

**FILM CO-PRODUCTION AGREEMENT  
BETWEEN THE GOVERNMENT OF THE ITALIAN REPUBLIC  
AND THE GOVERNMENT OF THE FEDERATIVE REPUBLIC OF BRAZIL**

The Government of the Italian Republic

and

The Government of the Federative Republic of Brazil  
(hereinafter referred to as the "Parties"),

Seeking to enhance cooperation between their two countries in the film sector;

Desirous of expanding and facilitating film co-productions, which may be conducive to the development of the film and audiovisual industries of both countries and to the expansion of cultural and economic exchanges between them;

Being convinced that these exchanges will contribute to the enhancement of relations between the two countries,

Have agreed as follows:

**ARTICLE 1  
Definitions**

For the purpose of this Agreement:

"Co-production Film" means a feature film for the purposes of the relevant legislation both in Italy and Brazil, regardless of its format, including fiction, animation and documentary productions, financed and produced jointly by one or more Italian co-producers and one or more Brazilian co-producers under a project approved by both Competent Authorities, for exploitation primarily through theatrical distribution and then through videocassette, videodisc, DVD, television or any other form of distribution. New forms of film production and distribution shall be included in the present Agreement;

"Italian Co-producer" means one or more film production companies established in Italy, in compliance with the Italian legislation in force;

“Brazilian Co-producer” means one or more film production companies established in Brazil, in compliance with the Brazilian legislation in force;

“Competent Authorities” means:

- a) on behalf of the Italian Republic, the Ministry of the Properties and the Cultural Activities, Directorate-General of Cinema as the entity responsible for the implementation of this Agreement;
- b) on behalf of the Federative Republic of Brazil, the Audiovisual Secretariat of the Ministry of Culture and the Brazilian Film Agency (ANCINE), the latter being responsible for the supervision and implementation of this Agreement.

## **ARTICLE 2**

### **Benefits**

1. A Co-production Film under this Agreement shall be treated as a national film by both Parties and, therefore, shall be fully entitled to all the benefits which are or may be accorded to national films by each of the Parties under their respective national laws.
2. Any benefits available in Italy may only be accorded to the Italian Co-producer.
3. Any benefits available in Brazil may only be accorded to the Brazilian Co-producer.

## **ARTICLE 3**

### **Approval of Projects**

1. Co-production Films shall require approval by both Competent Authorities.
2. In considering proposals for the making of a Co-production Film, both Competent Authorities, acting jointly and with due regard for their respective policies and guidelines, shall apply the rules and principles set out in this Agreement as well as in its Annex.
3. Prior to approving any application, the Competent Authorities shall consult with one another to ensure that a project meets the requirements set out in this Agreement.
4. The approval process shall comprise two stages: Provisional Approval upon application, and Final Approval upon completion of the Co-production Film and for the purpose of distribution.
5. Approvals are granted under their respective national laws, shall be in writing and shall specify the conditions upon which the approval is granted.

6. In order to qualify for the benefits of co-production, the co-producers shall provide evidence that they have good technical organization, a recognized professional standing and qualifications to bring the production to a successful conclusion.

7. None of the co-producers shall be linked by common management, ownership or control, save to the extent that such links are inherent in the making of the Co-production Film itself.

#### **ARTICLE 4** **Permission for Public Exhibition**

1. Permission for public exhibition will be in accordance with local laws in both the Italian Republic and in the Federative Republic of Brazil.

2. The approval of a Co-production Film under this Agreement shall not bind the Competent Authorities of either country to grant a license for the public exhibition of the Co-production Film.

#### **ARTICLE 5** **Shooting**

1. Co-production Films made under this Agreement shall be shot in the countries of the participating co-producers.

2. The Competent Authorities may approve location shooting – exterior or real life interior – in a country other than those of the participating co-producers if the script so requires.

3. Notwithstanding Article 11, in the event location shooting is approved in accordance with item 2 of the present Article, citizens of the country in which location shooting takes place may be employed as crowd artists, in small roles, or as additional employees, whose services are necessary for the location work to be undertaken.

#### **ARTICLE 6** **Negatives and First-Release Print**

1. The original negative – or the digital master – shall be the joint property of the participating co-producers and shall be deposited, under their joint names, with a laboratory, chosen by common consent of the Co-producers, in one of the co-producing countries.

2. The original negative shall be developed at a laboratory in the country of one of the co-producers.

3. At least one interpositive shall be made from the original negative. Each Co-producer shall be entitled to make further internegatives and prints therefrom.

4. Co-production Films shall be processed up to the manufacture of the first release print in the Italian Republic or in the Federative Republic of Brazil or, in cases of multilateral co-productions, as stated in Article 12, in a third country involved in the co-production.

## **ARTICLE 7**

### **Languages**

1. The dialogue and narration of each Co-production Film shall be made in Italian or any Italian dialect, or in Portuguese, or in any combination of those permitted languages. Short passages of dialogue in other languages may be included in the Co-production Film, as the script requires.

2. Two versions shall be made of any Co-production Film as follows:

a) In the event the dialogue and narration in the original soundtrack of the Co-production Film, or part of, is made in Italian or any Italian dialect, a sub-titled or dubbed version must be produced in Portuguese. The dubbing or subtitling into Portuguese shall be carried out in the Federative Republic of Brazil. Any departure from this principle must be approved by the Competent Authorities.

b) In the event the dialogue and narration in the original soundtrack of the Co-production Film, or part of, is made in Portuguese, there shall be an Italian dubbed version. The dubbing into Italian shall be carried out in the Italian Republic. Any departure from this principle must be approved by the Competent Authorities.

3. Post-release print dubbing or subtitling into languages other than Italian or Portuguese may, however, be carried out in other countries.

## **ARTICLE 8**

### **Contributions from Co-producers**

1. The total contributions of the Italian Co-producer or Co-producers taken together, or the total contributions of the Brazilian Co-producer or Co-producers taken together shall not be less than 20% (twenty per cent) and not more than 80% (eighty per cent) of the total production cost.

2. Both the Italian and Brazilian Co-producers and any third Co-producer(s), in cases of multilateral co-productions, as stated in Article 12, shall be required, in principle, to make an effective technical and artistic contribution, which shall be in reasonable proportion to their financial contribution.

3. Financial co-productions are allowable in the same percentages as stated in Paragraph 1.

4. Both Competent Authorities shall ensure that an annual balance is achieved as regards financial co-productions, as stated in Paragraph 3.

5. In the event the Italian co-producer or the Brazilian co-producer is composed of more than one production company, the financial contribution of each company from the same country shall not be less than 5% (five per cent) of the total budget of the Co-production Film.

6. Notwithstanding the preceding paragraphs of this Article, in exceptional cases, the Competent Authorities may jointly approve Co-production Films which, despite falling outside the contribution rules, would further the objectives of this Agreement. In any case the minority quota, exclusively financial or with technical-artistic contribution, shall not be less than 10% (ten per cent) of the budget of the co-production film.

## **ARTICLE 9**

### **Payment of Contribution**

1. The minority co-producer shall pay any balance outstanding on his contribution to the majority co-producer within one hundred twenty (120) days following delivery of all the materials required for the production of the version of the film in the language of the minority country.

2. Failure to meet this requirement shall result in the loss of the benefits of the co-production.

## **ARTICLE 10**

### **Sharing of Markets**

1. Contract clauses providing for the sharing of markets and receipts between co-producers shall be approved by the Competent Authorities of the Parties.

2. Such distribution shall, with the exception of the markets of Italy and Brazil, be based on the percentage of the respective contributions of the co-producers to the production of each film.

3. Exceptions to paragraph (2) are allowable with the approval by the Competent Authorities.

4. Where a co-production contract provides for the "pool" of markets, the receipts from each national market shall be paid into the pool only after the national investments have been received.

5. Premiums and financial benefits provided for in Article 2 of the Agreement shall not be pooled.

6. The transfers of funds resulting from the sharing of markets shall be made in accordance with the domestic law in force in this field in both countries.

## **ARTICLE 11**

### **Participants**

1. The screenwriters, directors, actors and other artistic and technical personnel participating in Co-production Films shall be:

- a) as regards the Italian Republic,
  - i) nationals of the Italian Republic,
  - ii) nationals of Member States of the European Union, or
  - iii) permanent residents of the Italian Republic, according to the legislation in force therein.
- b) as regards the Federative Republic of Brazil,
  - i) nationals of the Federative Republic of Brazil, or
  - ii) permanent residents of the Federative Republic of Brazil, according to the legislation in force therein.
- c) in cases of multilateral co-productions, as stated in Article 12,
  - i) nationals of those countries, or
  - ii) permanent residents of those countries, according to the legislation in force therein.

2. Participants in a Co-production Film as defined in this Article must at all times throughout the production retain their national status, and may not acquire or lose such status at any point during the course of production activity.

3. In exceptional circumstances, should the Co-production Film so require, the participation of professionals who do not comply with the requirements set forth in Paragraphs 1 and 2 may be permitted, but subject to approval by both Competent Authorities.

4. The Brazilian Competent Authority, at its discretion and as it shall deem appropriate, may consider nationals of member States of Mercosur as participants of the Brazilian artistic and technical personnel.

## **ARTICLE 12**

### **Multilateral Co-productions**

1. The Competent Authorities may jointly approve a project for a Co-production Film under this Agreement that is to be made in conjunction with co-producers from one or more countries with which either or both of the Parties have signed a Film or Audiovisual Co-production Agreement, in accordance with their respective domestic laws.

2. Approvals under this Article shall be limited to proposals in which the total contributions of a third country co-producer or of third country co-producers taken together are not less than 10% (ten per cent) of the total production cost and no greater than the lesser of the individual contributions of the Italian and Brazilian Co-producers.

3. In the event the Italian co-producer, the Brazilian co-producer or the third country co-producer is actually composed of more than one production company, the financial contribution of each company from the same country shall not be less than 5% (five per cent) of the total budget of the Co-production Film.

## **ARTICLE 13**

### **Temporary Entry**

1. For approved Co-production Films, each Party shall facilitate, in accordance with the domestic legislation in force in its country:

- a) entry into and temporary residence in its territory for technical and artistic personnel of the other Party;
- b) the temporary import into and re-export from its territory of any equipment and materials necessary for the production and the promotion of films under this Agreement, subject to the domestic law in force in both countries.

2. These dispositions also apply to third parties, approved under Article 12 of the present Agreement.

**ARTICLE 14**  
**Exporting of Film**

If a Co-production Film is exported to a country where imports of films are restricted by quotas, it shall normally be included in the quota of the country that has better conditions of arranging for its exhibition.

**ARTICLE 15**  
**Credits**

1. A Co-production Film shall include a title, in the initial credits, indicating that the Co-production Film is an "Italian - Brazilian Co-Production" or an "Brazilian - Italian Co-Production".
2. The promotional material associated with a co-production film shall likewise include a credit indicating that this is an "Italian-Brazilian co-production" or a "Brazilian-Italian co-production".

**ARTICLE 16**  
**International Festivals**

1. The majority Co-producer shall normally enter Co-production Films in international festivals.
2. Co-production Films produced on the basis of equal contributions shall be entered as Co-production Films of the country of which the director is a national.

**ARTICLE 17**  
**Exemption of restrictions**

No restrictions shall be placed on the import, distribution and exhibition of Italian film and audiovisual productions in the Federative Republic of Brazil or that of Brazilian film and audiovisual productions in the Italian Republic other than those contained in the domestic law in force in each of the two countries, including, in the case of the Italian Republic, the obligations deriving from European Union law.



**ARTICLE 18**  
**Mixed Commission**

1. During the term of this Agreement a Mixed Commission, consisting of officials of both Parties and, where necessary, of experts, including directors and producers, of both countries, shall meet once every two years, alternately in Italy and in Brazil.
2. The Mixed Commission may be convened in extraordinary session at the request of one or both Competent Authorities particularly in order to inform amendments to the legislation governing the film and audiovisual industry in force in each of the Parties concerned.
3. The Mixed Commission shall determine whether an overall balance between the Parties has been achieved, considering the number of co-productions, the percentage, the total amount of investments and of the artistic and technical contributions. If not, the Commission shall determine the measures deemed necessary to restore balance, but subject to approval by both Competent Authorities.
4. In order to resolve any difficulties arising during the term of this Agreement, as well as to improve its effectiveness, the Mixed Commission shall recommend that amendments be made to it. These amendments shall nevertheless be submitted for approval by the Competent Authorities and shall benefit both Parties.

**ARTICLE 19**  
**Entry into Force**

1. This Agreement shall enter into force on the date of the second notification between the Parties, through diplomatic channels, of the completion of the procedures required by their respective internal legislation for the approval of this Agreement.
2. This Agreement including the Annex, which forms an integral part of this Agreement, shall remain in force for a period of five years, unless terminated in terms of paragraph 3 of this Article.
3. Either Party may terminate this Agreement by giving written notice of such intention to the other Party at least six months before the end of that period, and, in such a case, the Agreement shall then terminate at the end of that period.
4. If no such notice is given, the Agreement shall automatically remain in force for successive periods each of five years.
5. Termination of this Agreement shall have no effect on the completion of Co-production Films approved prior to its termination.

6. This Agreement annuls and replaces the previous Agreement on Film Co-production between the Government of the Italian Republic and the Government of the Federative Republic of Brazil, which was signed on November 9, 1970 and entered into force on July 04, 1974.

#### ARTICLE 20 Amendments

1. This Agreement may, at any time, be amended by mutual consent of the Parties through an exchange of Notes between the Parties through diplomatic channel.
2. The amendments shall enter into force as soon as the Parties have notified each other of the completion of their respective internal procedures.

#### ARTICLE 21 Dispute Resolution

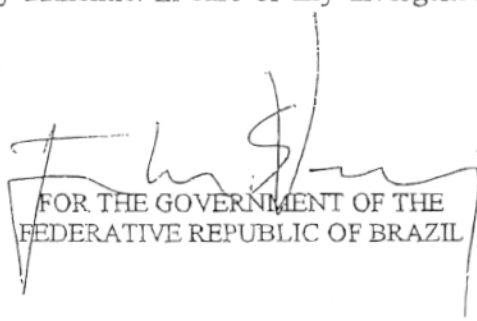
Any dispute between the Parties arising out of the interpretation or implementation of this Agreement shall be settled consensually through consultation and negotiation between them.

DONE at Rome, on the 23<sup>rd</sup> 25 October, 2008, in two originals, in Italian, Portuguese and English, each version being equally authentic. In case of any divergence of interpretation, the English text shall prevail.

FOR THE GOVERNMENT OF  
THE ITALIAN REPUBLIC



FOR THE GOVERNMENT OF THE  
FEDERATIVE REPUBLIC OF BRAZIL



## ANNEX

### TO THE FILM CO-PRODUCTION AGREEMENT BETWEEN THE GOVERNMENT OF THE ITALIAN REPUBLIC AND THE FEDERATIVE REPUBLIC OF BRAZIL

1. Applications for qualification of a Co-production Film for co-production benefits under this Agreement must be made to both Competent Authorities at least 30 (thirty) days before shooting begins.
2. The Competent Authorities of one of the Parties shall communicate their decision to the other Competent Authorities, in principle, within 30 (thirty) days of the submission of the complete documentation, as stated in Paragraph 3 of this Annex.
3. Documentation submitted in support of an application shall consist of the following items, drafted in Italian in the case of Italy and in Portuguese in the case of Brazil:
  - 3.1 The screenplay and synopsis.
  - 3.2 Documentary proof of having legally acquired the copyright to produce and exploit the Co-production Film.
  - 3.3 A copy of the co-production contract signed by the Co-producers. The contract shall include:
    - a) the title of the co-production, even if provisional;
    - b) the name of the original script writer or that of the adaptor if it is drawn from a literary source; necessary permission for adapting the literary work into a film from the author/legal heirs shall be attached;
    - c) the name of the director (a substitution clause is permitted to provide for his/her replacement if necessary);
    - d) the budget, identifying the expenses to be incurred by each Co-producer;
    - e) the financing plan;
    - f) a clause establishing the sharing of revenues and markets;
    - g) a clause detailing the respective shares of the co-producers in any over- or under- expenditure, which shares shall, in principle, be proportional to their respective contributions, although the minority co-producer's share in any over-expenditure may be limited to 30% of the budget of the film;

- h) a clause recognizing that admission to benefits under this Agreement does not bind the Competent Authorities in either country to grant a license to permit public exhibition of the Co-production Film;
- i) a clause prescribing the measures to be taken where:
  - i) if the competent Authorities of either country refuse the application following examination of the complete file;
  - ii) the Competent Authorities prohibit the exhibition of the Co-production Film in either country;
  - iii) either Co-producer fails to fulfill its commitments.
- j) the period when shooting is to begin;
- k) a clause specifying dates by which the respective contributions of the co-producers to the production of the film shall have been completed;
- l) a clause stating that the majority Co-producer shall take out an insurance policy covering at least "all production risks" and "all original material production risks"; and
- m) a clause providing for the sharing of the ownership of copyright on a basis that it is proportionate to the respective contributions of the Co-producers.

3.4 The distribution contract, if it has already been signed.

3.5 A list of the creative and technical personnel indicating their nationalities.

3.6 The production schedule.

3.7 Final shooting script.

4. The Competent Authorities can demand any further documents and all other additional information deemed necessary.

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