

2. The term “permanent residents of Canada” mentioned in the preceding paragraph has the same meaning as in the provisions of the Canada Income Tax Regulations relating to certified productions, as they may be amended from time to time. If these stipulations are altered, the authority of Canada must so notify the authority of the People’s Republic of China and the stipulation in this Agreement will be modified accordingly through mutual agreement.

3. If the services of non-Canadian or non-Chinese citizens or non-permanent residents are needed for a co-production, prior permission shall be obtained from both countries’ authorities.

#### ARTICLE 6

The authority of Canada and the authority of the People’s Republic of China endorse co-operation between producers of the two countries, as well as co-operation by either side with producers, studios or companies of other countries with which it has co-production agreements.

#### ARTICLE 7

Both Canada and the People’s Republic of China shall be responsible for handling entry and short-stay procedures for producers, writers, directors, technicians, actors and other personnel of the other side prescribed in each co-production contract, in accordance with current laws and regulations. Both countries also approve of the incoming and outgoing of equipment needed on a short-term basis for the co-production.

#### ARTICLE 8

1. The proportion of funding assumed by producers, studios or companies of either country in a co-production project may range from 15 per cent to 85 per cent, depending on mutual consultations.

2. The shooting and the preparation of animated films, including the shooting of scenes and settings and the preparation of initial frames and sequential frames of animated films and sound recordings, shall be completed in the two countries.

3. If the script so requires, location of exterior shots may, on approval by both authorities, take place in a third country that is not part of the co-production if both Canadian and Chinese producers and technicians take part in the shooting.

#### ARTICLE 9

Upon completion of production, a co-produced film shall be approved by the authorities before the release of prints.

#### ARTICLE 10

A co-produced film shall have two answer prints, two dupe positives, with two international sound tracks for making copies. Each co-producer shall own one answer print, one dupe positive and one international sound track and have the right to make copies. Moreover, with the approval of the co-producers, either co-producer may use footage from the above-mentioned material for other purposes. Furthermore, each co-producer shall have access to the original production material in accordance with the conditions agreed upon between the co-producers.