

3. Every co-production proposed under this Agreement shall be produced and distributed in accordance with the national legislation and regulations in force in Canada and Brazil;

4. Every co-production produced under this Agreement shall be considered to be a national production for all purposes by and in each of the two countries. Accordingly, each such co-production shall be fully entitled to take advantage of all benefits currently available to the film and video industries or those that may hereafter be decreed in each country. These benefits, however, accrue solely to the producer of the country which grants them.

ARTICLE II

The benefits of the provisions 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 proportion of the respective contributions of the co-producers of the contracting parties may vary from 20% (twenty per cent) to 80% (eighty per cent) of the budget for each co-production.

2. Each co-producer shall be required to make an effective technical and creative contribution. In principle, this contribution shall be in proportion to his investment.

ARTICLE IV

1. The producers, writers and directors of co-productions, as well as the technicians, performers and other production personnel participating in such co-productions, must be Canadian or Brazilian citizens, or permanent residents of Canada or Brazil.

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.