

**AGREEMENT ON FILM AND VIDEO CO-PRODUCTIONS  
BETWEEN  
THE GOVERNMENT OF CANADA  
AND  
THE GOVERNMENT OF THE CZECHOSLOVAK  
SOCIALIST REPUBLIC**

**Signed at Ottawa, March 25<sup>th</sup>, 1987**

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**THE GOVERNMENT OF CANADA AND THE GOVERNMENT OF THE  
CZECHOSLOVAK SOCIALIST REPUBLIC,**

**CONSIDERING** that it is desirable to establish a framework for the audiovisual relations and particularly for film and video co-productions;

**CONSCIOUS** that co-productions can contribute to the further expansion of the film and video production industries of both countries as well as to the development of their cultural and economic exchanges;

**CONVINCED** that these exchanges will contribute to the enhancement of relations between the two countries;

**HAVE AGREED AS FOLLOWS:**

**ARTICLE I**

- (1) For the purpose of this Agreement, the word "co-production" refers to projects irrespective of length or format including animation and documentaries, produced either on film, videotape or videodisc, for distribution in theatres, on television, videocassette, videodisc or any other form of distribution.
- (2) Co-productions undertaken under the present Agreement must be approved by the following competent authorities:  
  
In Canada:                    The Minister of Communications.  
  
In Czechoslovakia:        The Central Directorate of Czechoslovak Films.
- (3) These co-productions are considered to be national productions by and in the two countries. They are by right fully entitled to the benefits resulting from the legislation and regulation concerning the film and video industries which are 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.

**ARTICLE II**

In order to qualify for the benefits of this Agreement, co-productions must be undertaken by producers who have good technical organization, sound financial backing and recognized professional standing.

### **ARTICLE III**

- (1) The producers, the writers and the directors of co-productions, as well as technicians, performers and other production personnel participating in the production, must be Canadian or Czechoslovak, or permanent residents of Canada or residents in Czechoslovakia.
- (2) The term "permanent residents of Canada" mentioned in the preceding paragraph has the same meaning as in the provisions of the Canada Income Tax Regulations relating to certified productions, as they may be amended from time to time.
- (3) Should the co-production so require, the participation of one (1) performer other than those provided for in the first paragraph may be permitted, subject to approval by the competent authorities of both countries.

### **ARTICLE IV**

- (1) The proportion of the respective contributions of the co-producers of the two countries may vary from twenty (20) to eighty (80) per cent for each co-production.
- (2) Live action shooting and animation works, such as storyboards, layout, key animation, in between and voice recording, must be carried out alternately in Canada and in Czechoslovakia. Location shooting, exterior or interior, in a country not participating in the co-production may be authorized, if the script or the action so requires and if technicians from Canada and Czechoslovakia take part in the shooting.
- (3) 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 technicians and performers shall be in proportion to his investment. In all cases such contribution shall include the participation of not less than three technicians, one performer in a leading role and two performers in a supporting role. In exceptional circumstances, departures herefrom may be approved by the competent authorities of both countries.

### **ARTICLE V**

- (1) The competent authorities of both countries look favourably upon co-productions undertaken by producers of Canada, Czechoslovakia and

countries to which both Canada and Czechoslovakia are bound by co-production agreements.

- (2) The proportion of minority contributions to such co-productions shall not be less than twenty (20) per cent for each co-production.
- (3) The minority co-producers shall be obliged to make an effective technical and creative contribution.

#### **ARTICLE VI**

- (1) An overall balance must be achieved during the term of the present Agreement with respect to financial participation, as well as to the creative staff, technicians, performers and technical resources (studios and laboratories).
- (2) The Joint Commission referred to in Article XVII of the Agreement shall examine whether such a balance has been achieved, and shall decide what measures are necessary in order to correct any imbalance.

#### **ARTICLE VII**

Two copies of the final protection and reproduction material used in the production shall be made for all co-productions. Each co-producer shall be the owner of a copy of the protection and reproduction material and shall be entitled to use it to make the necessary reproductions. Moreover, each co-producer shall have access to the original production material in accordance with the conditions agreed upon between the co-producers.

#### **ARTICLE VIII**

- (1) The original sound track of each co-production shall be made in either English or French or Czech or Slovak. Double shooting in two of these languages may be made. Dialogue in other languages may be included in the co-production as the script requires.
- (2) Dubbing or subtitling of each co-production into English or French shall be carried out in Canada. Dubbing or subtitling of each co-production into Czech or Slovak shall be carried out in Czechoslovakia.
- (3) Moreover, the competent authorities of the two countries wish that dubbing or subtitling into English or French of each Czechoslovak production distributed and exhibited in Canada be carried out in that country and dubbing or subtitling into Czech or Slovak of each Canadian production distributed and exhibited in Czechoslovakia be carried out in that country

## **ARTICLE IX**

Subject to their legislation and regulations in force, Canada and Czechoslovakia shall facilitate the entry into and temporary residence in their respective territories of the creative and technical personnel dependent on the co-producer of the other country. They shall similarly permit the temporary entry and re-export of any equipment necessary for the co-production under this Agreement.

## **ARTICLE X**

Contract clauses providing for the sharing of markets and receipts between co-producers shall be subject to approval by the competent authorities of both countries. Such sharing shall in principle be based on the percentage of the respective contributions of the co-producers.

## **ARTICLE XI**

Approval of a co-production proposal by the competent authorities of both countries is in no way binding upon them in respect of the granting of licence to show the co-production.

## **ARTICLE XII**

Where a co-production is exported to a country that has quota regulations:

- (a) it shall in principle be included in the quota of the country of the majority co-producer;
- (b) it shall be included in the quota of the country that has the best opportunity of arranging for its export, if the respective contributions of the co-producers are equal;
- (c) it shall be included in the quota of the country of which the director is a national, if any difficulties arise.

## **ARTICLE XIII**

- (1) A co-production shall, when shown, be identified as a "Canada-Czechoslovakia co-production" or "Czechoslovakia-Canada co-production".
- (2) Such identification shall appear in a separate credit title, in all commercial advertising and promotional material and whenever this co-production is shown.

## **ARTICLE XIV**

Unless the co-producers agree otherwise, a co-production shall be entered at international festivals by the country of the majority co-producer or, in the event of equal financial participation of the co-producers, by the country of which the director is a national.

#### **ARTICLE XV**

The competent authorities of both countries shall jointly establish the rules of procedure for co-productions taking into account the legislation and regulations in force in Canada and Czechoslovakia. These rules of procedure are attached to the present Agreement.

#### **ARTICLE XVI**

No restrictions shall be placed on the import, distribution and exhibition of Czechoslovak film and video productions in Canada or of Canadian film and video productions in Czechoslovakia other than those contained in the legislation and regulations in force in each of the two countries.

#### **ARTICLE XVII**

- (1) The competent authorities shall examine the implementation of this Agreement as necessary in order to resolve any difficulties arising from its application. They shall recommend at need possible amendments with a view to developing film and video cooperation in the best interests of both countries.
- (2) A Joint Commission is established to look after the implementation of this Agreement. A meeting of the Joint Commission shall take place in principle once every two years and it shall meet alternately in the two countries. However, it may be convened for extraordinary sessions at the request of one or both competent authorities, particularly in the case of major amendments to the legislation or the regulations governing the film and video industries, or where the application of this Agreement presents serious difficulties.

#### **ARTICLE XVIII**

- (1) The present Agreement shall come into force on the day on which the contracting Parties have notified each other of the completion of their respective constitutional procedures.
- (2) It shall be valid for a period of three (3) years from the date of its entry into force; a tacit renewal of the Agreement for like periods shall take place unless one or the other country gives written notice of termination six (6) months before the expiry date. Co-productions in progress at the time of notice of termination of the Agreement by either Party, shall continue to benefit fully until

completion from the conditions of this Agreement. After expiry of the Agreement its terms shall continue to apply to the liquidation of receipts from completed co-productions.

**IN WITNESS WHEREOF** the undersigned, duly authorized by their respective Governments, have signed this Agreement.

**DONE** in duplicate at Ottawa this 25<sup>th</sup> day of March 1987 in the English, French and Czech languages, each version being equally authentic.

**Flora Mac Donald  
FOR THE GOVERNMENT  
OF CANADA**

**Jiri Purs  
FOR THE GOVERNMENT OF  
THE CZECHOSLOVAK  
SOCIALIST REPUBLIC**

## ANNEX

### **RULES OF PROCEDURE**

Application for benefits under this Agreement for any co-production must be made simultaneously to both administrations at least thirty (30) days before shooting begins. The administration of the country of which the majority co-producer is a national shall communicate its proposal to the other administration within twenty (20) days of the submission of the complete documentation as described below. The administration of the country of which the minority co-producer is a national shall thereupon communicate its decision within twenty (20) days.

Documentation submitted in support of an application shall consist of the following items, drafted in English or French in the case of Canada and in Czech or Slovak in the case of Czechoslovakia.

- I. The final script.
- II. A document providing proof that the copyright for the co-production has been legally acquired.
- III. A copy of the co-production contract signed by the two co-producers.

The contract shall include:

1. the title of the co-production;
2. the name of the author of the script, or that of the adaptor if it is drawn from a literary source;
3. the name of the director (a substitution clause allowing to provide for his replacement if necessary);
4. the budget;
5. the financing plan;
6. the distribution of receipts and markets;
7. the respective shares of the co-producers in any over or underexpenditure, which shares shall in principle be proportional to their respective contributions, although the minority co-producer's share in any overexpenditure may be limited to a lower percentage or to a fixed amount



providing that the minimum proportion permitted under Article IV of the Agreement is respected;

8. a clause recognizing that admission to benefits under this Agreement does not bind the competent authorities in either country to permit public exhibition of the co-production;
  9. a clause prescribing the measures to be taken where:
    - (a) after full consideration of the case, the competent authorities in either country refuse to grant the benefits applied for;
    - (b) the competent authorities prohibit the exhibition of the co-production in either country or its export to a third country;
    - (c) either party fails to fulfil its commitments;
  10. the period when shooting is to begin;
  11. a clause stipulating that the majority co-producer shall take out an insurance policy covering at least "all production risks" and "all original material production risks".
- IV. The distribution contract, where this has already been signed.
- V. A list of the creative and technical personnel indicating their nationalities and, in the case of performers, the roles they are to play.
- VI. The production schedule.
- VII. The detailed budget identifying the expenses to be incurred by each country.
- VIII. The synopsis.

The competent administrations of the two countries can demand any further documents and all other additional information deemed necessary.

In principle, the final shooting script (including the dialogue) should be submitted to the competent administrations prior to the commencement of shooting.

Amendments, including the replacement of a co-producer, may be made in the original contract but they must be submitted for approval by the competent administrations of both countries before the co-production is finished. The replacement of a co-producer may be allowed only in exceptional cases and for reasons satisfactory to both the competent administrations.

The competent administrations will keep each other informed of their decisions.