

A new Annex II shall be added as follows:

"Annex II:

TWINNED CO-PRODUCTION FILMS

1. Twinned co-production films:
  - (a) must belong to the same programme category or genre of film and be of approximately similar length; and
  - (b) must be in production either simultaneously or consecutively, provided, in the latter case, that no more than six months shall elapse between the completion of the first twinned co-production and the commencement of the subsequent such co-production.
2. One film of a twinned co-production must satisfy all conditions for it to be a New Zealand film in accordance with the relevant legislation in New Zealand; and the other film of a twinned co-production must satisfy all the conditions for it to be a Canadian film in accordance with the relevant legislation in Canada, or pursuant to the appropriate authority of the Canadian Radio-Television and Telecommunications Commission (CRTC).
3. The total production costs of each film must be approximately equal and there shall be an overall balance in the respective financial contributions made by the New Zealand and Canadian co-producers. The contributions of two or more co-producers from one country shall be aggregated for this purpose.
4. The provisions of Annex I, with the exception of clauses 4.1 and 4.3, shall apply to the provisions of this Annex.

If the foregoing is acceptable to the Government of Canada, I have the honour to suggest that this Note and your reply to that effect, which are equally authentic in English and French, shall constitute an Agreement between our two Governments amending their 1987 Agreement on Film and Video Relations, which shall enter into force on the date of your reply.