

**AGREEMENT ON FILM AND VIDEO RELATIONS  
BETWEEN  
THE GOVERNMENT OF CANADA  
AND  
THE GOVERNMENT OF SWEDEN**

**Signed at Stockholm October 17, 1994**

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**THE GOVERNMENT OF CANADA AND THE GOVERNMENT OF SWEDEN,**

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

**CONSCIOUS** that quality co-productions can contribute to the development of the film and video 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 purposes of this Agreement, the words "film and video co-production" and "twinned co-productions", refer to projects irrespective of length or format including animation and documentaries, produced either on film, videotape or any other medium of production, 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 or, if he so authorizes, the Canadian Film Development Corporation (Telefilm Canada)  
  
In Sweden: Swedish Film Institute
3. These co-productions are considered to be national productions by and in each of the two countries. Subject to the national legislation and regulations in force in Canada and Sweden, co-productions are fully entitled to take advantage of the benefits available to the film and video industries or those that may be decreed in each country. These benefits accrue solely to the producer of the country that grants them.

## **ARTICLE II**

The benefits of the provision of this Agreement apply only to co-productions undertaken by producers who have good technical organization, sound financial backing and recognized professional standing.

## **ARTICLE III**

1. The producers must be nationals of Canada or Sweden or permanent residents of Canada or residents of Sweden. The writers and the directors of the co-productions, as well as technicians, performers and other production personnel participating in the production, must be nationals of Canada or Sweden or permanent residents of Canada and residents of Sweden. They can also be nationals of member states of the European Economic Area (EEA) provided that the participation of personnel from both Canada and Sweden is of obvious importance.
2. Should the co-production so require, the participation of performers 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 per cent (80%) of the budget for each co-production.
2. Location shooting, exterior or interior, in a country not participating in the co-production (i.e. other than Canada, Sweden or a member state of the EEA) may be authorized, if the script of the action so requires and if technicians from Canada, Sweden or a member state of the EEA take part in the shooting. The laboratory work shall be done in either Canada, Sweden or a member state of the EEA unless it is technically impossible.
3. The minority co-producer shall be required to make an effective technical and creative contribution. In principle, the creative and technical contribution should be proportionate to the investment of each co-producer; however, departures from this rule may be approved at the discretion of the competent authorities of both countries.

## **ARTICLE V**

For the present purposes, twinned co-productions means two film projects which together satisfy the following criteria:

- (i) the total production costs of each film must be approximately equal and normally there should be an overall balance in the respective financial contributions by the Swedish and Canadian co-producers.
- (ii) the films must belong to the same programme category, in either performing arts, fiction, documentary or animation, and be of approximately similar length; and
- (iii) the films must be in production either simultaneously or consecutively, provided, in the latter case, that no more than twelve (12) months shall elapse between the completion of the first twinned co-production and the commencement of the second such co-production.

#### **ARTICLE VI**

1. Both parties to this Agreement look favourably upon co-productions undertaken by producers of Canada, Sweden and countries to which Canada or Sweden is linked by co-production agreements.
2. The proportion of the minority contribution in these co-productions shall be not less than twenty (20%) percent for each co-production. The minority co-producer shall be required to make an effective technical and creative contribution.

#### **ARTICLE VII**

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. At the request of both co-producers and subject to the approval of the competent authorities in both countries, only one copy of the final protection and reproduction material may be made for low budget productions. In this case, the material would be kept in the country of the majority co-producer. Unless the co-producers agree otherwise, the other co-producer would have access to the material at all times.

#### **ARTICLE VIII**

1. The original sound track of each co-production shall be made in either English or French or Swedish. Double shooting in French and Swedish or English and Swedish may be made. Dialogue in other languages may be included in the co-production as the script requires.

2. The dubbing or subtitling of each co-production into French or English shall be carried out in Canada. The dubbing or subtitling of each co-production in Swedish shall be carried out in Sweden. Any departures herefrom must be approved by the competent authorities of both countries.

#### **ARTICLE IX**

Subject to their legislation and regulations in force, Canada and Sweden 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**

The sharing of the receipts should, in principle, be proportional to the total contribution of each of the co-producers. This sharing consists of either a sharing of receipts or a sharing of markets or a combination of both formulas.

#### **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 an exhibition licence to 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) if any difficulties arise with clause (a) and (b), it shall be included in the quota of the country that carries the most favourable arrangement for its export.

#### **ARTICLE XIII**

1. A co-production shall when shown be identified as a "Canada-Sweden co-production" or "Sweden-Canada co-production" depending upon the origin of the majority co-producer or in accordance with an agreement between co-producers.

2. Such identification shall appear in the credits, 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 Sweden.

#### **ARTICLE XVI**

1. During the term of the present Agreement, an overall balance shall be aimed for with respect to financial participation as well as creative personnel, technicians, performers, and technical resources (studio and laboratory), taking into account the respective characteristics of each country.
2. The competent authorities of both countries shall examine the terms of implementation of this Agreement as necessary in order to resolve any difficulties arising from its application. They shall recommend if necessary possible amendments with a view to developing film and video cooperation in the best interests of both countries.
3. A Joint Commission is established to look after the implementation of this Agreement. The Joint Commission shall examine if this overall balance has been achieved and, in case of the contrary, shall determine the measures deemed necessary to establish such a balance. A meeting of the Joint Commission shall take place in principle once every three 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 in one country or the other, or where the application of this Agreement presents serious difficulties. The Joint Commission shall meet within six (6) months following its convocation by one of the two Parties.

#### **ARTICLE XVII**

1. The present Agreement will be applied provisionally from the day of its signature. It shall come into force when each Party has notified the other that it has complied with all statutory and constitutional requirements for the entry into force of the Agreement.
2. It shall be valid for a period of one (1) year 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 party gives written notice of termination three (3) months before the expiry date.
3. Co-productions which have been approved by the competent authorities and which are in progress at the time of notice of termination of this Agreement by either Party, shall continue to benefit fully until completion from the provisions of this Agreement. Any unfulfilled obligations arising from its operation shall be fulfilled in accordance with the provisions of this Agreement and as though the Agreement, for those purposes, were still in full force and effect. After the expiry or termination of this Agreement, its terms shall continue to apply to the division of revenues from completed co-productions.
4. This Agreement may be amended by the Parties by written agreement.

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

**DONE** in duplicate at Stockholm, this 17<sup>th</sup> day of October 1994, in the English, French and Swedish languages, each version being equally authentic.

**FOR THE GOVERNMENT  
OF CANADA**

**FOR THE GOVERNMENT  
OF SWEDEN**

**AGREEMENT ON FILM AND VIDEO RELATIONS BETWEEN  
THE GOVERNMENT OF CANADA AND THE GOVERNMENT OF SWEDEN**

**RULES OF PROCEDURE**

- (1) Application for benefits under this Agreement must be made to the competent authorities (Telefilm Canada in Canada and the Swedish Film Institute in Sweden) at least thirty (30) days before the commencement of principal photography or principal animation.

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.

- (2) Documentation submitted in support of an application shall consist of:
- a) the final script;
  - b) proof that the copyright for the co-production has been legally acquired;
  - c) a copy of the co-production contract signed by the co-producers.

The co-production contract must include :

- (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 replacement if necessary);
- (iv) the budget;
- (v) the financial plan;
- (vi) a clause establishing the sharing of revenues, markets, media or a combination of those;



- (vii) a clause recognizing that admission to benefits under this Agreement does not constitute a commitment to permit public exhibition of the coproduction;
- (viii) the production and post-production schedule, indicating the period and location of all work;
- (ix) a clause requiring that the majority co-producer subscribe to 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;
- (xi) a clause establishing the respective shares of the co-producers in any over or underexpenditure;
- (xii) a clause prescribing the measures to be taken when either party fails to fulfill its commitments;

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 completed. The replacement of a co-producer may be allowed only in exceptional cases and for reasons satisfactory to both the competent administrations.

- (d) the distribution contract(s);
- (e) a list of the creative and technical personnel indicating their nationality or place of permanent residence and, in the case of performers, the roles they are to play;
- (f) the production and post-production schedule, indicating the period and location of all work;
- (g) the detailed budget identifying the expenses to be incurred by each co-producer;
- (h) a budget breakdown, indicating in what country the expenses are to be incurred;
- (i) the synopsis.

- (3) Telefilm Canada and the Swedish Film Institute may require such further documents and information as they deem necessary.
- (4) The final shooting script (including dialogue) should be submitted to Telefilm Canada and the Swedish Film Institute prior to the commencement of shooting.

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