

**AGREEMENT BETWEEN
THE GOVERNMENT OF CANADA
AND
THE RUSSIAN FEDERATION
CONCERNING AUDIO-VISUAL RELATIONS**

Signed, October 5th, 1995

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**THE GOVERNMENT OF CANADA AND THE GOVERNMENT OF THE
RUSSIAN FEDERATION,**

CONSIDERING the importance of developing and strengthening the good relations and broadening understanding between the Russian and Canadian people in the spirit of friendship and co-operation;

PROCEEDING from the USSR-Canada General Exchanges Agreement of October 20, 1971;

CONVINCED that it is desirable to develop these exchanges, particularly in the audio-visual field;

CONSCIOUS that such co-operation can contribute to the further expansion of the audio-visual industries of both countries as well as to the development of their cultural and economic exchanges;

HAVE AGREED to develop between the Russian Federation and Canada exchanges in the audio-visual field as follows:

ARTICLE I

The two parties shall expand and strengthen their co-operation and exchanges in the audio-visual field in accordance with the national legislation and the regulations in force in each country.

AREAS OF CO-OPERATION

ARTICLE II

The Protocol concerning audio-visual co-production is an integral part of the present Agreement and is annexed to the Agreement.

In the development of the present Agreement, other protocols may be signed which, by mutual consent, shall form an integral part of the Agreement.

It is recognized that the words "audio-visual works" refer to productions, irrespective of length, produced either on film, videotape or any other medium of image and sound reproduction, for exploitation in theatres, on television, videocassette, videodisc or by any other form of distribution.

ARTICLE III

Each party shall encourage practical measures aimed at increasing the purchase and distribution of audio-visual works of each country and shall encourage the showing of these works in its territory in order to reach the greatest possible number of viewers.

ARTICLE IV

Each party shall encourage the participation of Canadian delegations and the screening of Canadian films in international film festivals in the Russian Federation and of Russian delegations and the screening of Russian films in international film festivals in Canada.

ARTICLE V

Each party shall encourage the organization of premieres and days of Canadian films in Russia and of premieres and days of Russian films in Canada.

ARTICLE VI

Each party shall encourage the exchange of specialists and trainees representing the audio-visual industries as well as the exchange of information in this field.

ARTICLE VII

Each party shall encourage co-operation between appropriate Canadian and Russian film institutes and organizations. They may also encourage the establishment of Russian-Canadian cinematographic joint venture companies.

ARTICLE VIII

Each party shall encourage exchanges of documentation in the audio-visual field between libraries, archives and other appropriate institutions in Canada and in the Russian Federation, on the basis of reciprocity and in accordance with the laws and regulations in force in each country.

GENERAL PROVISIONS

ARTICLE IX

The Rules of Procedure and the financial terms for each area of co-operation identified in Articles 2 to 8 shall be determined by mutual consent.

ARTICLE X

Each party shall facilitate the circulation and temporary residence in their territory of personnel involved in the application of Articles 2 to 8. They shall similarly permit the temporary entry and re-export of any equipment necessary for the application of the above Articles.

ARTICLE XI

The two parties shall establish a Joint Russian-Canadian Commission on Audio-Visual Relations which is responsible for examining the terms and conditions and the implementation of this Agreement, resolving any difficulties that may arise and recommending the modifications intended to develop co-operation for the common good of both countries.

During the term of the present Agreement, a meeting of this Commission shall take place as required, alternating between the Russian Federation and Canada.

The Russian part of the Joint Commission shall be headed by a representative of the Committee of the Russian Federation for Cinematography; the Canadian part of the Joint Commission shall be headed by a representative of the Department of Canadian Heritage.

ARTICLE XII

On the entry into force of the present agreement, the agreement between the Government of Canada and the Government of the Union of Soviet Socialist Republics concerning audio-visual relations (with its Protocol) signed in Moscow on November 20, 1989, shall cease to have force as between Canada and the Russian Federation.

ARTICLE XIII

The present Agreement will enter into force on the day of its signature.

It shall remain in force for a period of three (3) years. A tacit renewal of the Agreement for like periods shall take place unless one or the other party gives written notice of termination six (6) months before the expiry date.

DONE in duplicate at, this day of 1995, in the English, French and Russian languages, each version being equally authentic.

**FOR THE GOVERNMENT OF
THE RUSSIAN FEDERATION**

**FOR THE GOVERNMENT
OF CANADA**

The benefits arising out of this Protocol apply only to audio-visual co-productions undertaken by producers who have good technical organization, sound financial backing and recognized professional standing.

As a general principle, each co-producer working under the terms of this Protocol shall undertake to ensure that payment for any technical and creative services engaged in the course of the co-production is rendered in a prompt and appropriate manner.

ARTICLE IV

A co-production shall require contributions from each co-producer in the form of creative and technical participation and provision of services and material.

ARTICLE V

Co-production contracts entered into by the co-producers in both countries, pursuant to this Protocol, shall specify the nature of the film to be co-produced and the respective contributions of each of the parties, including the sharing of copyright, the creative and technical participation, the provision of services and the equipment and materials for filming and exhibition.

The Rules of Procedure (annexed hereto) are jointly established by the competent authorities of the two countries; they may be amended, if necessary, during the meeting of the Joint Commission or by the exchange of letters.

Applications for benefits under this Protocol for any audio-visual co-production shall be made to the competent national authorities in accordance with the Rules of Procedure.

ARTICLE VI

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

The minority co-producer shall be required to make an effective technical and creative contribution. In principle, this contribution shall be in proportion to his investment and should comprise the participation of not less than three technicians, one performer in a leading role and two performers in a supporting role. Any departure herefrom must be approved by the competent authorities of both countries.

ARTICLE VII

Two copies of the final protection and reproduction material shall be made for all co-productions. Each co-producer shall be the owner of a copy of the protection and reproduction material and shall be entitled to use it to make the necessary reproductions. Moreover, each co-producer shall have access to the original production material in accordance with the conditions agreed upon by the co-producers.

Subject to the mutual agreement of both co-producers and the approval of the competent authorities in both countries, only one copy of the final protection and reproduction material may be made for low budget productions. In this case, the material will ordinarily be kept in the country of the majority co-producer. The minority co-producer shall have access to the material at all times.

ARTICLE VIII

Location shooting in a country not participating in the co-production may be authorized, if the script or the action so requires and if technicians from Canada and the Russian Federation take part in the shooting. The laboratory work shall be done in either Canada or the Russian Federation, unless it is technically impossible.

Studio shooting and animation works such as storyboards, layout, key animation, inbetweens, and noise, music and voice recording must, in principle, be carried out alternately in Canada and the Russian Federation.

ARTICLE IX

The original sound track of each co-production shall be made in either English or French or Russian. Double shooting in any two, or in all of these languages may be made. Dialogue in other languages may be included in the co-production as the script requires.

The dubbing or subtitling of each co-production into English, French or Russian shall be carried out in Canada or the Russian Federation. Any departure herefrom must be approved by the competent authorities of both countries.

ARTICLE X

The producers, writers and directors, as well as the performers, technicians and other production personnel participating in the co-production, must be nationals or permanent residents of Canada or nationals or permanent residents of the Russian Federation.

Should the co-production so require, the participation of performers other than those provided for in the first paragraph of this Article may be permitted, subject to

approval by the competent authorities of the two countries. In exceptional circumstances, departures other than those mentioned above may be permitted.

ARTICLE XI

The sharing of receipts should, in principle, be proportional to the total contribution of each of the co-producers and shall be subject to approval by the competent authorities of both countries. This sharing consists of either a sharing of receipts or a sharing of markets or a combination of both formulas that takes into account the difference in the volume existing between the markets of the signing countries.

ARTICLE XII

Where a co-production is exported to a country that has quota regulations:

- a) it shall in principle be included in the quota of the country of the majority co-producer;
- b) if the respective contributions of the co-producers are equal, it shall be included in the quota of the country that has the best opportunity of arranging for its export;
- c) if any difficulties arise with respect to the application of paragraphs (a) and (b), it shall be included in the quota of the country of which the director is a national;
- d) if one of the co-producing countries enjoys unrestricted entry of its audio-visual productions into the importing country, co-productions shall, like national productions, be entitled by full right to such unrestricted entry.

ARTICLE XIII

Credits, promotional films and advertising for co-productions shall identify the films as Canada-Russia co-productions when the majority co-producer is Canadian and as Russia-Canada co-productions when the majority co-producer is Russian. It is understood that credits shall be given equal treatment by each party.

ARTICLE XIV

Unless otherwise agreed upon by the competent authorities, audio-visual co-productions shall be entered in international festivals by the country of the majority co-producer.

ARTICLE XV

The competent authorities of both countries look favourably upon co-productions undertaken by producers of Canada, the Russian Federation and countries with which Canada or the Russian Federation is linked by a co-production agreement.

The proportion of the contribution by the co-producer of the third country shall be not less than twenty (20) percent of the budget for each co-production.

The minority co-producers shall be obliged to make an effective technical and creative contribution.

ARTICLE XVI

No restrictions shall be placed on the import, distribution and exhibition of Russian audio-visual works in Canada or Canadian audio-visual works in the Russian Federation other than those contained in the legislation and regulations in force in each of the two countries.

ARTICLE XVII

Should difficulties arise with regard to any aspect of this Protocol, such matters shall be referred to the competent authorities of each country for timely resolution.

ARTICLE XVIII

Approval of a co-production proposal by the competent authorities of both countries is in no way binding upon them in respect of the granting of a licence to show the co-production.

ARTICLE XIX

During the term of the present Protocol, an overall balance shall be sought with respect to financial participation as well as creative personnel, technicians, performers and resource technicians (studio and laboratory), taking into account the respective characteristics of each country.

The Joint Commission established under Article 11 of the Agreement shall examine if the overall balance sought has been achieved.

ARTICLE XX

This Protocol is an integral part of the Agreement between the Governments of Canada and the Russian Federation concerning audio-visual relations.

- 3) the name of the director (a substitution clause is permitted to provide for his replacement if necessary);
- 4) the budget;
- 5) the financing plan;
- 6) the distribution of receipts or markets;
- 7) the respective shares of the co-producers in any over or underexpenditure, which shares shall in principle be proportional to their respective contribution, although the minority co-producer's share in any overexpenditure may be limited to a lower percentage or to a fixed amount providing that the minimum proportion permitted under Article VI of the Protocol is respected.
- 8) a clause recognizing that admission to benefits under this Protocol does not bind the competent authorities in either country to permit public exhibition of the co-production;
- 9) 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;
 - (c) either party fails to fulfil its commitments;
- 10) the period when shooting is to begin; and
- 11) a clause stipulating that the majority co-producer shall take out an insurance policy covering at least "all production risks" and "all original material production risks"; and
- 12) the sharing of copyright.

IV. The distribution contract, where this has already been signed.

V. A list of the creative and technical personnel indicating their nationalities and, in the case of performers, the roles they are to play.

VI. The production schedule.

VII. The detailed budget identifying the expenses to be incurred by each country.

VIII. The synopsis.

The administrations of the two countries may demand any further documents and all other additional information deemed necessary.

In principle, the final shooting script (including the dialogue) should be submitted to the administrations prior to the commencement of shooting.

Amendments, including the replacement of a co-producer, may be made in the original contract, but they must be submitted for approval by the administrations of both countries before the co-production is finished. The replacement of a co-producer may be allowed only in exceptional cases and for reasons satisfactory to both the administrations.

The administrations will keep each other informed of their decisions.