

No. 14177

**CANADA
and
ITALY**

**Film Co-production Agreement (with protocol). Signed at
Ottawa on 16 June 1970**

*Authentic texts: English, French and Italian.
Registered by Canada on 18 August 1975.*

**CANADA
et
ITALIE**

**Accord de coproduction cinématographique (avec pro-
tocolé). Signé à Ottawa le 16 juin 1970**

*Textes authentiques : anglais, français et italien.
Enregistré par le Canada le 18 août 1975.*

FILM CO-PRODUCTION AGREEMENT¹ BETWEEN CANADA AND ITALY

The Government of Canada and the Government of Italy, considering that the film industries of their respective countries could benefit from the co-production of films that, by their technical quality and artistic and entertainment value, would enhance the reputation and contribute to the economic expansion of the Canadian and the Italian cinema, are agreed as follows:

Article 1. Films co-produced and qualified under the present Agreement are considered to be national films by both countries.

Such films are by right entitled to the benefits resulting from the provisions in force or from those which may be decreed in each country.

These benefits accrue solely to the producer of the country that grants them.

Films to be co-produced by the two countries must be approved after consultation between the competent authorities of both countries:

- in Canada: by the Secretary of State, through the official body to be designated for this purpose, and
- in Italy: by the Ministry of Tourism and Entertainment through the Director General of Entertainment.

Article 2. In order to qualify for the benefits of co-production, the co-producers shall provide evidence that they have the necessary financial resources to bring the production to a successful conclusion.

If the scenario or the subject of the film so requires, location shooting, exterior or interior, in a country not participating in the co-production may be authorized.

Article 3. Co-producers shall employ creative and technical staff and production facilities from both countries, with the following exceptions:

Canadians normally resident and employed in Italy and Italians normally resident and employed in Canada may participate in co-productions only as citizens of their respective countries.

Should the film so require, the participation of performers who are not citizens of one of the co-producing countries may be permitted, but only in exceptional circumstances, and subject to agreement between the competent authorities of both countries. However, foreign performers who are normally resident and employed in Canada or Italy may, in exceptional circumstances, take part in co-production as residents of one or the other of the said countries.

Article 4. The respective contributions of the producers of the two countries may vary from thirty (30) to seventy (70) per cent for each film, the minority participation being not less than thirty per cent of the production cost of the film.

¹ Applied provisionally from 16 June 1970, the date of signature, in accordance with the provisions of the protocol of agreement, and came into force definitively on 4 July 1974, the date of the exchange of the instruments of ratification, which took place at Rome, in accordance with article 19 of the Agreement.

At yearly intervals, the competent authorities of both countries may agree jointly on a minimum budget for films qualifying for the benefits of co-production.

The minority co-producer shall be required to make an effective technical and creative contribution. In principle, the contribution of the minority co-producer in creative staff, technicians and actors shall be in proportion to his financial contribution and in any case his creative and technical contribution shall include at least one author, one technician, one performer in a leading role and one performer in a supporting role.

Departures of the provisions of the foregoing paragraph may be made jointly by the competent authorities of both countries, but a Canadian director or an Italian director shall be employed in any co-production.

Article 5. The parties to this Agreement look favourably upon the co-production of films meeting international standards by Canada, Italy and countries to which the said parties are respectively bound by co-production agreements.

The conditions of acceptance for such films shall be determined in each case.

The competent authorities of both countries shall determine each year the minimum budget for multilateral co-productions.

No minority contribution to such films shall be less than twenty (20) per cent of the budget. The creative and technical contributions shall conform to this percentage.

Article 6. There shall be an overall balance in the creative, technical and financial contributions of the co-producing countries.

This balance shall be subject to examination annually by the Joint Commission referred to in Article 18.

The balance of the various contributions shall also be examined by the aforementioned Joint Commission after the production of four films produced under the present Agreement. In the event that a meeting of the Joint Commission cannot be arranged, the competent authorities of both countries may jointly take such steps as would eventually be necessary to maintain the balance of the various contributions.

The balance of transfer payments shall also be checked annually; compensation for any imbalance should be arranged subsequently according to the regulations in force in each country.

Article 7. The co-production of short films shall be subject to authorization by the competent authorities of both countries upon examination of each case.

For the purpose of this Agreement, a short film means a film of which the subject matter is mainly of a cultural nature and the length of which exceeds 300 metres but does not exceed 1,600 metres in the case of 35 mm film; where the film width is other than 35 mm, the minimum and maximum lengths shall be adjusted proportionally.

Financial contributions to the co-production of short films shall be balanced. The conditions governing the balance of creative and technical contributions shall be determined jointly by the competent authorities of both countries at yearly intervals.

Article 8. Two negatives or at least one negative and one duplicate negative shall be made of all co-produced films. Each co-producer shall be the owner of a negative or duplicate negative and shall be entitled to make a further duplicate or prints therefrom. Moreover, each co-producer shall be entitled to use the original

negative in accordance with the conditions agreed upon between the co-producers themselves.

Two versions shall be made of any co-produced film; such versions may be either in English and in Italian or in French and in Italian.

Article 9. The two contracting parties shall facilitate the temporary entry and the re-export of any film equipment necessary for the production of films under this Agreement. Each contracting party shall permit the creative and technical staff of the other party to enter and reside on its territory, without any restriction, for the purpose of participating in the production of these films.

Article 10. The minority co-producer shall pay any balance outstanding on his contribution to the majority co-producer within sixty (60) days following delivery of all the materials required for the production of the version of the film in the language of the minority country.

Failure to meet this requirement shall entail the loss of the benefits of the co-production.

Article 11. Contract clauses providing for the sharing of markets and receipts between co-producers shall be approved by the competent authorities of both countries. Such distribution shall in principle be based on the percentage of the respective contribution of the co-producers to the production of each film.

Where a co-production contract provides for the pooling of markets, the receipts from each national market shall be paid into the pool only after the national investments have been recovered.

Premiums and financial benefits provided for in Article 1 of this Agreement shall not be pooled.

The transfers of funds resulting from the application of this Agreement shall be made in accordance with the provisions in force in this field in both countries.

Article 12. Contracts between co-producers shall clearly set out the financial liabilities of each in respect of the apportionment of:

- (a) preliminary expenditures on the preparation of a project;
- (b) expenditures on a project that has been approved by the competent authorities in both countries but that, in its finished form, does not meet the conditions governing such approval;
- (c) expenditures on a film co-produced under this Agreement but the showing of which is not permitted in one or the other of the two countries concerned.

Article 13. Approval of a proposal for the co-production of a film by the competent authorities of both countries is in no way binding upon them in respect of the granting of permission to show the film thus produced.

Article 14. Where a co-produced film is exported to a country that has quota regulations:

- (a) it shall normally be included in the quota of the country of the majority co-producer;
- (b) if the respective contributions of the co-producers are equal, it shall be included in the quota of the country that has the best opportunity of arranging for its exhibition;

- (c) if any difficulties arise, it shall be included in the quota of the country of which the director of the film is a national;
- (d) if one of the co-producing countries enjoys unrestricted entry of its films into the importing country, co-produced films shall by right be entitled to this free entry as in the case of its national films.

Article 15. All co-produced films shall be identified as Canadian-Italian or Italo-Canadian co-productions.

Such identification shall appear in a separate credit title, in all commercial advertising, whenever co-produced films are shown at artistic or cultural events and at international festivals.

Article 16. Co-produced films shall normally be entered in international festivals by the country of the majority co-producer.

Films produced on the basis of equal contributions shall be entered by the country of which the director is a national.

Article 17. The competent authorities of both countries shall jointly establish the rules of procedure for co-productions, taking into account the laws regulating the film industry in Italy and similar laws, both federal and provincial, in Canada.

Applications for qualification of a film for co-production benefits shall be filed, with the required supporting documents, in each case at least thirty (30) days before the commencement of shooting.

In principle, the competent authorities of the two countries shall notify each other of their decisions in reference to any such applications for co-production as soon as possible, but not necessarily within the aforementioned limit of thirty days.

Article 18. While this Agreement is in effect, a meeting of a Joint Commission shall be convened annually by the authorities referred to in Article 1, and shall be held in each country in alternate years.

The Canadian delegation shall be headed by a representative of the official body designated by the Secretary of State.

The Italian delegation shall be headed by a representative of the Ministry of Tourism and Entertainment.

The heads of delegations shall be assisted by officials and other persons with appropriate expert knowledge.

The Joint Commission shall be responsible for examining and solving difficulties arising out of the implementation of this Agreement, for considering possible amendments to the Agreement, and for recommending conditions governing its renewal.

Either administration may call a special session of the Joint Commission to be held in addition to the annual meeting. In the event of a major change in the internal legislation of either country, such a special session may be convened within a month.

Article 19. This Agreement shall come into force on the date of the exchange of the instruments of ratification and shall be valid for a period of one year.

It may be renewed from year to year by tacit agreement failing notice of termination in writing given by one of the contracting parties three months prior to its expiry.

DONE in two copies at Ottawa, this 16th day of June, 1970, in the English, French and Italian languages, all three texts being equally authentic.

FAIT à Ottawa, 16^e jour de juin, 1970, en deux exemplaires, chacun rédigé dans les langues anglaise, française et italienne, les trois textes faisant également foi.

FATTO ad Ottawa il 16 giugno, 1970, nelle lingue inglese, francese ed italiana, i tre testi facenti ugualmente fede.

For the Government of Canada:
Pour le Gouvernement canadien :
Per il Governo Canadese:

[Signed — Signé]¹

For the Government of Italy:
Pour le Gouvernement italien :
Per il Governo Italiano:

[Signed — Signé]²

¹ Signed by Mitchell Sharp—Signé par Mitchell Sharp.

² Signed by Alessandro Farace—Signé par Alessandro Farace.

PROTOCOL

At the time of signature for the Film Co-production Agreement between Canada and Italy, the contracting parties agreed that, although the Agreement will still come into force as stipulated in Article 19, it will apply provisionally as from today.

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