

## ARTICLE II

1. In order to qualify for the benefits of co-production, cinematographic productions must be undertaken by producers who have good technical organization, sound financial backing and recognized professional standing.

2. Studio shooting must be carried out in one or other of the countries participating in the co-production. If the script or action of the work so requires and if technicians from the two co-producing countries take part in the shooting, location shooting, exterior or interior, in a country not participating in the co-production, may be authorized.

## ARTICLE III

1. The directors of cinematographic productions, as well as technicians and performers participating in the production, must be nationals of France, or Canada, or the European Economic Community, or residents in France, or permanent residents of Canada.

2. The expression "permanent residents of Canada" mentioned in paragraph 1 has the same meaning as in the provisions of the Canada Income Tax Regulations relating to certified productions, as may be amended from time to time.

3. Should the cinematographic production so require, the participation of performers other than those provided for in paragraph 1 may be permitted, subject to agreement between the competent authorities of both countries.

## ARTICLE IV

1. The proportion of the respective contributions of the co-producers of the two countries may vary from twenty to eighty (20-80) per cent for each cinematographic production.

2. The minority co-producer shall be required to make an effective technical and creative contribution. In principle, the contribution of the minority co-producer in creative staff, technicians and actors shall be in proportion to his investment. In exceptional circumstances, departures herefrom may be made jointly by the competent authorities of both countries.

## ARTICLE V

1. The contracting parties look favourably upon the cinematographic co-production meeting international standards by Canada, France and countries to which either of the said parties is bound by co-production agreements.

2. The conditions of acceptance for such cinematographic productions shall be determined in each case.

3. No minority contribution to such cinematographic productions shall be less than twenty (20) per cent of the budget.