## ANNEX

## **RULES OF PROCEDURE**

Application for benefits under this Agreement for any co-production must be made simultaneously to both administrations at least sixty (60) 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 English or French in the case of Canada and in Hungarian in the case of Hungary.

- I. A document providing proof that the copyright for the co-production has been legally acquired.
- II. A copy of the co-production contract signed by the co-producers. 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. the budget;
  - 5. the financing plan;
  - 6. the distribution of receipts and markets, subject to the legislation and foreign trading rules of the two countries;
  - 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 VIII of the Agreement is respected;