of the final commercial or content.

The purpose of the BCP Production Guide is to **provide guidance** to everyone involved in the production process, serving as a reference that can be consulted at any stage for a detailed description of each step.

The Production Guide is **designed for all individuals involved** in the production of an advertising commercial or branded content, including those working in communication agencies, for advertisers, and within independent production companies.

Mutual respect, trust, and solid collaboration are key elements in successfully producing a commercial film, ensuring it is created in an optimal environment and under the best possible circumstances.

TABLE OF CONTENTS

1. GENERAL INTRODUCTION
2. PREPARING AND PLANNING YOUR PRODUCTION
3. BRIEFING THE PRODUCTION COMPANY AND BIDDING PROCESS
4. PRODUCTION OFFER
5. PAYMENT CONDITIONS & CANCELLATION POLICY
6. INSURANCES
7. RIGHTS & OWNERSHIP
8. MUSIC & USAGE RIGHTS
9. PRODUCTION ROYALTIES
10. PRE-PRODUCTION AND THE PRE-PRODUCTION MEETING (PPM)
11. THE SHOOT
12. POST-PRODUCTION
13. ANIMATION / VISUAL EFFECTS (VFX)
14. RESPONSIBLE USE OF ARTIFICIAL INTELLIGENCE (AI)
15. CONFIDENTIALITY & CONTACT

1. GENERAL INTRODUCTION

Producing a commercial or branded content is a significant undertaking for any Advertiser, not only because of the financial investment but primarily due to its desired impact on the target audience and the promotion of products or services.

This process requires a meticulous and well-thought-out approach, as it represents a substantial investment with the expectation of a return greater than the initial expenditure. Advertisers or their Communication Agencies must collaborate closely with independent Production Companies to create an optimal environment for production.

COLLABORATION AND INTEGRITY

When producing commercials or branded content, Production Companies, Advertisers, and their Communication Agencies commit to operating with honesty, responsibility, and transparency. They must adhere to regulations concerning fair competition and fair-trade practices, ensuring the integrity of the process.

SAFETY AND LABOUR LEGISLATION

Production Companies, Advertisers, and their Communication Agencies must always comply with applicable safety and labour regulations, including but not limited to those related to working hours and child labour.

PARTNERSHIP FOR SUCCESS

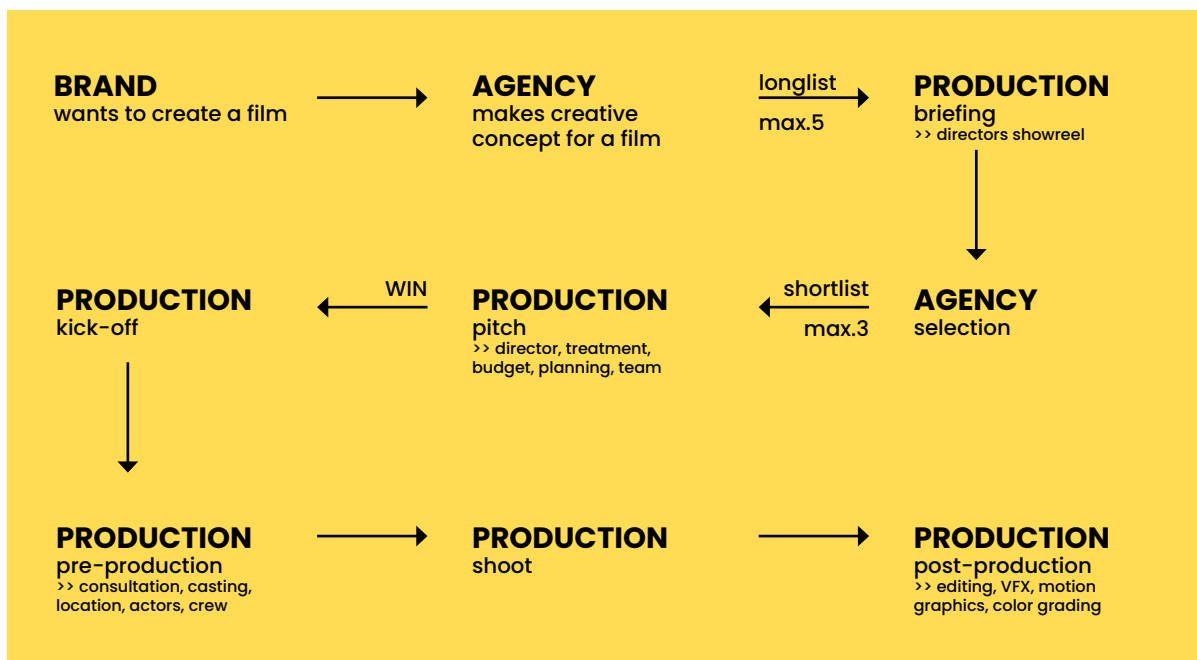
Producing commercials is a complex and creative process, not an exact science, and unexpected issues often arise. However, fostering a genuine and trust-based partnership between the Advertiser, Communication Agency, and independent Production Company—rather than treating the process as a transactional client-supplier relationship—will ensure a streamlined production.

THE IMPORTANCE OF PREPARATION

The key to a successful production lies in providing a detailed briefing and allocating sufficient time for preparation. This allows for comprehensive planning and execution, which are critical for achieving the desired results. Although each production operates within its own unique timeline and constraints, 'ideal' circumstances are rare. Often, time is limited, so it is crucial for Advertisers to carefully assess their needs and options from the very beginning of the process.

FINAL NOTE

This should not diminish the importance of the recommendations outlined in this document. These guidelines are essential for aligning expectations and ensuring that every aspect of the production process is executed efficiently and effectively.



2. PREPARING AND PLANNING YOUR PRODUCTION

2.1 INTRODUCTION

Each Advertiser and/or Communication Agency has its own approach to producing a commercial or branded content. However, anyone involved in the production process should have a solid understanding of the audiovisual production industry and associated costs, as well as the ability to realistically estimate and evaluate time schedules.

Firstly, when planning a production and before briefing an independent Production Company, it is important for the Advertiser, or if applicable, together with their Communication Agency, to establish a budget indication for the production. This should align with the creative concept and can be adjusted as the project progresses.

The budget indication provides the Advertiser with an idea of the production costs at this stage and gives the Production Company the opportunity to create a creative and budgetary proposal that meets these limits as closely as possible.

It is important to note that a budget indication should never be considered by the Advertiser as the final budget. The actual production budget will be established during the creative development process by the independent Production Company, accompanied by production notes (bid letter), a production back timing (planning) and a creative treatment (intention note) from the director.

It is essential to nominate one person within the Advertiser's team to lead, communicate, oversee the production, deliver and follow up on production briefs. To ensure a smooth production schedule and adherence to the step-by-step process, it's crucial to avoid any delays and/or additional costs by signing-off each phase of the production process. This also applies to the Communication Agency when involved. If the decision-making process is spread across multiple Advertiser and Agency personnel, it usually leads to delays and additional costs.

2.2 STANDARD TIMELINE FOR A PRODUCTION

Each commercial or branded content project has its own specific approach and timeline. However, below is a standard timeline divided into 7 phases that can serve as a reference for most production back timings:

PHASE 1: CREATIVE CONCEPT

>> Production companies not involved yet.



PHASE 2: BRIEFING AND PITCH PHASE I WEEK 1-2

- >> Briefing and consultation of the independent production companies (long list).
- >> Selection of maximum 3 production companies to start the actual pitch (short list).
 - Creative review with the production company and its director.
 - Writing and designing of the director's treatment.
 - Establishing the production budget by the production company.

Duration: Around 3 weeks, with 2 weeks allocated for the actual pitch. Choosing a single bid or a pitch with two production companies only can simplify and expedite this phase.



PHASE 3: PRE-PRODUCTION I WEEK 3-4-5

- >> Go-ahead on production.
- >> Start pre-production for production company:
 - Casting and location research.
 - Briefing key crew members.
 - Location scouting.
 - Post-production kick-off meeting with sound studio, music composer and VFX-team.
 - Pre-Production Meeting (PPM) with advertiser and agency to decide on creative proposals.
 - Confirmation of talent, locations, and creative decisions following the PPM.
 - Technical recce with key crew members.
 - Final changes.

Duration: Around 3 weeks, with the PPM meeting taking place at least one week before the actual shooting.



PHASE 4: PRODUCTION I WEEK 6

>> Shooting.

Duration: A shooting period typically lasts between 1 and 5 days but can sometimes be longer depending on the concept.



PHASE 5: POST-PRODUCTION I WEEK 7-8-9

- >> Offline edit.
- >> Online edit and/or VFX.
- >> Colour grading
- >> Sound design and music.

Duration: Films with extensive VFX (Visual Effects) require a longer post-production period. Additionally, if music need to be cleared or composed, more time should be allocated.



PHASE 6: DELIVERY OF DELIVERABLES I WEEK 10

Duration: The creation and delivery of all deliverables.



PHASE 7: START OF CAMPAIGN I WEEK 11

3. BRIEFING THE PRODUCTION COMPANY AND BIDDING PROCESS

3.1 INTRODUCTION

For each production, either the Advertiser or the Communication Agency designates a specific individual to manage all communication with the independent Production Company. In most cases, this role falls to the agency producer within the Communication Agency. The agency producer or designated individual sends out the briefing to the Production Company, oversees the bidding process and production, and monitors production costs throughout all stages of the process.

Once the script or storyboard is approved by the Advertiser and has obtained legal clearance, the Advertiser or its Communication Agency decides whether to approach a single Production Company for a bid (single bid) or to organize a pitch involving multiple Production Companies (pitch).

The shortlist or actual pitch may include no more than three (3) independent Production Companies.

To ensure a fair and transparent bidding process, the Advertiser or its Communication Agency must share the names of all participating Production Companies and directors, allowing competitors to know who else is involved. This is particularly important if pitch expenses are not fully compensated. Misleading Production Companies or directors about the identity of their competitors is strictly prohibited.

Pitches for advertising film contracts are competitions based on subjective creative ideas, not procurement processes that require equal treatment of all participants. In these competitions, the tendering company can select the better idea, even if it comes with a higher offer. The principle of "sealed bidding" does not apply as it does in standard contract awards.

According to the agreements between ACC (Belgian Association of Communication Companies) and BCP, integrated Production Companies closely tied to, or part of a Communication Agency cannot participate in a pitch alongside an independent Production Company. This also applies to Production Companies affiliated with the Advertiser itself.

This rule extends to external Production Companies deemed dependent, whether they organize the pitch themselves, are linked to the Advertiser or the Communication Agency through their shareholder structure, lack operational autonomy, or function solely as an invoicing entity.

3.2. BRIEFING THE INDEPENDENT PRODUCTION COMPANY

The initial step involves creating a production briefing utilizing the BCP Production Briefing Tool, an online, step-by-step platform designed for comprehensive and transparent production briefings.

If you're unfamiliar with the BCP Production Briefing Tool, you can explore its features and functionality on the test site.

Through the BCP Production Briefing Tool, all relevant information and documentation (e.g., a script, storyboard, deck, or concept) are provided to the Production Companies to prepare accurate offers. This process ensures Production

Companies can deliver tailored proposals that meet the specific requirements and expectations of the Advertiser or its Communication Agency. The briefing must also include project timelines, such as the deadline for submitting proposals.

At this stage, it is also important that the checklist in the BCP Production Briefing Tool relating to sound design, voice overs and music is completed accurately, with additional remarks where necessary. A precise and well-structured briefing on sound and music ensures that Sound Studios receive the necessary information from the outset, allowing Production Companies to plan and budget this work correctly and helping to avoid misunderstandings later in the process.

In the BCP Production Briefing Tool, you can save a draft at any time and resume later to complete your briefing. Additionally, you have the option to download a PDF of your draft or final briefing whenever needed.

A pitch can only be initiated once the script or storyboard has been fully approved by the Advertiser.

All participating Production Companies must not only receive the same timeframe to prepare their offers and the same deadline for submission but must also be briefed simultaneously to ensure a fair and level playing field. When using the BCP Production Briefing Tool, the briefing is automatically sent to all selected Production Companies at the same time, ensuring complete transparency and consistency in the process.

The independent Production Company maintains strict confidentiality regarding the concept and campaign, ensuring this requirement is clearly communicated to its employees, suppliers or freelancers. Information is disclosed only as necessary for production activities (e.g., inviting the cast for a casting call).

3.3. FROM LONGLIST TO SHORTLIST

Once your briefing is complete, you can send it directly via the online tool to the independent Production Companies of your choice for the longlist.

The longlist allows the Advertiser or its Communication Agency to consult multiple Production Companies. Each company will propose a director along with their portfolio/showreel based on the concept. A Production Company proposing a director will ensure that it has the right to present this director and will confirm the director's availability and interest before presenting them.

The tool enables you to update the briefing from a longlist to a shortlist or even a single bid, adding or removing Production Companies to ensure no more than three participate in the actual pitch. Selecting a single bid ensures a faster and more efficient bidding process.

3.4. THE ACTUAL PITCH

Upon request from the independent Production Company, a creative review will take place between the creative team, the Production Company, and its director at the start of a pitch. This ensures that the director and producer can fully consider the needs and preferences of the Advertiser and/or its Communication Agency.

Following this review, the Production Company collaborates with the director to develop a comprehensive director's treatment. This document outlines, in detail, how the director envisions filming the script or storyboard. It includes specific references and examples to illustrate the director's approach and creative vision. The director's treatment serves as a detailed creative plan, aiming to provide a clear and compelling representation of the anticipated final product. This ensures that all stakeholders have a precise understanding of the director's artistic direction and the intended outcome of the project.

Based on the briefing created in the BCP Production Briefing Tool and the director's treatment, the Production Company prepares a production budget and an accompanying timeline. A bid letter provides an overview of the quotation details.

The production budget, a bid letter, a director's treatment, and a production timeline are the essential elements of the production offer.

3.5. COMPENSATION AND CANCELLATION OF THE BIDDING PROCESS

Participation in a pitch is demanding, time-consuming, and costly for a Production Company (compensations for researchers, copywriters, layout artists, graphic artists, etc.). More and more Production Companies charge a fee prior to participating in a pitch.

BCP identified the following standard best practices which are being used to avoid wasted resources and to streamline the pitching process between Advertisers, their Communication Agencies and the independent Production Companies.

Bidding process for Production Budgets under € 50.000

The creative review may involve up to (3) independent Production Companies and their directors. However, for production budgets under € 50K, a maximum of (2) Production Companies may be shortlisted to prepare a detailed production offer.

If the Advertiser or its Communication Agency still prefers to request three bids for a project with a budget under € 50K, it is a standard best practice to negotiate a fee for the Production Companies that are not awarded the production.

Cancellation of the production after completing the pitch

Situations where the production is cancelled for all Production Companies after completing the pitch should result in an agreement on compensation for the pitch costs.

Once the entire pitch process is completed and a final decision is made, the Advertiser or its Communication Agency will inform the losing Production Companies in detail about the reasons for their rejection, in recognition of the effort and resources they invested.

3.6. MULTINATIONAL PRODUCTIONS

In multinational productions, it is crucial for the Advertiser and its Communication Agency to make decisions promptly, ideally during the initial briefing. Delays in informing other involved parties can result in unforeseen costs. Once a commercial or branded content is produced, making changes to the initial brief can become very expensive.

Employees of multinational Advertisers with access to foreign markets should evaluate each script early on for its potential use in different markets, even if the brand or service is marketed abroad under a different name. This early consideration can help streamline the process and avoid costly adjustments later.

An efficiently planned and produced multinational commercial does not necessarily cost more than a similar commercial made for a single market, apart from localized editing needs such as adjusting titles or commercial length. However, any potential national differences or additional costs—such as payments for cast, music, or production rights—must be negotiated and agreed upon before shooting begins.

3.7. FEEDBACK PROTOCOL

Providing clear and constructive feedback to all participating Production Companies is essential, especially given the significant time and effort invested by the Production Company and its director. This protocol ensures that Production Companies receive valuable insights to refine their future proposals.

- 1. Comprehensive Feedback:** After the final decision, inform unsuccessful production companies about the reasons for their rejection, focusing on both creative and technical aspects.
- 2. Focus on the Director's Treatment:** Highlight strengths and areas for improvement in the treatment, helping directors better align with client expectations.
- 3. Budget and Timeline Transparency:** Clearly communicate if budget or timeline factors influenced the decision to aid future competitiveness.
- 4. Encourage Future Collaboration:** Emphasize the positive aspects of each pitch to foster ongoing professional relationships.
- 5. Timely Communication:** Provide feedback promptly to ensure it remains relevant and actionable.



4. PRODUCTION OFFER

4.1. INTRODUCTION

A production offer from an independent Production Company consists of a production budget, a bid letter, a director's treatment, and a production back timing.

Each offer is based on the most recent version of the briefing created in the BCP Production Briefing Tool, completed by the designated individual from the Advertiser or their Communication Agency.

If no briefing is created in the BCP Production Briefing Tool, the offer from the independent Production Company cannot be considered final, and the Production Company reserves the right to finalize their offer after discussing specifications with the Advertiser or Communication Agency.

4.2. PRODUCTION BUDGET AND LUMP-SUM OFFERS

Production budgets made before the availability of the director's treatment are considered estimates based on the provided information, script, or storyboard from the Advertiser or its Communication Agency and may be subject to change.

If there are any changes to the briefing after it has been submitted to a Production Company, the company will be notified and given the option to incorporate these changes into their submitted offer. Updating the briefing in the BCP Production Briefing Tool will automatically notify the participating Production Companies.

The Production Company aims to adhere to the budget indication from the Advertiser, provided it is realistic. If the budget indication is not feasible, the Production Company will inform the Advertiser or Communication Agency as soon as possible.

It is important to note that at this stage, it is particularly challenging to provide an accurate quotation that covers all aspects of production. If additional location recce or research is required to make a precise offer, the Advertiser or its Communication Agency will cover the associated costs.

In the advertising industry, Production Companies create lump-sum offers that cover all complex production processes. Producers request and estimate third-party services as close to market conditions as possible to secure the order. These third-party services, which are temporary items for the producer, constitute the majority of the budget.

This approach provides several advantages:

- 1. Predictable Costs:** Clients know the total cost upfront, making budgeting easier and avoiding surprises.
- 2. Simplified Management:** Fixed offers eliminate the need for ongoing cost tracking and adjustments.
- 3. Efficiency Incentive:** Producers are motivated to save money since any savings increase their profit.
- 4. Clear Boundaries:** A fixed amount sets clear project expectations, reducing disputes over extra costs.

Advertisers prefer lump-sum offers for the financial stability and simplicity they offer. The spending of the lump-sum offer is entirely at the discretion of the production house and it's important to understand that it is not possible to negotiate costs downward after the agreement; the fixed amount is set to manage the creative process's inherent uncertainties. This understanding makes lump-sum offers the standard practice in the international industry.

Conversely, detailed production budgets break down every cost item separately, providing transparency on individual expenses and their prices.

The Production Company is free to select its subcontractors (suppliers and crew/personnel) to ensure that the Production Company and its director can make appropriate creative decisions to deliver the commercial or branded content at the highest quality, based on the agreed approach. The production budget and all associated cost items are accurate and market-conforming for all parties involved.



If a Communication Agency is involved, it will inform the independent Production Company in advance of any internal agency costs that need to be included in the production budget. These costs will be transparently listed in the budget.

All offers specify the period for which they are valid at a given price, with additional charges applicable for unforeseen circumstances. Any supplementary costs will be discussed with the Advertiser and/or Communication Agency beforehand.

A production offer is considered complete only when it includes a quotation for pre-production, production, and post-production. Post-production is a crucial and integral part of the production process, and BCP recommends that the independent Production Company includes all aspects of post-production in their quotation, including sound design, voice-overs, and music as well. This approach allows the Production Company and its director to oversee the entire process, ensures clear communication, and guarantees the quality of the outcome.

A production offer is considered final when based on the latest version of the briefing created in BCP Production Briefing Tool and the director's treatment.

4.3. MARKUP POLICY

Background:

Since the 1950s, it has been standard practice to add a constant markup to production costs for commissioned TV productions. Similarly, a standard 20% lump-sum markup on production costs is common practice in the international advertising film production industry.

Production offers include calculated third-party expenditures such as crew, actors' fees, location rentals, technical equipment costs, and directors' fees. Market participants compete to procure these production resources. BCP advises its members not to deviate from the international practice of a 20% markup unless exceptional circumstances justify it.

Purpose of the markup:

The 20% markup on transitory items covers the following services provided by the Production Company:

- >> Participation in the bidding process, including calculation and offer preparation.
- >> A contribution margin to mitigate budget overrun risks.
- >> Ordinary business operations unrelated to the project (office management, permanent staff, finances).
- >> Management and return on equity investment.

Cost Trends and Challenges

While technical progress has reduced third-party expenditures for the average advertising film project, office and tender costs have risen. Savings potential cannot be leveraged within operations or human resources, such as through automation. Cost optimization is not feasible in calculating or completing individual advertising film projects. Studies indicate that only 4% of revenue remains as profit. Companies with lower revenues cannot absorb further erosion, making the 20% markup a critical threshold.

Markup Rate Questions

Questioning the usual markup rates is inconsistent with a competitive market environment, where Production Companies' margins are linked to third-party expenditures. Adjusting markup rates in favour of clients would lower the capacity to cover costs. Advertisers questioning cost contribution margins act unreasonably, given that an average company profit of 2% cannot be negotiated downward.

Exceptions

Production Companies may apply lower rates, although this defies sound business judgment. While loss-making projects can occasionally be justified for favourable references, long-term adoption of this strategy is unsustainable. Dumping policies to secure market shares are ruinous in the creative industries, where products are not standardized, and market players cannot sustain prolonged equity investments.

It is naturally at the Production Company's discretion to apply unusually low rates that defy the principles of sound business judgment. While no one is forbidden from taking such risks, Advertisers should carefully consider whether they want to entrust their projects to companies willing to do so.



4.4. RULES FOR EVALUATING OFFERS

Once the advertiser and/or its communication agency has received comparable competitive offers, the following rules apply:

- >> Each offer will be handled with strict confidentiality, and under no circumstances will details of any proposal be communicated to competitors.
- >> Each offer will be evaluated based on all relevant factors—not just the price—before deciding to award the production to a Production Company (e.g., director's treatment, number of shooting days, locations, talent, directors and Production Company's portfolio, etc.).
- >> If a Communication Agency is responsible for organizing the bid, the agency will present all offers to the Advertiser along with their recommendation of the independent Production Company and the associated director.

Before awarding the production, the Advertiser and/or the Communication Agency will ensure that the Production Company meets the professional standards and possesses the necessary resources to execute the production to the highest standard.

The final details of the collaboration are defined before production starts, ensuring the awarded Production Company receives written confirmation before any money is spent.

If none of the independent Production Companies meet the expectations regarding the director's treatment and/or production budget, a discussion will take place between the involved Production Companies and the Advertiser or its Communication Agency to identify a market-conform solution. This may include adjusting the production budget or revising the creative concept, either on the side of the Production Companies or by the Advertiser or its Communication Agency.

If the Advertiser or its Communication Agency has prior doubts about the production budget estimate, they may request a ballpark figure (rough price indication) from a few Production Companies before initiating the pitch.

5. PAYMENT CONDITIONS & CANCELLATION POLICY

5.1 CONFIRMATION OF THE PRODUCTION

On the award date, the Advertiser or its Communication Agency shall issue a purchase order (PO) to the Production Company. The total amount specified on the PO must accurately correspond to the total amount of the approved offer, as agreed upon in the finalized production budget.

Prior to issuance, the contracting party must verify that all details on the PO, including the specified amount, align precisely with the terms and conditions of the approved offer.

The issuance of the PO constitutes a binding agreement between the Advertiser or its Communication Agency and the Production Company, obligating both parties to adhere to the terms specified therein, including the approved budget.

5.2 PAYMENT TERMS

Productions in Belgium:

- 50% Advance: After receiving the PO, which must state the full amount of the approved offer and not just the advance payment, the Production Company will send an advance invoice for 50% of the total amount. This invoice should ideally be paid before the preproduction meeting and no later than 5 working days before the first shooting day.
- 25% Advance: The Production Company can invoice 25% once the shooting is completed. If the Production Company is not handling post-production, the remaining 50% will be invoiced once the shooting is completed.
- 25% Balance: The Production Company can invoice the remaining 25% (plus any agreed additional costs) once the production has been delivered.
- Payment Terms: The second advance invoice and/or the balance invoice must be paid no later than 30 days.

Productions Abroad:

- 75% Advance: After receiving the written order, the Production Company can issue an advance invoice for 75% of the total amount. This invoice should ideally be paid before the pre-production meeting and no later than 5 working days before the first shooting day.
- 10% Advance: The Production Company can then invoice 10% once the shooting is completed. If the Production Company is not handling post-production, the remaining 25% will be invoiced once the shooting is completed.
- 15% Balance: The Production Company can invoice the remaining 15% (plus any agreed additional costs) once the production has been delivered.
- Payment Terms: The second advance invoice and/or the balance invoice must be paid no later than 30 days.

Invoices from the Production Company for buyouts (including renewals) must be paid by the Communication Agency before the first usage of the commercial or the content.

If written confirmation of the production has not been issued or received, or if payments are not made on time, the Production Company reserves the right to suspend all work on the project until such confirmation is obtained, and all due payments are made. In any case, the shooting of a production will not commence until the initial deposit payment has been received.

All materials, including those delivered by the Production Company, remain the property of the Production Company until all payments have been made in full. The Production Company retains ownership rights and may reclaim any delivered materials if the agreed payment terms are not fulfilled in their entirety.

The approval of the finished commercial cannot be unreasonably delayed or withheld, and the agreed-upon timeline must be respected. If the Advertiser or its Communication Agency fails to adhere to this timeline, the Production Company reserves the right to charge additional costs incurred from rescheduling the timeline.

When payment is made through the Communication Agency of the Advertiser, a delay in payment from the Advertiser to the Communication Agency will not be considered a valid reason for late payment to the Production Company. Legally, the Communication Agency remains responsible for all payments to the Production Company and any suppliers involved, irrespective of any delays from the Advertiser.

5.3 FLUCTUATIONS AND EXCHANGE RATES

With productions being filmed on locations abroad, currency exchange rates and their fluctuations must be considered. When a production offer is based on a price estimated in a currency outside the Euro-zone, the Production Company will set the exchange rate. Any increase or decrease in the exchange rate will be reviewed on the payment day by the Advertiser, which could either benefit or disadvantage the payee.

5.4 CANCELLATION POLICY

When a production is cancelled after it has been awarded to an independent Production Company, the company will prepare a cancellation budget based on the originally agreed-upon offer.

This cancellation budget will provide a transparent overview of the costs already incurred by the Production Company for the project, including cancellation fees and a portion of the lost markup as of the cancellation date.

If the production is cancelled within 48 hours before the scheduled shoot day(s), the Production Company is entitled to the full markup agreed upon in the offer.

The cancellation notice must be provided in writing by the contracting party to the Production Company.



6. INSURANCES

The production process entails considerable risks, requiring comprehensive insurance coverage. Responsibility for securing this coverage rests with the Advertiser or its Communication Agency.

In the BCP Production Briefing Tool, it can be clearly specified which insurance policies the Production Company needs to secure for each aspect of the production, with coverage commencing at the start of pre-production and no later than the first day of material use (e.g., pre-lighting).

However, underwriting a "Film All-Risks Insurance" is mandatory. Without this insurance, a Production Company acting professionally may not proceed with its work.

Talent non-appearance can be covered by a specific "Non-Appearance Insurance" for talent and key personnel (such as the Director or Director of Photography), and BCP strongly advises underwriting this insurance as well.

The Production Company assumes no responsibility for the Advertiser's moral or commercial rights over their delivered materials or products, nor for any damage to these materials or products that may occur during production or any consequential damage resulting from this, nor for transport unless otherwise agreed.

Specific provisions can be outlined in the 'special conditions' section, with start and end dates for additional coverage clearly indicated.

The independent Production Company shall not be held liable for any costs or damages arising from an incident for which the Advertiser or its Communication Agency has failed to secure the necessary insurance coverage. In such cases, the Production Company reserves the right to recover all associated costs from the Advertiser or its Communication Agency.

If the Advertiser or its Communication Agency is responsible for underwriting the insurance themselves, they must confirm all coverage for the Production Company before production begins. The Production Company, in turn, will communicate any special insurance requirements to ensure comprehensive coverage. In this arrangement, the account policyholder (either the Advertiser or its Communication Agency) assumes all production risks. Also, any time and costs the Production Company incurs in managing the claim with the insurance provider of the Advertiser or its Communication Agency will be extra charged.

6.1 FILM ALL-RISKS INSURANCE

Standard Production Cover

- **Support:** Covers all financial losses resulting from the deterioration, disappearance, or destruction of any support (blank or not) used in the production.
- **Additional costs:** Covers the financial consequences incurred by the Production Company following a postponement, stoppage, or abandonment of the shoot due to damage, destruction, or theft (with forcible entry) of equipment, props, buildings, character and technical vehicles used for and during the production, or any other essential item for the shoot.
- **Equipment:** Covers damage to all shooting and sound equipment (hired or owned), including transmission, reproduction, and lighting (such as lamps, generators, special effects equipment, and mobile studios) used for the production. This also includes accessories, replacement parts, flight cases, and specialized cases or boxes for the listed equipment.
- **Props, sets, and accessories:** Covers damage to all items required for the production, such as sets, costumes, accessories, furniture, and similar objects (hired or owned).
- **Character vehicles:** Covers damage to picture vehicles (= vehicles used in the image of the film) for which the insured party is legally liable once they are on location or during transit between locations. Note: Boats, planes, helicopters, trains, trams, subways, and any vehicle not intended for road use are excluded, as are commercial/production vehicles.
- **Production office contents:** Covers damage to production office contents, including furniture, computers, equipment, supplies, and outfitting necessary for the production.
- **Baggage:** Covers damage to all personal luggage belonging to cast or crew.
- **Cash:** Covers repayment of cash intended for production needs, stolen through mugging of the production personnel.



6.2 ADDITIONAL BASIC INSURANCE COVER

Personal Accident Cover

Provides cover for physical accidents occurring during production. This cover is mandatory for extras by law, as producers are required to provide accident insurance for them. It is also recommended for freelancers who do not have personal accident insurance. This cover provides the following protections:

- Death
- Permanent disablement
- Temporary disablement
- Medical expenses

This does not cover members of the Advertiser or Communication Agency during their work for the production, on or off set, unless specifically requested in the BCP Production Briefing Tool.

6.3 OPTIONAL SPECIAL INSURANCE COVERS

Non-Appearance Insurance

Covers financial losses incurred by the production due to a postponement, stoppage, or abandonment of shooting in the event of death, injury by accident, illness, or criminal arrest of a person named in the insurance policy. Coverage extends to the death of a parent, child, spouse, or common-law partner of the insured individuals. In such cases, the indemnity is limited to a maximum of three shooting days. Coverage also includes the illness or accident of a parent, child, spouse, or common-law partner resulting in hospitalization of over five days, provided this occurs during the policy period and the person is under 80 years of age. Indemnity is limited to a maximum of three days of shooting.

Travel Insurance

When filming takes place abroad or key personnel need to travel from abroad to Belgium, it is recommended to secure travel insurance. This can be indicated in the Production Briefing.

Weather Day Insurance

Under no circumstances can the Production Company be held responsible for weather conditions. For this reason, a Weather Day Insurance policy can be arranged. This insurance covers any financial consequences the Production Company might incur due to the postponement or reshoot of a shooting day caused by bad weather. Coverage is based on a Weather Day Budget provided by the Production Company and is adjusted according to various geographical and seasonal factors.

The cost of Weather Day Insurance is extremely high, cannot always be secured in all situations, and will be provided upon request by the Advertiser or its Communication Agency as a separate quote from the Production Company estimate.

If Weather Day Insurance is required, the request must be submitted to the insurer at least 10 days before the first shooting day; otherwise, coverage cannot be guaranteed.

Please consult with the Production Company to determine whether this insurance is relevant for your production.

Error & Omission Cover (E&O)

Protects the independent Production Company against claims related to title rights, music rights, story rights, and image rights. This cover is occasionally requested by the Advertiser or Communication Agency for distribution rights of the audiovisual production post-completion. Insured amounts range from €1M to €5M, with coverage durations from one to five years. A completed E&O proposal form and prior rights clearance are required for a quote.

7. RIGHTS & OWNERSHIP

7.1 INTRODUCTION

In every commercial production, different types of rights need to be respected. These rights determine who can use the final film, under which conditions, and who must be paid for that use.

The Production Company, acting on behalf of the Advertiser or its Communication Agency, is contractually responsible for securing and clearing all necessary rights before the film is delivered. The Advertiser (or its Agency) funds these rights through the production budget.

To avoid misunderstandings, it is important to distinguish between:

- Usage and portrait rights of talent and other contributors >> contracted and sold by the Production Company, unless otherwise agreed upon.
- Other copyrights (e.g., music, artworks, photographers, architects) >> also cleared by the Production Company.
- Neighbouring rights and ownership of rushes >> retained by the Production Company.
- Informative frameworks >> collective rights (Sabam, PlayRight, ...) and Belgian tax rules on authors' rights.

The first sections below cover the rights that are directly managed and sold by the Production Company.

7.2 TALENT USAGE RIGHTS / PORTRAIT RIGHTS

These are the most important rights in commercial production, since they determine how and where the film may be shown.

- Talent usage rights cover actors, models, and featured extras.
- Conditions (duration, territories, media types, versions) must be agreed before production starts.
- Extensions or renewals require new agreements, ideally one month before expiry.
- Re-cuts, new edits, or additional assets not agreed before production starts are treated as new content unless explicitly agreed upfront.
- Fees are calculated according to industry standards in Belgium (see schedule agreed by Belgian casting directors, agencies, and Production Companies) or local practice abroad.

Responsibility

The Advertiser (or its Agency) must pay all talent usage fees to the Production Company before the commercial is released.

7.3 OTHER CONTRACTUAL USAGE RIGHTS

Besides talent, other contributors may charge usage rights for their creative work, for example:

- Photographers
- Voice-over artists
- Graphic designers or illustrators
- Certain architects or artists whose work is visible in the film

These usage rights are based on the Advertiser's media plan and specified in the Production Company's offer.

Important: If the creative idea provided by the Advertiser/Agency contains third-party elements (brands, artworks, objects), the Advertiser/Agency is solely responsible for clearing those rights..

7.4 NEIGHBOURING RIGHTS OF THE PRODUCTION COMPANY

The Production Company always retains neighbouring rights in the final film. These rights protect the Production Company's investment and ensure control over the use and distribution of the work.

- Any additional use (new territory, medium, or format) must be agreed in writing.
- If content is reused outside the original scope, the Production Company may charge Production Royalties (see Section 9).

7.5 TERMS FOR THE TRANSFER OF RUSHES

- Rushes remain the property of the Production Company and are not transferred as part of the standard deliverables unless their transfer has been expressly agreed at the briefing stage.
- Project files remain the exclusive property of the Production Company and cannot be made available to third parties.
- The final master file is delivered as part of the standard deliverables and is included in the production budget.
- A Clean Master Version (aka International Version) may be delivered upon request and is subject to an additional fee covering its preparation and creation.

7.6 MUSIC RIGHTS (SEE ALSO SECTION 8)

Music involves several different rights (composer, publisher, master owner, library rights), all of which must be cleared before delivery. The Production Company handles this process and integrates the costs into the production budget.

7.7 RIGHTS IN AI AND EMERGING TECHNOLOGIES

When AI or other new technologies are used (e.g., modifying footage, creating synthetic talent, generating voices, or replicating likenesses), this creates new works and new rights. Proper contracts and fair compensation must always be negotiated in advance.

If AI is applied on the basis of existing talent (e.g., digital doubles, synthetic voices, likeness recreation) or any other copyrighted work (e.g., images, music, scripts, artworks), this can never be done without the explicit consent of the rights holders.

- Such use requires the prior agreement of the individuals or authors concerned.
- The necessary usage fees must be negotiated and paid, just as with conventional production methods.
- Any absence of consent or payment constitutes an infringement of rights.

These uses may also raise ethical questions, particularly regarding transparency and the protection of talent and creators. Such issues must be contractually addressed to ensure clarity and fairness for all parties involved.

The BCP will continue to closely monitor developments and regulations in this field to protect fair practice and safeguard the interests of all stakeholders in advertising film production.

7.8 COLLECTIVE RIGHTS (INFORMATIVE)

Collecting societies (e.g., Sabam, De Auteurs, PlayRight) collect royalties when films are broadcast or shown in public.

- These are not paid by the Production Company or Advertiser but by broadcasters, platforms, or venues.
- They are distributed directly to authors and performers.
- They exist independently of the contractual usage rights described above.

7.9 AUTHOR'S AND PERFORMER'S RIGHTS – BELGIAN TAX REGIME (INFORMATIVE)

In Belgium, some creative professionals (directors, composers, actors, designers) may invoice part of their fee as "author's or performer's rights" for tax reasons.

- This tax regime is separate from contractual usage rights.
- It does not affect who owns the rights; it only affects how the income is taxed.
- The percentage is legally limited and is a matter between the individual and the tax authorities.

7.10 SUMMARY

- The Production Company sells and manages usage rights (talent, other contributors, music) and retains neighbouring rights and rushes.
- Advertisers/Agencies must pay these rights before release.
- Collective rights (Sabam, PlayRight, ...) and the Belgian tax regime are only background frameworks. They do not form part of the contracts managed or sold by the Production Company.

8. MUSIC & USAGE RIGHTS

8.1 OVERVIEW & INTRODUCTION

Music is a crucial element in most productions, with three primary types of music usage:

- 1. Original Music:** Composed specifically for the commercial or content based on a brief
- 2. Existing Track:** A pre-existing song purchased for use in the commercial or content
- 3. Library or Stock Music:** Pre-recorded tracks available for use in commercials or branded content.

The choice of music should be discussed and agreed upon with the Advertiser and/or the creative team of its Communication Agency and the director of the independent Production Company.

As with usage rights or buyouts for talent, music rights are negotiated by the Production Company. The cost of music rights must be included in the final production budget. Although negotiations—particularly for existing tracks—can be especially time-consuming, it may not be entirely clear during the bidding or even pre-production phase what the final cost will be; this will therefore be provided as a separate quote.

Before production begins, the Production Company must be fully briefed by the Advertiser or its Communication Agency on the planned music usage, including the release date, usage duration, media types, and territories where the commercial will be used. It is strongly recommended to negotiate all usage rights as early as possible to avoid reopening negotiations once the initial agreement is finalized. Buyouts must be negotiated and paid prior to any use.

Any future renewals If an extension of the music rights is required, the Advertiser or its Communication Agency must notify the Production Company at least one month before the current agreement expires to allow sufficient time for renegotiation.

The independent Production Company holds no responsibility for any breaches of the agreed media plan by the Advertiser or its Communication Agency, or any third party regarding music rights.

Important: The usage rights or copyrights for the above-mentioned music rights are entirely separate from the copyrights managed and collected by collecting societies (e.g. Sabam, Unisono). Collecting societies handle the collection of royalties from distributors, such as broadcasters, streaming platforms, or public venues.

8.2 COMPOSED TRACKS (ORIGINAL MUSIC)

The Advertiser or its Communication Agency must provide the Production Company with a brief, which will then be passed on to a music composer. The director, Advertiser, and its Communication Agency must all agree on the brief before it is given to the composer.

The Advertiser or its Communication Agency may request one or more demo tracks to help establish the final form of the music composition. If so, this request must be specified in the BCP Production Briefing Tool to ensure that the costs of producing demos are included in the final offer. If the demo request is made at a later stage, the associated costs will be added as an additional expense.

Once the demo track and associated costs are approved, the Production Company will provide the composer with a copy of the final film edit to compose the finished music track.

If the final music is not approved by the Advertiser or its Communication Agency, the Production Company will arrange a new music composition schedule and provide an estimate of additional costs.

The Production Company cannot be held responsible for delivering new compositions without additional costs, nor for delays in delivering the final music within the original timeframe.

BCP TALENT BUYOUT OVERVIEW 2023

THIS SCHEDULE IS FOR BELGIAN TALENT AND COMMERCIAL USE ONLY.

| | Moving Media | | | | | | All Moving Media | Still Media | | | | | | All Still media | All Media | |
|----------------------|------------------------------|---|-------------|------|-------------|--------|------------------|-----------------|------|-----------|----------|--------------------------|------------------|-----------------|-----------|--|
| | TV incl. VOD, addressable TV | Internet incl. Social Media excl. VOD, addressable TV | TV Internet | POS | Trade Fairs | Cinema | | (D)OOH / Events | POS | Press, PQ | Internet | Press, PQ, POS, Internet | (D)OOH / Atribus | | | Below the line (lectfers, DM, Small materials) |
| Belgium | 100% | 100% | 150% | 50% | 25% | 50% | 150% | 300% | 75% | 75% | 75% | 150% | 150% | 50% | 300% | 500% |
| Category 1 countries | 400% | 400% | 500% | 200% | 100% | 200% | 300% | 1000% | 250% | 300% | 300% | 500% | 500% | 100% | 700% | 1300% |
| Category 2 countries | 300% | 300% | 400% | 150% | 75% | 150% | 200% | 800% | 200% | 250% | 250% | 400% | 350% | 100% | 600% | 1000% |
| Category 3 countries | 200% | 200% | 250% | 100% | 50% | 100% | 150% | 400% | 100% | 50% | 250% | 200% | 50% | 400% | 600% | |
| Category 4 countries | 100% | 100% | 150% | 50% | 25% | 50% | 100% | 300% | 75% | 75% | 75% | 150% | 150% | 50% | 300% | 450% |
| Europe | 750% | 750% | 1200% | 375% | 150% | 375% | 500% | 2000% | 350% | 400% | 400% | 600% | 600% | 150% | 1000% | 2500% |
| World | 1200% | 1200% | 1800% | 600% | 300% | 600% | 700% | 3000% | 500% | 500% | 500% | 900% | 900% | 200% | 1800% | 4000% |

Category 1 Countries USA, China

Category 2 Countries Australia, Brasil, Canada, France (Dom Tom), Germany, Great Britain, Italy, Japan, Russia, South Africa, Spain

Category 3 Countries Argentina, Austria, Denmark, Finland, Mexico, Netherlands, Norway, Poland, Sweden, Switzerland, Turkey

Category 4 Countries Rest of the world

1st year : % is based on the talent dayfee, Maximum of 5 years

2nd year : 110% of 1st year 2 year deal : 175% instead of 210% (100% + 110%)

3rd year : 110% of 2nd year 3 year deal : 250% instead of 331% (100% + 110% + 121%)

8.3 EXISTING TRACKS

The creative team from the Advertiser's Communication Agency or the director from the Production Company will propose an existing music track for approval by the Advertiser.

Once the track is approved, the Production Company—or possibly an intermediary subcontracted by the Production Company—will inquire with the record company and music publisher about the costs for usage in line with the media plan specifications. Please note that these inquiries may incur fees and require additional time, which should be considered in the planning process.

All necessary usage rights must be secured, with fixed compensation paid to both the publisher for publishing rights and the record company for reproduction/master rights.

Before entering negotiations with rights holders, it must be determined whether the track will be used in its original form or if a new version will be created for the film. This decision affects the rights holders and executive artist involved, as well as the financial compensation required for the track's release.

8.4 STOCK MUSIC

If a track from a stock music library is chosen, the Production Company will negotiate the terms and costs related to the use with the organisation holding the rights.



9. PRODUCTION ROYALTIES

9.1 USE OF THE COMMERCIAL/CONTENT IN OTHER TERRITORIES

If the commercial or branded content is used, in whole or in part, in territories beyond those originally agreed upon in the production briefing or the original Production Offer, the independent Production Company is entitled to charge Production Royalties.

9.2 USE OF THE COMMERCIAL/CONTENT IN OTHER FORMATS

If the commercial or branded content is used, in whole or in part, in a format other than that originally agreed upon in the production briefing or the original Production Offer (for example, if a photo is transformed into a video using (AI) technology, or stills are extracted from a video), the independent Production Company is entitled to charge Production Royalties.

9.3 CALCULATION OF PRODUCTION ROYALTIES

All percentages listed below apply to the total production budget, which includes all final production costs and markup(s), but excludes VAT.

Production Royalties are distinct and separate from usage fees owed to copyright holders, such as talent, photographers, composers, and other contributors. These fees are not included in the calculation of Production Royalties and will be determined through separate negotiations (see Section 7 for Usage Rights and Section 8 for Music Usage Rights).

Categories % per country:

| | |
|---|-----|
| · GROUP 1 : population >3 million | 2% |
| · GROUP 2 : population 3 million >< 8 million | 3% |
| · GROUP 3 : population 8 million >< 15 million | 4% |
| · GROUP 4 : population 15 million >< 30 million | 5% |
| · GROUP 5 : population >30 million | 10% |

Territorial Rates:

| | |
|-----------------------------------|-----|
| · EUROPE (all European countries) | 15% |
| · WORLD | 30% |
| · ASIA | 20% |
| · USA & CANADA | 20% |
| · SOUTH & CENTRAL AMERICA | 20% |
| · AUSTRALIA | 15% |
| · MIDDLE EAST & AFRICA | 15% |

NOTE 1:

The transfer of Production Royalties is indefinite.

NOTE 2:

If the Advertiser is uncertain about the territories in which the production will be used at the time of commissioning, these rights can be purchased in advance with a 5% additional markup in the Production Budget. This ensures that the client will not incur additional Production Royalties, regardless of the country or duration of use they decide upon afterward.

NOTE 3:

It is in the Advertiser's best interest to specify the necessary usage upfront to facilitate (cost)-efficient negotiations with all rights holders.

Example:

An Advertiser commissions a 30-second commercial with 1-year online usage limited to the territory of Belgium, at a total production cost, including markup, of €150,000. After agreeing to the original production budget, the client decides to release the commercial on TV in France.

In this case, the Production Company will renegotiate the usage rights of all relevant rights holders (such as talent, composers, voice-over artists, etc.) in accordance with the media plan for France and present the additional costs to the Advertiser or its Communication Agency.

Additionally, a Production Royalty fee will apply, as usage in the territory of France was not included in the original Production Budget. With a population of 66.5 million, this results in a Production Royalty of 10% of €150,000, totalling a Production Royalty of €15,000.



10. PREPRODUCTION AND THE PREPRODUCTION MEETING (PPM)

10.1 INTRODUCTION

Preproduction is defined as “the phase following the confirmation and acceptance of the assignment, leading up to filming”. This phase concludes with the preproduction meeting (PPM). During this stage, it is crucial that scripts, storyboards, and other materials align with the agreed-upon creative guidelines. By the end of the PPM, all parties must be in agreement on the production’s objectives and direction.

10.2 PREPRODUCTION

All relevant aspects and necessary steps of the production process must be addressed during preproduction to ensure the production proceeds smoothly within the agreed budget and timeline. These steps include, for example, booking and confirming the crew, securing technical equipment, planning special effects (SFX), booking locations, casting, talent, styling and key props and sets (decor).

When a Communication Agency is involved, picture references and/or videos of the selected locations must first be approved by the Communication Agency before being submitted to the Advertiser for approval.

The Advertiser and its Communication Agency must approve the art direction for props, decor, and sets during the PPM (see following chapter). They are also required to attend the costume/wardrobe fittings and pre-light settings.

In some cases, a preliminary Preproduction Meeting may be organized to expedite the decision-making process.

10.3 THE PREPRODUCTION MEETING (PPM)

As a standard, the Preproduction Meeting (PPM) is the most important meeting in the commercial production process. It serves as the final opportunity to reach agreement on all aspects of the production that may still be unresolved or under discussion. The PPM is a “confirmation-approval” meeting for the agency, not a creative meeting. All creative issues must be resolved and agreed upon prior to this stage.

Proper planning and timing of the PPM are crucial for the success of the production. If the PPM is poorly organized, certain elements or aspects of the production may remain unapproved, potentially disrupting the production process. Any modifications to agreements made during the PPM can lead to production delays, increased costs, and overall negative impacts on the production’s progress.

Attendees of the PPM include representatives from the Advertiser, if involved, the Communication Agency team assigned to the project, and the Production Company representative(s). The PPM should take place no later than one week before the first shoot day.

When a Communication Agency is involved, the Agency Producer is responsible for preparing the agenda, coordinating and leading the meeting, taking notes, and distributing the meeting report afterward. Notes detailing all points discussed and decisions made must be shared with all project personnel within 24 hours of the meeting. Any objections or comments must be promptly addressed with the Agency producer.

If no Agency producer is available, this role must be assumed by a single person responsible for the production from the Communication Agency.

If no Communication Agency is involved, the responsibility falls to the Advertiser, where a single person must also be designated to oversee the production and handle communication with the Production Company.

Following the PPM, it may be necessary to revise the Production Briefing and amend the final Production Offer. Any changes to production costs must be confirmed by the Communication Agency in writing, which is responsible for obtaining approval from the Advertiser. If no Communication Agency is involved, these changes must be approved directly by the Advertiser. The same applies to any agreed-upon additional costs.

11. THE SHOOT

11.1 INTRODUCTION

The shoot will proceed as scheduled during the Preproduction Meeting (PPM).

Before the shoot, the Production Company will provide the Agency Producer or another designated representative with a call sheet, shot list, and if available a storyboard outlining the planned shooting schedule.

Representative(s) from the Advertiser and its Communication Agency, including the Agency Producer and other key personnel, will be present on set and are expected to arrive at the time specified by the Production Company.

Representative(s) from the Advertiser and its Communication Agency must be available throughout the shoot to provide on-set consultations, feedback, and clear instructions to the Production Company to avoid delays in the shooting schedule. These representatives must be authorized to make executive decisions if necessary.

Specialists or advisors proposed by the Advertiser or the Communication Agency (e.g., food stylists, product specialists) must follow the instructions of the director and producer from the Production Company. They are expected to adhere to the designated working hours and maintain professional discipline while on set.

The Advertiser is responsible for providing the Production Company with any products, packaging, or product mock-ups required for the film, as agreed upon during the PPM.

11.2 COMMUNICATION ON SET

All communication on set from the Advertiser or its Communication Agency must go through a designated person to the producer of the Production Company. If the Advertiser works with a Communication Agency, the agency producer is responsible for this. If the agency producer is unavailable, another designated person will take on this responsibility.

Under no circumstances may representatives of the Advertiser or the Communication Agency communicate directly with the director or other crew members on set. The producer of the Production Company is solely responsible for communication with the director and the rest of the crew on set.

Any personnel visiting the set must be announced in advance and obtain permission from the Production Company. Visitors must register with the Production Company upon arrival and adhere to all instructions and restrictions to ensure safety on set.

Requests from Advertiser or Communication Agency representatives to review shots or playback footage must be discussed with the Production Company producer. Excessive use of playback may disrupt the shooting schedule.

Once the script's requirements have been fulfilled, the Production Company, after consulting with the Advertiser and the Communication Agency's representatives, will determine if additional footage can be captured to enhance the creative approach. Such footage must not exceed the approved budget.

11.3 CHANGES OR ADDITIONS DURING THE SHOOT

Any changes or additions to the shot list during the shoot must be approved by all parties involved. Changes will incur extra costs, which must be presented to and approved by the Advertiser or Communication Agency representative on the spot. These additional costs will be incorporated into an updated cost estimate by the Production Company.

If it is not feasible to provide an accurate cost estimate on set, and if all parties agree that the changes are critical to the success of the film, the Production Company will forward the revised estimate as soon as possible after the shoot.

11.4 MASTER ARCHIVING

Upon request from the Advertiser or its Communication Agency, the Production Company can store the raw footage (rushes) for up to five years. A one-time archiving fee will be included in the production offer. During this storage period, the Production Company assumes no liability for risks associated with the storage.

At the end of this period, the Production Company will, upon request, deliver the rushes to the Advertiser or its Communication Agency.



12. POST-PRODUCTION

12.1 INTRODUCTION

Post-production is the phase during which the commercial is finalized, encompassing all work completed between filming and the delivery of the broadcast material. The Production Company is responsible for overseeing and executing the post-production process. This phase is a critical component of the production, and to ensure a smooth process and avoid additional costs, BCP strongly advises as a standard best practice against separating post-production from the overall production process.

Post-production includes tasks such as offline and online editing, complex visual and audio effects, sound design, voice-over recording, music composition, and finalizing the film for distribution. It is often a costly and time-consuming process, typically requiring the expertise of specialized companies equipped with advanced technology.

The integration of video and audio effects is increasingly essential for achieving the creative goals of the Advertiser and its Communication Agency and for effectively realizing the concept. Consequently, these objectives must be incorporated into the initial planning and budgeting stages and clearly communicated to post-production houses and sound studios as early as possible.

When the Production Company develops the proposal based on the Production Briefing and the director's treatment, all post-production elements, along with the necessary time and financial resources for their execution, must be thoroughly accounted for. This includes costs spanning from pre-production to the final delivery of the commercial(s), particularly those related to video and audio effects.

Before finalizing the production budget, the Production Company will collaborate with selected post-production facilities to discuss the post-production goals in detail, the methods to achieve them, the timeline, and the associated costs.

Note: Post-production facilities and their technologies cannot resolve all issues arising during filming, such as mistakes, sudden changes in plans, or problems caused by stressful conditions (like weather), or earlier decisions.

Interim changes to the approved storyboard or script, which may initially seem straightforward in terms of post-production treatment, can be misleading and may result in significant unforeseen costs.

12.2 SOME BASIC PRINCIPLES

The best practice is to hold an early production meeting with all parties involved, including the editor and the post-production facility, to discuss production requirements, clarify cost structures, and establish schedules. It is essential to define and agree on the start and end points of contractual relationships with all suppliers.

Any additional costs must be approved by the Advertiser or its Communication Agency representative, who holds the necessary authorization to do so.

It is important to emphasize that any hierarchical divisions during post-production—whether on the Advertiser's or the Communication Agency's side—regarding approvals or decision-making can lead to significant cost increases. To minimize or avoid extra post-production costs, all requests for additional requirements must be carefully monitored. Additionally, while new technologies can streamline the creation of multiple edits or versions, they may also lead to significant cost increases if not planned properly.

The Production Briefing and the Production Offer clearly outline, in detail, the production and post-production requirements included within the final offer, specifying how many variants or versions of the finished commercial will be delivered.

The original offer provided by the Production Company specifies in detail the post-production requirements covered within the budget and schedule, based on the director's interpretation and the Advertiser or its Communication Agency's specifications as outlined in the Production Briefing made in the BCP Online Briefing Tool. Any changes that arise will result in additional costs, which will be documented in a revised estimate.

12.3 OFF-LINE EDITING

Editing the footage is a crucial part of both the technical and creative process. It is a creative endeavour led by the director, whose presence and guidance are mandatory. This requirement must be explicitly outlined in the Production Company's contract or offer.

The process begins with the director and the editor of the Production Company—chosen for their expertise—reviewing and selecting the shots required to fulfil the creative brief.

When a Communication Agency is involved, the initial selection of the film version is presented to and discussed with the creative team and the Agency Producer or another agency representative. If necessary, and at the Production Company's discretion, adjustments can be made to achieve the director's cut of the film.

The director, editor, creative team, and Agency Producer or representative together with the producer or post-producer of the Production Company may collaborate further to make additional adjustments, if required, to finalize the agency offline version.

This version is then presented to the Advertiser for final approval, which must take place within the pre-approved back timing. Any changes requested after the approval of the agency offline version will incur additional costs, which must be authorized by both the Agency Producer or agency representative and the Production Company producer.

If no Communication Agency is involved, the presentation is made directly by the Production Company to the Advertiser and its representative(s). Together with the Advertiser's representative, the director, editor, and producer from the Production Company, an agreement must be reached on the final offline edit within the predetermined schedule and timeline.

It is essential that all adjustments to the edit are made during the offline phase of the film, also referred to as the Offline Lock, before proceeding to subsequent stages of post-production. Changes made after the Offline Lock will automatically result in additional costs or delays in the timings and workflow.

12.4 ON-LINE VIDEO FINISHING

If requested in the Production Briefing, the Production Offer includes both offline and online post-production costs, encompassing video and audio work. The director's creative decisions, such as grading and online editing, play a pivotal role in shaping the final commercial or content. These responsibilities must be clearly outlined in the Production Briefing and final offer.

Post-production technology provides opportunities for creating multiple image variations and enhancements. As a result, strict oversight of creative demands is essential. All personnel involved must be capable of identifying when changes go beyond the agreed storyboard and approved budget.

All parties involved are thoroughly informed about the specific terms of their agreement with the online post-production facility to ensure transparency regarding potential additional costs. The online-edited version of the film must be approved by all parties before advancing to the next phase of the post-production process.

12.5 AUDIO-FINISHING

Music, together with the overall sound design, plays a vital role in bringing the creative concept to life. The details of the soundtrack should be defined early in the production process to account for both planning and budgetary implications. This ensures that adequate provisions are included in the Production Briefing and the final offer.

The durations of all music licenses and the availability of selected voice-over artists must be thoroughly verified. The Advertiser and its Communication Agency must approve the voice-over script and the selected artist before recording begins. The scheduling of voice-over recordings, along with their budgetary implications, should be carefully assessed to ensure that appropriate provisions are included in the Production Company's final offer.

12.6 DELIVERABLES

Agreement must be established in advance and detailed in the Production Briefing if multiple deliverables of the commercial or content are required. The costs associated with producing these versions must be clearly outlined in the final offer.

Should additional versions be requested beyond the agreed-upon framework, the Advertiser or its Communication Agency must inform the Production Company, which will then issue an updated cost estimate. By using the BCP Online Briefing Tool, creating the various deliverables becomes much more convenient, and you gain a clear overview of the total number of deliverables.

The delivery of TV versions (broadcast masters) to the networks in Belgium will be in digital format and must be executed exclusively by official D-MAT-certified production and Post-Production Companies.

If a cinema version is needed, it must be specified in the Production Briefing, and the original offer should include the associated costs. If the cinema version is not initially included in the contract but is requested later during production, a separate estimate will be provided.

When creating a cinema version, the editor and post-Production Company have to pay special attention to:

- Cinema requirements e.g. length of the film and approval procedure- if applicable
- Specific requirements for titles / supers
- The planning of the cinema postproduction work
- Grading (colour correction)
- Specific requirements for sound and video framework
- The checking procedure of the copies
- Delivery requirements

It is indicated, in function of the kind of film, to include in the Production Briefing all the details concerning the preparation of the cinema material.

Terms for Sharing Rushes see point 7.5

13. ANIMATION / VISUAL EFFECTS (VFX)

Many productions today integrate digital animation and animated sequences, moving beyond traditional techniques such as cel animation or stop-frame animation (e.g., clay figures). These approaches are now often replaced by advanced digital visual effects (VFX), including 2D, 3D, or AI-driven processes.

Even with the advent of digital tools, the role of skilled animators and AI prompters remains critical. Their expertise in creating lifelike movements, intricate textures, and visually engaging elements significantly elevates the quality of the final output.

13.1 CHARACTER DEVELOPMENT

Character creation is a pivotal stage in animation, requiring precise planning and clear agreements on essential story elements such as character design, textures, and colour palettes. Changes made later in the production process can be both technically demanding and costly. To avoid these challenges, incorporating multiple approval stages for work-in-progress milestones during pre-production is essential.

When animators design characters or create unique graphic intellectual properties exclusively for a project, ownership typically resides with the creator unless otherwise stipulated. Ownership terms must be established upfront, and, where applicable, fees for future or expanded uses—such as internal presentations, alternative advertising formats, merchandising, or deployment in new markets—should be negotiated in advance.

13.2 INTEGRATING ANIMATION AND LIVE-ACTION

Animated sequences usually take longer to produce than live-action due to their complexity. For projects that combine live-action and animation, it's best to plan them as separate phases with dedicated schedules to keep the process organized.

13.3 ENSURING EFFICIENCY AND COST-EFFECTIVENESS

Following a clear production schedule is key to controlling costs. Allowing enough time for adjustments and revisions helps avoid delays and extra expenses. Proper planning and timeline management are especially important as new technologies continue to shape how stories are created and told.



14. RESPONSIBLE USE OF ARTIFICIAL INTELLIGENCE (AI)

14.1. INTRODUCTION

The integration of Artificial Intelligence (AI) into film and photo production offers unprecedented opportunities for innovation. However, this advancement also brings new responsibilities. As a result, BCP members have agreed to adopt a “Charter for the Responsible Use of AI in Commercials and Branded Content”.

This charter serves as a guide for the ethical and transparent use of AI, aiming to preserve the creative, human, and professional values of our industry.

14.2. CORE PRINCIPLES

Transparency

- The use of AI tools in the creative or production process must be openly communicated to all stakeholders, including Advertisers, Communication Agencies, directors, and technicians.
- Production Companies are responsible for informing Advertisers or their Communication Agencies about the specific role of AI in the production process.

Creativity and Human Expertise

- AI is solely employed to support human creativity, not to replace it.
- All decisions in the creative process remain under the control of human professionals.

Authenticity and Quality

- AI applications are only implemented when they enhance the authenticity and quality of the final product.
- Maintaining visual and narrative authenticity is a priority.

14.3. RESPONSIBILITY OF THE PRODUCTION COMPANY

Ethical Use of AI

AI introduces new opportunities in the production of commercials and branded content but also brings ethical challenges. Transparency, accountability, and respect for human creativity are key principles. Production Companies must ensure the ethical use of AI tools and proactively manage risks of misuse. The following guidelines serve as a framework for integrating AI responsibly within the industry:

- **Deepfakes and Synthetic Media:** AI can create realistic content, such as simulating faces or voices, that never occurred in reality. This raises ethical concerns regarding misinformation, unauthorized harmful content, and potential reputational damage to brands and companies. Transparency is essential to maintain public trust.
- **Replacement of Human Labor:** AI has the potential to replace certain roles in advertising film production, making processes more efficient and cost-effective. While this shift may be inevitable, it is vital to deploy AI in a way that respects the creative value of human talent. For instance, AI can handle repetitive or technical tasks while leaving creative and emotional aspects to human professionals. Balancing AI and human expertise is crucial to fostering both innovation and creativity in the industry.
- **De-aging Technology:** AI is increasingly used to make actors appear younger. This should always be done with the explicit consent of the actor, appropriate compensation, and clear communication to the audience to preserve the integrity of the production.
- **Voice Replacement:** AI can be used to modify or replace actors' voices, such as for localized dubbing or assistive technologies. Its use must always involve explicit consent and appropriate compensation, especially if the voice is used after the actor is no longer available.
- **Strategies to Address Bias:** Regular evaluation of datasets and AI algorithms is critical to minimizing biases in advertising film or branded content production. This promotes inclusive storytelling and greater diversity in representation.
- **Accountability:** We endorse systems that monitor and address biases in AI models. Additionally, mechanisms for reporting and correcting unethical AI usage are necessary.

Communication and Collaboration

- Production Companies inform clients about the capabilities, limitations, and implications of AI use.
- Collaboration among Production Companies, post-Production Companies, Advertisers, Communication Agencies, technology developers, and ethicists have a shared responsibility to establish clear guidelines and best practices for AI use in the industry.
- Efforts are being made to raise awareness within the sector.

Innovation and Integrity

- AI is encouraged as a means to provide innovative and efficient solutions without compromising the artistic integrity of the industry.

14.4. ENGAGEMENT WITH ADVERTISERS / COMMUNICATION AGENCIES

Fair Practice

- Production Companies work with Advertisers or their Communication Agencies to ensure fair working conditions and proper compensation, ensuring that the use of AI does not compromise the financial appreciation of creative and technical efforts

Data Use and Privacy

- Sensitive data, such as the use of faces or voices in AI tools, is strictly protected in compliance with applicable laws.

14.5. FUTURE OUTLOOK

BCP recognizes AI as a powerful tool for innovation in the production of commercials and branded content. By adhering to clear ethical guidelines and collaborating with all stakeholders, the industry strives for a future where creativity, technology, and human values remain balanced.

14.6. ENCLOSURE: GUIDELINES FOR AI USE

1. Copyright and Generative AI

- Any use of audiovisual works for training AI systems requires explicit permission from rights holders.
- Authors and Production Companies must establish agreements regarding the use of AI in creative contributions and productions.

2. Protection Against Text and Data Mining

- Commercials and branded content productions are safeguarded against unauthorized text and data mining that could infringe on intellectual property rights or confidentiality. Clear usage conditions must be established, such as through metadata or explicit terms and conditions during distribution. These measures ensure compliance with the rights and agreements of all involved parties.

3. Contractual Agreements

- Advertisers and Communication Agencies must not use AI to circumvent contractual obligations.

4. Measures in case of Misuse

- Violations of responsible AI use guidelines are considered serious breaches of professional standards and will be raised within the professional association BCP.



15. CONFIDENTIALITY & CONTACT

- The Advertiser or its Communication Agency is committed to maintaining the confidentiality of all production offers and director's treatments submitted by the Production Company during a pitch.
- The Production Company is responsible for safeguarding the confidentiality of the project and ensuring that this obligation is communicated to its staff and crew.
- Information about the production may only be shared by the Production Company when it is essential for pre-production, the shoot, or other production activities (e.g., inviting cast members for a casting call).
- The Production Company is permitted to showcase the final work on its website or social media platforms only after the Advertiser or its Communication Agency has officially launched the advertisement. The Advertiser or its Communication Agency will inform the Production Company of the launch date to ensure proper coordination.

15.1 BCP CONFIDENTIAL CONTACT POINT

The BCP coordinator acts as a confidential contact for Production Companies, Advertisers, their Communication Agencies, and all other parties involved in the production of commercials or branded content created by a BCP member, particularly in cases where the guidelines and recommendations are not adhered to.

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