

**COMMON STATEMENT OF POLICY  
ON FILM, TELEVISION AND VIDEO CO-PRODUCTION  
BETWEEN CANADA AND JAPAN**

The representatives of the Government of Canada and of the Government of Japan met to discuss film, television and video coproduction between Canada and Japan.

Recalling the Cultural Agreement between the Government of Canada and the Government of Japan, signed at Tokyo on October 26, 1976 (hereinafter referred to as the "Agreement") which is playing a significant role in the promotion of understanding in each of their respective countries of the culture, history, institutions and general way of life of the other country, they shared the view that it was desirable to establish a framework for audio-visual relations and particularly for film, television and video co-productions.

They also shared the view that quality co-productions could contribute to the further development of cultural exchanges between Canada and Japan, and that these exchanges would contribute to the enhancement of relations between the two countries.

Based on the common recognition thus reached, they wished to record the following policy direction on film, television and video co-production:

1. For the purposes of this Statement:

(1) The term "co-production" means an audio-visual production, irrespective of length, including animation and documentary production, which is produced either on film, videotape or videodisc, or in any other format hitherto unknown, for exploitation in theatres, on television, videocassette, videodisc or by any other form of distribution, whether now known or to become known, and which is produced by Canadian producer(s) in conjunction with Japanese producer(s) or is produced by Canadian and Japanese producers in conjunction with producer(s) of a third country to which the Government of Canada or the Government of Japan is linked by an agreement or common policy similar to this Statement.

(2) The terms "Japanese producer", "Canadian producer" and "producer of a third country" respectively mean:

(a) an individual who possesses the nationality of Japan or is a permanent resident of Japan according to its relevant laws and regulations and owns or is a member of the board of directors of a production entity duly established in accordance with the relevant laws and regulations of Japan,

(b) an individual who is a citizen or a permanent resident of Canada according to its relevant laws and regulations and owns or is a member of the board of directors of a production entity duly established in accordance with the relevant laws and regulations of Canada, and

(c) an individual who possesses the nationality of that third country or is a citizen or a permanent resident of that third country according to its relevant laws and regulations and owns or is a member of the board of directors of a production entity duly established in accordance with the relevant laws and regulations of that third country.

2. It is the policy of the Government of Canada that a co-production be verified by the Secretary of State and Minister of Communications for Canada (hereinafter referred to as the "Competent Authority"). The Guidelines for Verification are shown in the ANNEX to this Statement and define a co-production which is eligible for the benefits referred to in paragraph 3 below. The Government of Canada notifies the Government of Japan of such verification.

3. It is the policy of the Government of Canada that every coproduction under this Policy verified in accordance with paragraph 2 be eligible for such benefits as may be accorded to any audio-visual production which has a significant national content of Canada, in accordance with the relevant laws and regulations of Canada.

4. The representatives of the two Governments may, when appropriate:

(a) review co-production activity between Canada and Japan; and

(b) exchange information and consult with each other in respect of any matter that may arise from or in connection with this Statement.

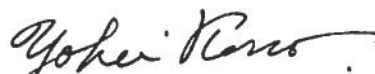
5. It is confirmed that nothing in this statement affects or will affect the rights and obligations of Canada or Japan under any existing or future international agreements to which Canada or Japan is, or may become, a party.

For Canada:



(Andre Ouellet )  
Minister of Foreign Affairs  
of Canada

For Japan:



(Yohei Kono )  
Minist for Foreign Affairs  
of Japan

July 20. 1994. Tokyo

ANNEX  
GUIDELINES FOR VERIFICATION

1. The financial participation of the minority co-producer(s) is not to be less than twenty percent (20%) of the total production budget.
2. An effective technical and/or creative contribution is made by both co-producers.
3. The producers, writer(s) and director(s) of the co-production, as well as the technicians, performers and other production personnel participating in the co-production are Canadian citizens or Japanese nationals, or permanent residents of Canada or Japan.
4. Should the co-production so require, the participation of performers other than those provided for in paragraph 3 above may be permitted subject to the approval of the Competent Authority.
5. Location shooting, exterior or interior, in a country not participating in the co-production may be authorized by the Competent Authority, if the script so requires and if technicians from Canada or Japan take part in the shooting.
6. The laboratory work is done in either Canada or Japan unless it is technically impossible to do so, in which case, the laboratory work in a country not participating in the co-production may be authorized by the Competent Authority.
7. The original soundtrack of the co-productions is made in either Japanese, English or French. Shooting in any two or in all of these languages is permitted. Dialogue in other languages may be included in the co-production as the script requires. The dubbing or subtitling of the co-production into Japanese, English or French will be carried out respectively in Canada or Japan. Any departures from this principle are subject to consent of the Competent Authority.
8. The sharing of revenues by the co-producers, is, in principle, proportionate to their respective contributions to the production financing. This sharing may consist of a proportionate sharing of revenues, markets, media, or a combination of these.
9. The co-production, when shown, is identified as a "Canada-Japan Co-production" in accordance with an agreement between co-producers; or where applicable, a co-production produced by Japanese and Canadian producers in conjunction with producer(s) of a third country to which the Government of Canada or the Government of Japan is linked by an agreement or common policy. In the latter case, it would be identified as a "Canada-Japan-(third country's name) Co-production" in accordance with the agreement between the co-producers.
10. For the purposes of administration in Canada, the Canadian co-producers shall comply with the Rules of Procedure for Canadian Producer attached to this ANNEX.

ANNEX  
FULES OF PROCEDURE FOR CANADIAN PRODUCER

- (1) Application for benefits under this note must be made to Telefilm Canada at least thirty (30) days before shooting begins.
- (2) Documentation submitted in support of an application consist of the following items:
  - (a) the final script;
  - (b) documentary proof that the copyright for the co-production has been legally acquired;
  - (c) a copy of the co-production contract signed by the two co-producers. The co-production contract includes:
    - (i) the title of the co-production;
    - (ii) the name of the author of the script, or that of the adapter if it is drawn from a literary source;
    - (iii) the name of the director (a substitution clause is permitted to provide for his replacement if necessary);
    - (iv) the budget;
    - (v) the financing plan;
    - (vi) a clause establishing the sharing of revenues, markets, media or a combination of these;
    - (vii) a clause recognizing that admission to benefits under this Arrangement does not constitute a commitment to permit public exhibition of the co-production;
    - (viii) the period and location of principal photography and post production;
    - (ix) a clause requiring the majority co-producer to take out an insurance policy covering at least "all production risks" and "all original material production risks";
    - (x) a clause providing for the sharing of the ownership of copyright on a basis to be established.
  - (d) the distribution contract, where this has already been signed;
  - (e) a list of the creative and technical personnel indicating their nationality or place of permanent residence and, in the ease of performers, the roles they are to play-
  - (f) the production schedule;
  - (g) the detailed budget identifying the expenses to be incurred by each country; and
  - (h) the synopsis.

- (3) Telefilm Canada may require such further documents and information as it deems necessary.
- (4) In principle, the final shooting script (including the dialogue) should be submitted to Telefilm Canada prior to the commencement of shooting.
- (5) Except as provided in the following paragraph, no fewer than two copies of the final protection and reproduction materials used in the production is made for the co-production. Each co-producer is the owner of one copy of the protection and reproduction materials and is entitled to use it, in accordance with the terms and conditions agreed upon by the co-producers, to make the necessary reproductions. Moreover, each co-producer has access to the original production material in accordance with those terms and conditions.
- (6) Where the co-production is exported to a country that has quota regulations, it is included either in the quota of the country:
  - (a) of the majority co-producer;
  - (b) that the best opportunity of arranging for its export, if the respective contributions of the producers are equal; or
  - (c) of which the director is a national, if any difficulties arise with the application of paragraphs (a) and (b) hereof.
- (<sup>7</sup>) Notwithstanding Paragraph 6, in the event that one of the co-producing countries enjoys unrestricted entry of its films into a country that has quota regulations, the co-productions is entitled as any other national production of that country of unrestricted entry into the importing country.
- (<sup>8</sup>) Where the co-production is selected in an international festival, it will represent the country:
  - (a) of the majority co-producer;
  - (b) of which the director is a national, should the respective contributions of the co-producers be equal.