

**AGREEMENT ON
FILM AND VIDEO CO-PRODUCTIONS
BETWEEN
THE GOVERNMENT OF CANADA
AND
THE FEDERAL EXECUTIVE COUNCIL OF THE ASSEMBLY
OF THE SOCIALIST FEDERAL REPUBLIC
OF YUGOSLAVIA**

(Serbia and Montenegro)

Montreal, February 11, 1988

**Treaty is in effect in: Croatia, Slovenia, Bosnia-Herzegovina,
Macedonia**

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**THE GOVERNMENT OF CANADA AND THE FEDERAL EXECUTIVE
COUNCIL OF THE ASSEMBLY OF THE SOCIALIST FEDERAL REPUBLIC OF
YUGOSLAVIA,**

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;

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

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

HAVE AGREED AS FOLLOWS:

ARTICLE 1

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 are considered to be national film and video productions in the two countries.
3. These co-productions are by right fully entitled to the benefits resulting from the legislation and regulations concerning the film and video industries which are in force or from those which may be decreed in each country.
4. These benefits accrue solely to the producer of the country that grants them.

5. Co-productions undertaken under the present Agreement by producers of the two countries must be approved by the following competent authorities:

In Canada: the Minister of Communications.

In the Socialist Federal Republic of Yugoslavia:

- 1) "Yugoslavia Film" Association of Film Production and Distribution Organizations and
- 2) Business Community of Broadcasting Organizations of Associated Labour "Yugoslavian Radio-Television".

ARTICLE 2

1. 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.
2. Live action shooting as well as animation works, such as storyboards, layout, key animation, inbetweens and voice recording, must be carried out in either Canada or the Socialist Federal Republic of Yugoslavia. 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 Yugoslavia take part in the shooting.

ARTICLE 3

1. The producers, the writers and the directors of co-productions, as well as the technicians, performers and other production personnel participating in the production, must be nationals or permanent residents of Canada or of the Socialist Federal Republic of Yugoslavia.
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. A permanent resident in the Socialist Federal Republic of Yugoslavia is a person permanently residing in the Socialist Federal Republic of Yugoslavia and properly registered in keeping with the regulations of the socialist republics and socialist autonomous provinces.

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 agreement between the competent authorities or organizations mentioned in Article 1 para. 5 of the present Agreement.

ARTICLE 4

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 of production costs for each co-production.
2. 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 at least one technician, one performer in a leading role and one performer in a supporting role. In exceptional circumstances, departures herefrom may be approved jointly by the competent authorities or organizations mentioned in Article 1 para. 5 of the present Agreement.

ARTICLE 5

1. The competent authorities or organizations mentioned in Article 1 para. 5 of the present Agreement look favourably upon co-productions undertaken by producers of Canada, the Socialist Federal Republic of Yugoslavia and countries to which both Canada and the Socialist Federal Republic of Yugoslavia 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 required to make effective technical and creative contribution.

ARTICLE 6

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 7

1. Two versions may be made of each co-production, one in English or in French, the other in one of the languages of the Yugoslav nation. Dubbed versions may also be made in other languages.
2. Dubbing or subtitling shall be carried out either in Canada or in the Socialist Federal Republic of Yugoslavia as chosen by agreement between the co-producers or, failing such agreement, by the majority co-producer. In this case, the minority co-producer is at liberty to prepare, at his own expense, the version for use in his home market.

ARTICLE 8

Subject to their legislation and regulations in force, Canada and the Socialist Federal Republic of Yugoslavia shall facilitate the entry into and temporary residence in their territories of the creative and technical personnel of each other's country. They shall similarly permit the temporary entry and re-export of any equipment necessary for the co-production under this Agreement.

ARTICLE 9

Contract clauses providing for the sharing of markets and receipts between co-producers shall be subject to approval by the competent authorities or organizations mentioned in Article 1 para. 5 of the present Agreement. Such sharing shall in principle be based on the percentage of the respective contributions of the co-producers.

ARTICLE 10

Approval of a co-production proposal by the competent authorities or organizations mentioned in Article 1 para. 5 of the present Agreement is in no way binding upon them in respect of the granting of license to show the co-production.

ARTICLE 11

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 with clauses a) and b).

ARTICLE 12

- 1. A co-production, when shown in Canada, shall be identified as a "Canada-Yugoslavia co-production" or as a "Yugoslavia-Canada co-production" when shown in the Socialist Federal Republic of Yugoslavia. In all other countries, the country of the majority co-producer shall be placed first.
- 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 13

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 14

The competent authorities or organizations mentioned in Article 1 para. 5 of the present Agreement shall jointly establish the rules of procedure for co-productions, taking into account the legislation and regulations in force in Canada and the Socialist Federal Republic of Yugoslavia. These rules of procedure are attached to the present Agreement. However any change to the rules of procedure require the consent of the competent authorities or organizations approving co-productions, as mentioned in Article 1 para. 5 of the present Agreement.

ARTICLE 15

No restrictions shall be placed on the import, distribution and exhibition of Yugoslav film and videotape productions in Canada or Canadian film and videotape productions in the Socialist Federal Republic of Yugoslavia other than those contained in the legislation and regulations in force in each of the two countries.

ARTICLE 16

1. An overall balance by the two countries must be achieved during the term of the present Agreement with respect to participation by creative staff, technicians and performers and to financial and technical resources (studios and laboratories).
2. The Competent authorities or organizations mentioned in Article 1 para. 5 of the present Agreement shall examine the implementation of this Agreement as necessary.
3. To achieve the objective outlined in para. 1, a Joint Commission is established to look after the implementation of this Agreement, to examine whether such a balance has been achieved and to decide what measures are necessary in order to correct any imbalance. The Joint Commission shall also recommend, at need, possible modifications of this Agreement with a view to developing film and video cooperation in the best interest of both countries.
4. The Joint Commission shall meet within six (6) months following a formal request by either Party.
5. The competent authorities or organizations mentioned in Article 1 para. 5 of the present Agreement shall each determine their respective membership on this Commission.

ARTICLE 17

1. The present Agreement shall come into force on the day the notes concerning its approval are exchanged in accordance with the national legislation of each of the two countries and shall provisionally be applied from the day it is signed.
2. 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 country gives 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 until all the conditions specified in this Agreement will be fulfilled. 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 Montreal this 11th day of February, 1988 in the English, French, Serbo-Croatian, Slovenian and Macedonian languages, each version being equally authentic.

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

**Nanad Kerkic
FOR THE FEDERAL EXECUTIVE
COUNCIL OF THE ASSEMBLY OF
THE SOCIALIST FEDERAL
REPUBLIC OF YUGOSLAVIA**

**RULES OF PROCEDURE ACCORDING TO ARTICLE XIV
OF THE AGREEMENT ON FILM AND VIDEO CO-PRODUCTION
BETWEEN
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AND
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SOCIALIST FEDERAL REPUBLIC OF YUGOSLAVIA**

The organizations responsible for administering the Rules of Procedure of the present Agreement shall be:

For Canada: the Minister of Communications as represented by Telefilm Canada.

For the Socialist Federal Republic of Yugoslavia:

- 1) "Yugoslavia Film" Association of Film Production and Distribution Organizations (responsible for cinematographic productions) and
- 2) Business Community of Broadcasting Organizations of Associated Labour "Yugoslavian Radio-Television" (responsible for television productions),

Hereinafter referred to as "organization".

Application for benefits under this Agreement for any co-production must be made simultaneously to both organizations at least thirty (30) days before shooting begins. The organization of the country of which the majority co-producer is a national shall communicate its proposal to the other organization within twenty (20) days of the submission of the complete documentation as described below. The organization 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 English or French, in the case of Canada, and in Serbo-Croatian or Slovenian or Macedonian in the case of the Socialist Federal Republic of Yugoslavia.

- I. The final script.
- II. A document providing proof that the copyright for the co-production has been legally acquired.

III. A signed copy of the co-production contract.

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 permitted to provide for his replacement if necessary);
4. production costs;
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 4 of the Agreement is respected;
8. a clause recognizing that admission to benefits under the present Agreement does not bind the competent authorities or organizations mentioned in Article 1 para. 5 of the present Agreement 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 or organizations mentioned in Article 1 para. 5 of the present Agreement in either country refuse to grant the benefits applied for;
 - b) the competent authorities or organizations mentioned in Article 1 para. 5 of the present Agreement 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 estimates of costs identifying the expenses to be incurred by each country.
 - VIII. The synopsis.

The organizations 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 organizations prior to the commencement of shooting.

Modifications, including the replacement of a co-producer, may be made in the original contract but they must be submitted for approval by the organizations 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 organizations.

The organizations will keep each other informed of their decisions.