

ANNEXRULES OF PROCEDURE

Application for benefits under this Agreement for any co-production must be made simultaneously to both administrations at least thirty (30) 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 twenty (20) days.

Documentation submitted in support of an application shall consist of the following items:

- I. the final script;
- II. documentary proof that the copyright for the co-production has been legally acquired or, failing that, that a valid option has been granted;
- III. a copy of the co-production contract signed by the two co-producers. The contract shall include:
 1. the title of the audiovisual co-production;
 2. the script;
 3. the name of the author of the script, or that of the adaptor if it is drawn from a literary source;
 4. the name of the director (a substitution clause is permitted to provide for his/her replacement if necessary);
 5. the detailed budget explaining the expenses to be incurred in the respective countries of the co-producers;
 6. the financing plan;
 7. a clause establishing the sharing of revenues, markets, media or a combination of these;
 8. the participation of each co-producer in any eventual budgetary over- or underexpenditures is, in principle, proportional to the co-producers' respective contributions. However, the minority co-producer's participation in overexpenditures can be limited to a lower percentage or to a fixed amount, on the condition that the minimum proportion set out in Article VI of the Agreement is respected;
 9. the division of copyright ownership between the co-producers;
 10. a clause providing for the division of copyright ownership in proportion to the respective financial contributions of the co-producers;
 11. a clause recognizing that admission to benefits under this Agreement does not constitute a commitment that government authorities in either country will grant a licence to permit public exhibition of the co-production;
 12. a clause prescribing the measures to be taken where:
 - a) after full consideration of the case, the competent authorities in either country refuse to grant the benefits applied for;
 - b) the competent authorities prohibit the exhibition of the co-production in either country or its export to a third country; and
 - c) either party fails to fulfill its commitments.