

ANNEXRULES OF PROCEDURE

Applications for qualification of a film for co-production benefits must be filed, in principle simultaneously, to the competent administrations no less than thirty days prior to the commencement of shooting of the film.

Applications must be accompanied by the following documents in the English or French languages for Canada and in the Italian language for Italy:

- I. a detailed treatment;
- II. a document providing proof that the copyright of the film adaptation has been legally acquired or failing this a valid option;
- III. the co-production contract, subject to the approval of the competent administrations of the two countries.

This document must include:

1. the title of the film;
2. the name of the writer or of the person responsible for adapting the subject if it is drawn from a literary source;
3. the name of the director (a safety clause is permitted for his replacement, if necessary);
4. the amount of the budget;
5. the amount of the financial contributions of the co-producers;
6. the sharing of the receipts and markets;
7. the undertaking between the co-producers concerning their participation in any costs which exceed the budget or in the benefits from any savings in the production cost, proportionate to their respective participation. The participation in over-expenditure may be limited to 30% of the budget of the film;
8. a clause in the contract must provide that the admission of the film to the benefits of the agreement does not bind the competent authorities to permit the public exhibition of the film.

Under the circumstances, therefore, there must be a clause setting out the conditions of a financial settlement between the co-producers:

- (a) if the competent authorities of either country refuse the application following examination of the complete file;
- (b) if the competent authorities do not permit exhibition of the film in either country or in third countries;
- (c) if the financial contributions have not been made according to the terms of Article 8 of the Agreement;