

No. 4427

**ITALY
and
FRANCE**

**Agreement concerning the co-production of cinematographic
films. Signed at Paris, on 8 November 1957**

Official text: French.

Registered by Italy on 14 July 1958.

**ITALIE
et
FRANCE**

**Accord de coproduction cinématographique. Signé à Paris,
le 8 novembre 1957**

Texte officiel français.

Enregistré par l'Italie le 14 juillet 1958.

[TRANSLATION — TRADUCTION]

No. 4427. AGREEMENT¹ BETWEEN ITALY AND FRANCE
CONCERNING THE CO-PRODUCTION OF CINEMATO-
GRAPHIC FILMS. SIGNED AT PARIS, ON 8 NOVEMBER
1957

PREAMBLE

The Italian and French authorities note with satisfaction the general results of the joint cinematographic policy of the two countries.

They resolve that they will maintain and endeavour to improve that policy, devoting special attention to the quality of the films produced under the present Agreement.

The responsible authorities are convinced that by uniting their efforts and their resources, the Italian and French cinematographic industries will continue to make an effective contribution to the dissemination of the culture of the two countries and of the form of civilization to which both of them belong.

They resolve that films which, because of their general artistic, technical and moral qualities, are capable of enhancing the reputation of France and Italy as producers of cinematographic films, and of maintaining the prestige of the two countries, shall be eligible for the privileges granted by the two countries to their co-production films.

They accordingly agree as follows :

Article 1

The authorities of the two countries shall promote the co-production of only those films which, in addition to conforming with the standards of quality set out in the preamble, deal with subjects of international interest calculated to enhance the reputation of the two countries as producers of cinematographic films, to favour the dissemination of their culture and to facilitate their economic expansion.

Article 2

Co-production films covered by this Agreement shall be treated as films of national origin by the authorities of the two countries.

The films in question shall *ipso facto* benefit from the privileges accorded to films of national origin under the provisions which are at present or may in future be in force in each of the two countries.

These privileges shall accrue only to the producers of the country by which they are granted.

¹ Came into force on 1 November 1957, in accordance with article 12.

Article 3

A film, in order to be treated as a co-production film, must be produced by a company which has an adequate technical and financial organization and whose past productions afford evidence of a solid artistic tradition.

Where a new company requests for its first film the benefit of treatment as a co-production film, that request may be granted if the directors, representatives or other persons participating in the company can show that they have worked in either country on earlier productions which afford evidence of a solid artistic tradition.

A film that is to be treated as a co-production film must have been produced by an Italian or French director who has directed at least two films having had a successful international exhibition either from the artistic or from the commercial point of view, or who has signed a film selected for an international festival recognized by the two countries.

Foreign directors, technicians and actors habitually resident and working in either of the two countries may, as an exception, take part in the co-production of films on behalf of their country of residence.

French nationals habitually resident and working in Italy and Italian nationals habitually resident and working in France may only take part in co-productions on behalf of the country of which they are nationals.

As an exceptional measure, artists from countries which have entered into co-production agreements with France and Italy may, by agreement between the authorities of France and Italy, be permitted to take part in French and Italian co-productions.

The participation of actors of international repute who are not nationals of a country which has entered into such co-production agreements shall be allowed only with the agreement of the authorities of the two countries, due account being taken of the importance and requirements of the contemplated role.

Article 4

Each co-production film shall comprise two negatives or, failing that, one negative and one duplicate.

Each co-producer shall be the owner of a negative or a duplicate.

Co-production films shall be made in French, Italian or joint French-Italian versions.

Close-up scenes must be filmed in the two versions.

The sound recording shall be effected with lip synchronization.

Article 5

Every facility shall be granted in connexion with the travel and stay in either country of the technical and artistic personnel working on these films and in connexion with the import and export to and from either country of the

necessary material for the production and exhibition of co-production films (raw stock, co-production material, costumes, properties and advertising material).

Article 6

(A) Ordinary co-production films

I. For every co-production film produced in one country, a corresponding co-production film shall be produced in the other. The minority financial participation shall not be less than 30 per cent of the cost of production of the film.

II. An Italian or a French director complying with the requirements of article 3 shall be employed for each film.

The director may, however, call upon an associate director from the other country to participate in the production of the film.

III. There shall for every film be at least one assistant director, one scenario writer or adapter, one actor cast in a leading role and one actor in the supporting cast who are nationals of the country having the minority financial participation.

The casting of actors from the two countries in the leading and supporting roles of each particular film shall be determined on a basis of equality in relation to the total number of films of this category.

The same principle of equality shall be respected in the use of the technical resources and labour of the two countries.

IV. The position as regards equality of financial, artistic and technical participation as a whole by the two countries shall be subject at six-month intervals to examination and review by the Joint Commission.

(B) Balanced films

Films taken partly in Italy and partly in France with a financial participation of 50 per cent by each of the two countries, and thus entailing an automatic equality in payments to the technical and artistic personnel and in the use of the technical resources of the two countries, shall not be subject to the requirements laid down for films in category A.

The production of these films shall not give rise to transfers, except by special authorization in the case of amounts not exceeding 10 per cent of the cost price of the film as approved by the competent authorities of the two countries.

(C) Exceptional films

Films of particular artistic and technical merit or financial importance shall, within the following limits and subject to the following conditions, be exempt from the requirements specified for ordinary co-production films and

from the obligation to ensure in respect of each film that the artistic and technical contributions of the two countries are equally represented.

(1) The respective investment of the two countries in each film shall ordinarily be in the proportion of 30 to 70 per cent. The number of films may not exceed twenty per country in each year. The financial participation of the minority country may be as low as 20 per cent in respect of one-half of these films.

(2) The aggregate investment of one country in respect of the total number of these films for each six-month period of account as from 1 November 1957 shall be equal in value to the aggregate investment of the other country.

If the said investments are found not to be equal, the Joint Commission may, at the request of the competent authorities of either country, decide to suspend the granting of co-production authorizations.

The Joint Commission may also decide to increase either the total quota of "exceptional" films or the number of films of each category included in that quota.

(D) Films especially recommended for young people (adatti per la gioventù)

Films of good quality which meet the criteria used in each country to classify films as recommended for young people shall be exempt from the principle of equality as regards financial, artistic and technical contributions and from the requirement that the minimum investment must be 30 or 20 per cent, as the case may be.

By virtue of the privileges thus accorded, only those films may be treated, for the purposes of this section, as co-production films which have been approved by the competent authorities of the two countries and in respect of which the minority co-producer has participated to the extent of at least 10 per cent of the cost of the film and has offered a distribution contract.

For the period ending 31 October 1958, the maximum number of films entitled to these privileges shall be twelve for each country.

The approval of the administrative authorities in respect of films which in principle are entitled to the privileges specified in this section shall be granted only after a preview of the finished film.

A film which in principle is entitled to the privileges specified in this section but is not approved after screening may be included in the category of ordinary co-production films without reference to the manner in which it was produced, but only on condition that it meets the financial conditions, and the requirements concerning the apportionment of receipts, applicable to that category of films.

Article 7

I. Receipts shall be apportioned between the co-producers on the following basis :

(a) Receipts realized in Italy, former Italian Africa and Malta and on ships flying the Italian flag shall belong to the Italian co-producer;

(b) Receipts realized in metropolitan France, French overseas departments, the territories of the French Union, Morocco, Tunisia, South and North Viet-Nam, Laos, Cambodia and the Saar and on ships flying the flags of these countries shall belong to the French co-producer;

(c) In the case of films participated in by France on a majority or minority basis, receipts realized in Belgium and its colonies, in Luxembourg and on ships flying the flags of these countries shall belong to the French co-producer.

In the case of films participated in by Italy on a majority basis, receipts realized in Spain and its colonies and on ships flying the Spanish naval or merchant flag shall belong to the Italian co-producer.

If the co-production contract does not provide for a geographical distribution of territories between the two co-producers, receipts realized in territories other than those specified in the foregoing items (a) and (b) shall be apportioned between the co-producers on the basis of their relative contributions, either by means of a dual transfer direct to Italy and to France or—if such a transfer cannot be effected—by means of the transfer of all receipts to the exporting country and the retransfer to the other country of the share belonging to the co-producer of that country.

The said retransfer shall be effected in accordance with the following rules :

- (1) If payment is made in a convertible currency, the retransfer shall be effected in the same currency.
- (2) If payment is made in a European Payments Union currency, the retransfer shall be effected under the terms of the payments agreement between France and Italy.
This rule shall not, however, apply for the time being to receipts realized in Turkey.
- (3) If payment is made in any other currency, the authorities of the exporting country having the majority participation shall, under the terms of the payments agreement between France and Italy, authorize the retransfer of the share accruing to the country having the minority participation.

In the case of a film produced on a basis of equal participation, the retransfer shall be authorized by the exporting country.

If a film is exported by the co-producer having the minority participation, the authorities of the country concerned shall give favourable consideration to the individual applications for retransfer that are submitted to them.

II. Contracts for the apportionment of receipts and markets shall in every case require the approval of the competent authorities of the two countries.

III. If, in respect of a co-production film in which foreign actors or technicians are employed, payments must be made in the currency of a third country, such payments shall be chargeable to the two co-producers in proportion to their respective contributions to the film.

IV. If one of the two countries, in accordance with the contract conditions approved by the authorities of the two countries, has effected payments in the currency of a third country for production purposes, the country which has advanced the currency in question shall, with a view to recovering that advance, have a prior claim on the receipts realized abroad by the film in that currency.

Article 8

(1) If a co-production film is exported to a country where film imports are subject to quota restrictions, the film shall as a rule be charged against the quota of the country having the majority financial participation.

(2) In the case of a film in which the two countries have participated on a basis of equality, the charge shall be made against the quota of the country having the better export opportunities.

In the event of difficulties, the film shall be charged against the quota of the country of which the director of the film is a national.

(3) If the films of one of the co-producing countries can enter the importing country without restriction, the benefit of this arrangement shall automatically apply to the co-production films on the same basis as the films of national origin.

Article 9

Upon release, co-production films shall bear the designation "Franco-Italian co-production" or "Italo-French co-production".

This designation shall appear as a separate title in the credits of each film and shall be included in the paid advertising relating to the exhibition of the film, in material relating to the showing of the film at artistic and cultural events — particularly international festivals — and in all communications concerning the film.

In case of disagreement between the co-producers, a film shall be entered for international festivals by the country having the majority financial participation.

A film in which the two countries have participated on an equal basis shall, in case of disagreement, be entered by the country of which the director of the film is a national.

Article 10

The authorities of the two countries shall give favourable consideration to the co-production of films of international quality by France, Italy and those countries with which they both have co-production agreements; the conditions for the treatment of these films as co-production films shall be examined separately in each case.

Article 11

During the period of validity of this Agreement, a Joint Commission, meeting alternately in Italy and France, shall be convened every six months on the initiative of the competent administrative authorities.

In the event, however, of the internal legislation of either country being substantially modified, an extraordinary session shall be convened within one month.

The French delegation shall be presided over by the Director-General of the French National Film Centre (Centre National de la Cinématographie en France).

The Italian delegation shall be presided over by the Director-General for Italian Theatre Arts. They shall be assisted by qualified officials and experts.

The duties of the Joint Commission shall be to examine and resolve any difficulties arising out of the application of this Agreement, to consider possible amendments thereto, and to propose conditions for its renewal.

In addition to the semi-annual sessions of the Joint Commission, the administrative authorities of either country may request the convening of an extraordinary session.

Article 12

The authorities of the two countries shall jointly determine the rules of procedure applicable to this Agreement.

This Agreement shall supersede the previous Agreement of 15 March 1955 except as regards the arrangements agreed upon by the competent administrative authorities of the two countries with a view to safeguarding the principle of equality as it relates to co-production films produced under the terms of the said previous Agreement.

The present Agreement shall come into force as from 1 November 1957 and shall remain in force until 31 October 1958.

The text of this Agreement shall be subject to approval by the two Governments.

Paris, 8 November 1957.

Nicola DE PIRRO
Director-General
for Italian Theatre Arts

J. FLAUD
Director-General
of the French National Film Centre