

**AGREEMENT BETWEEN
THE GOVERNMENT OF CANADA
AND
THE GOVERNMENT OF SPAIN
CONCERNING CINEMATOGRAPHIC RELATIONS**

Madrid, January 14th, 1985

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THE GOVERNMENT OF CANADA AND THE GOVERNMENT OF SPAIN,

CONSIDERING that it would be in the interest of the film industries of their respective countries firstly to encourage the co-production of films that would enhance the reputation and contribute to the economic expansion of the Canadian and the Spanish cinema, and secondly to foster the exchange of films between their two countries,

HAVE AGREED AS FOLLOWS:

ARTICLE I

- (1) Films co-produced and qualified under the present Agreement are, by right, fully entitled to the benefits resulting from the provisions concerning the film industry which are in force or from those which may be decreed by each country.
- (2) These benefits accrue solely to the producer of the country that grants them.
- (3) Films to be co-produced by the two countries must be approved by both countries, after consultation between the competent authorities:

In Canada: by the Minister of Communications or, if he so authorizes, the Canadian Film Development Corporation.

In Spain: by the Director General of Cinematography.

ARTICLE II

- (1) In order to qualify for the benefits of co-production, films 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 films 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 films must be made by Canadian or Spanish directors or directors who are permanent residents of Canada or residents in Spain, with the participation of technicians and performers of Canadian or Spanish nationality, or permanent residents of Canada or residents in Spain.
- (2) If the film so requires, the participation of performers of recognized international stature who are not citizens of one of the co-producing countries may be permitted for the leading role, subject to agreement between the competent authorities of both countries. Foreign performers who are normally resident and employed in Canada or Spain may take part in co-production as residents of one or the other of the said countries.
- (3) 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, and as these may be amended from time to time.
- (4) When an individual is a national of both Canada and Spain, the nationality corresponding to his habitual residence shall prevail or, failing that, the last nationality acquired.

ARTICLE IV

- (1) The proportion of the respective contributions of the co-producers of the two countries may vary from twenty (20) to eighty (80) per cent for each film. The financial participation of the Spanish co-producer to the Canadian participation shall not be more than thirty (30) per cent of the total Spanish contribution.
- (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. Creative staff includes the author of the story and the scriptwriter, the director, the music composer, the editor, the director of photography and the art director. In all cases, this contribution must include the participation of two of the above mentioned creative staff, one performer in a leading role and one performer in a supporting role. In exceptional circumstances, departures herefrom may be made through agreement between the competent authorities of both countries.

ARTICLE V

Two films, having comparable budgets, to be produced, within a pre-approved time frame, by the same co-producers in the two countries, may qualify for the benefits of co-production although the technical and creative contribution of the majority co-producer exceeds eighty (80) per cent. Approval by both countries for the two films together must be obtained simultaneously both before and after shooting.

ARTICLE VI

- (1) The contracting parties look favourably upon the co-production of films meeting the international standards subscribed to by Canada and Spain with other countries to which either of the said parties is bound by co-production agreements.
- (2) The budget for such films shall not be less than 60 million pesetas or an equal amount in Canadian dollars, or as the competent authorities may determine each year.
- (3) No minority contribution to such films shall be less the twenty (20) per cent of the budget.

ARTICLE VII

- (1) An overall balance must be achieved with respect to both participation by creative staff, technicians and performers, and to the financial and technical resources of both countries (studios and laboratories).
- (2) The Joint Commission referred to in Article XIX of the Agreement shall determine whether such a balance has been achieved, and shall decide what measures are necessary in order to correct any imbalance.

ARTICLE VIII

- (1) For the purposes of this Agreement, the term "film" includes films of any length or technical medium, including fiction, animated productions and documentaries, produced in accordance with the provisions pertaining to the cinematographic industry in each country, for primary distribution to theatres in both countries.
- (2) The total cost of feature films shall not be less than 50 million pesetas, in principle, or equal amount in Canadian dollars, or as the competent authorities may determine each year.
- (3) The term feature film shall be used to designate a film no less than 1,600 meters (5,200 feet) in length in the case of 35 mm. film or the corresponding length in the case of other sizes.

ARTICLE IX

- (1) Two negatives or one negative and one duplicate negative shall be made of all co-produced films. Each co-producer shall be the owner of a negative or duplicate negative and shall be entitled to make further duplicates or prints therefrom. Moreover, each co-producer shall be entitled to use the original negative in accordance with the conditions agreed upon between the co-producers.
- (2) Each producer must make the copies required for his home market in a laboratory of his country. Any departure herefrom must be justified by technical reasons and approved by the competent authorities of the two countries.
- (3) Two versions must be made of each film, one in Spanish and one in English or French. These versions may include dialogue in other languages as the script may require. The English or French version shall be made in Canada and the Spanish version in Spain.

ARTICLE X

The films produced under the present Agreement shall be based upon scripts held to be of quality and artistic value in the opinion of the competent authorities of the two countries.

ARTICLE XI

- (1) Subject to legislation and regulations in force, each contracting party shall facilitate the entry into and temporary residence in its territory of the creative and technical personnel of the other party. They shall similarly permit the temporary entry and re-export of any film equipment necessary for the production of films under this Agreement.
- (2) They shall also facilitate financial arrangements for payments, including possible future accounts payable relating to the film co-production, subject to regulations in force in each country.

ARTICLE XII

Contract clauses providing for the sharing of markets and receipts between co-producers shall be subject to approval by the competent authorities of both countries. Such sharing shall in principle be proportional to the respective contributions of the co-producers.

ARTICLE XIII

Approval of a proposal for the co-production of a film by the competent authorities of both countries is in no way binding upon them in respect of the granting of permission to show the work thus produced.

ARTICLE XIV

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

- (a) it shall, in principle, be included in the quota of the county 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, 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 cinematographic productions into the importing country, co-produced works shall, like national cinematographic productions, be entitled to full right of such unrestricted entry.

ARTICLE XV

- (1) A co-produced film shall, when shown, be identified as a "Canada-Spain co-production" or "Spain-Canada co-production".
- (2) Such identification shall appear in a separate credit title, in all commercial advertising, and whenever co-produced films are shown at artistic or cultural events and at international festivals.
- (3) In no case shall a film produced under this Agreement be advertised as the production of a single country.

ARTICLE XVI

- (1) Co-produced films shall normally be entered in international festivals by the country of the majority co-producer.
- (2) Films produced on the basis of equal financial contributions shall be entered by the country of which the director is a national.

ARTICLE XVII

The competent authorities of both countries shall jointly establish the rules of procedure for co-productions, taking into account the legislation and regulations in force in Spain and Canada.

ARTICLE XVIII

- (1) No restrictions shall be placed on the import, distribution and exhibition of Spanish films in Canada or Canadian films in Spain other than those contained in the legislation and regulations in force in the two countries.
- (2) Moreover, subject to legislation and regulations in force, the contracting parties affirm their desire to foster by all available means the distribution in each of their respective countries of films from the other country.

ARTICLE XIX

- (1) The competent authorities will examine the implementation of this Agreement as necessary in order to resolve any difficulties arising out of its application. They will consider possible amendments with a view to developing cinematographic co-operation in the best interests of both countries.
- (2) A meeting of a Joint Cinematographic Commission will take place in principle once every two years and it will meet alternately in the two countries. However, it may be convened for extraordinary sessions at the request of one or both competent authorities, particularly in the case of major amendments to the legislation or the regulations governing the film industry, or where the application of the Agreement presents serious difficulties.

ARTICLE XX

- (1) The present Agreement shall enter into force on the date on which both Governments notify each other by diplomatic note of the accomplishment of the procedures required for this purpose.
- (2) It shall be valid for a period of three years from the date of its coming into force; a tacit renewal of the Agreement for like periods shall take place, unless one or the other of the contracting parties gives notice of termination six (6) months before the expiry date. However, co-productions in progress at the time of notice of termination of the Agreement by either party, shall continue to benefit fully until their completion from the conditions of the Agreement. Even after its expiry, the Co-production Agreement shall continue to apply to the liquidation of receipts from films co-produced under this Agreement.

Signed in Madrid, on January the 14th 1985, in original triplicate in English, in French and in Spanish, each version being equally authentic.

For the Spanish part

For the Canadian part

**The Minister of Culture
Mr. Javier Solana Madariaga**

**The Minister of Communications
Mr. Marcel Masse**

**FOR THE SPANISH
GOVERNMENT**

**FOR THE CANADIAN
GOVERNMENT**