

AGREEMENT
BETWEEN
THE GOVERNMENT OF CANADA
AND
THE GOVERNMENT OF ISRAEL
CONCERNING FILM AND VIDEOTAPE PRODUCTION RELATIONS

Toronto, March 18th, 1985

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CONSCIOUS that co-production can contribute to the further expansion of the film and videotape production industries of both countries as well as to the development of cultural and technological exchanges between the two countries;

CONSIDERING that it is desirable to establish a framework for all audiovisual productions and particularly for the film and videotape co-productions;

CONVINCED that this cultural and economic co-operation will contribute to the enhancement of the relations between their two countries;

HAVE AGREED AS FOLLOWS:

ARTICLE I

For the purposes of this Agreement, the term "film and videotape co-productions" includes projects irrespective of length or format, produced either on film or videotape, for distribution in theatres, on television, on videocassette, on videodisc or any other form of distribution.

Film and videotape co-productions qualified under the present Agreement are by right fully entitled to the benefits resulting from the provisions concerning the film and videotape production industries which are in force or from those which may be decreed in each country.

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

Film and videotape co-productions to be co-produced by producers of the two countries must be approved, after consultation between the competent authorities of both countries:

In Canada: by the Minister of Communications or, if he so authorizes, the Canadian Film Development Corporation.

In Israel: by the Ministry of Industry and Trade, Israel Film Center.

ARTICLE II

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

Studio shooting must be carried out in either Israel or Canada. Location shooting, exterior or interior, in a country not participating in the co-production may be authorized, if the scenario or the subject of the film or videotape production so requires and if technicians from Canada and Israel take part in the shooting.

ARTICLE III

The film and videotape co-production must be made by Canadian or Israeli directors, or directors who are permanent residents in Canada or residents in Israel, with the participation of technicians and performers of Canadian or Israeli nationality, or permanent residents in Canada or residents in Israel.

The term "permanent resident of Canada" mentioned in paragraph 1 has the same meaning as in the provisions of the Canada Income Tax Regulations relating to certified productions, as amended from time to time.

Should the film and videotape co-production so require, the participation of performers other than those provided for in the paragraph 1 may be permitted, subject to agreement between the competent authorities of both countries.

ARTICLE IV

The proportion of the respective contributions of the co-producers of the two countries may vary from twenty to eighty (20-80) per cent for each film and videotape 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 investment. In all cases such contribution shall include the participation of not less than one writer, one technician, one performer in a leading role and one performer in a supporting role. In exceptional circumstances, departures herefrom may be made jointly by the competent authorities of both countries.

ARTICLE V

The contracting parties look favourably upon the film and videotape co-productions meeting international standards, by producers of Canada, Israel and countries to which either of the said parties is bound by co-production agreements.

The conditions of acceptance for such film and videotape co-productions shall be determined in each case.

No minority contribution to such film and videotape co-productions shall be less than twenty per cent of the budget.

ARTICLE VI

In principle, an overall balance must be achieved during the term of this agreement with respect both to participation by creative staff, technicians and performers, and to the financial and technical resources of both countries (studios and laboratories).

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 protection and reproduction material used in the production shall be made for all film and videotape 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 prints or copies. 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

Two versions may be made of each film and videotape co-production, one in English or French, the other in Hebrew. These versions may include dialogue in other languages as the script may require. The English and/or French version shall be made in Canada and the Hebrew version in Israel.

ARTICLE IX

Subject to its legislation and regulations in force, each contracting party shall facilitate the entry into and temporary residence in its territory of the creative and technical personnel of the other party. It shall similarly permit the temporary entry and re-export of any equipment necessary for the film and videotape 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 permission to show the film and videotape co-production.

ARTICLE XII

Where a film and television 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) 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 co-production is a national;
- (d) if Canada or Israel enjoys unrestricted entry of its productions into the importing country, film and videotape co-productions shall, like national productions, be entitled to full right of such unrestricted entry.

ARTICLE XIII

A film and videotape co-production shall when shown be identified as "Canada-Israel co-production" or "Israel-Canada co-production".

Such identification shall appear in a separate credit title, in all commercial advertising and promotional material and whenever this film and videotape co-production is shown.

ARTICLE XIV

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

ARTICLE XVI

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

Moreover, the contracting parties affirm their desire to foster by all available means the distribution in each of their respective countries of film and videotape productions from the other country.

ARTICLE XVII

The competent authorities shall examine the implementation of this Agreement as necessary in order to resolve any difficulties arising out of its application. They will consider possible amendments with a view to developing film and videotape production co-operation in the best interests of both countries.

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 videotape production industries, or where the application of the Agreement presents serious difficulties.

ARTICLE XVIII

Retroactive to October 1, 1984, 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 replacing the Agreement between Canada and Israel on Film Relations of March 29, 1978.

It shall be valid for a period of three 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 of the contracting parties gives notice of termination six (6) months before the expiry date. However, 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. Even after its expiry, the co-production Agreement shall

continue to apply to the liquidation of receipts from film and videotape co-productions under this agreement.

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

DONE in duplicate at Toronto, this 18th day of March 1985, which corresponds to the Hebrew date Twenty Fifth of Adar 5745 in the English, French and Hebrew languages, each version being equally authentic.

Marcel Masse

Yitzhak Shamir

FOR THE GOVERNMENT
OF CANADA

FOR THE GOVERNMENT
OF ISRAEL

ANNEX

RULES OF PROCEDURE

Application for co-production benefits for any film and videotape 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 fourteen (14) days.

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

- I. The final script.
- II. A document providing proof that the copyright for the film and videotape production adaptation has been legally acquired or, failing this, proof that a valid option has been obtained.
- III. The co-production contract (one signed copy and three certified copies).

The contract shall include:

1. The title of the film and videotape 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 permitted 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;
 8. A clause providing that admission to benefits under this Agreement does not bind the competent authorities in either country to permit public exhibition of the film and videotape production;
 9. A further 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 film and videotape production in either country or its export to a third country;
 - (c) either party fails to fulfill 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 negative 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 administration 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 film and videotape 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.