

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 2

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 3

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. 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 4

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 Icelandic citizens, or permanent residents of Canada or of Iceland.
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 5

1. Live action shooting and animation works such as storyboards, layout, key animation, in-betweening and voice recording must, in principle, be carried out either in Canada or in Iceland.
2. Location shooting, exterior or interior, in a country not participating in the co-production may, however, be authorized, if the script or the action so requires and if technicians from Canada and Iceland take part in the shooting.
3. The laboratory work shall be done either in Canada or in Iceland, unless it is technically impossible to do so, in which case the laboratory work in a country not participating in the co-production may be authorized by the competent authorities of both countries.

## ARTICLE 6

1. The competent authorities of both countries also look favourably upon co-productions undertaken by producers of Canada, Iceland and any country to which Canada or Iceland is linked by an Official Co-Production Agreement.