

**AGREEMENT ON FILM CO-PRODUCTIONS
BETWEEN THE GOVERNMENT OF THE ITALIAN REPUBLIC
AND THE GOVERNMENT OF THE ARGENTINE REPUBLIC**

PREAMBLE

THE GOVERNMENT OF THE ITALIAN REPUBLIC AND THE GOVERNMENT OF THE ARGENTINE REPUBLIC, hereinafter referred to as the "Parties";

ACKNOWLEDGING the ongoing development in their bilateral cultural relations and also cognizant of the existing agreements between the Parties;

CONSIDERING that the film industries of their respective countries could benefit from co-productions that, by their technical quality and artistic and entertainment value, would enhance the reputation and contribute to the economic expansion of the film, television, video and new media production and distribution industries of Italy and Argentina;

HEREBY AGREE AS FOLLOWS:

ARTICLE 1

Definitions

For the purpose of this Agreement:

- o a "co-production film" means a project irrespective of length, including animation and documentary productions carried out by an Italian coproducer and a Argentinian coproducer, produced in any format, for exploitation primarily in theatres and then on television, videocassette, videodisc, CD-ROM or by any other form of distribution.

New forms of cinematographic production and distribution will be included in this Agreement;

- o "italian coproducer" means one or more cinematographic production companies, as provided by the laws in force in Italy;
- o "Argentinian coproducer" means one or more cinematographic production companies, as provided by the laws in force in Argentina;
- o the "competent Authorities", responsible for the implementation of this agreement, means:
 - in relation to the Italian Republic: the Ministry of the Properties and the Cultural Activities, Directorate-General of Cinema
 - in relation to the Republic of Argentina: the National Institute of Cinema and Audiovisual Arts (INCAA)

ARTICLE 2

National Film

(1) Every co-production produced under this Agreement shall be considered as a national film by both Parties. Such films shall by right be entitled to the benefits resulting from the provisions in force or from those which may be decreed by each Party for its national films. Only the italian coproducer shall be entitled to the benefits accorded to national films in Italy and only the Argentinian coproducer shall be entitled to the benefits accorded to national films in Argentina.

(2) Films to be co-produced by the Parties must be approved by the competent Authorities after consultation between the same competent Authorities of both Parties.

ARTICLE 3
Co-production

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

(2) Approval shall not be given to a project where the co-producers are linked by common management or control, save to the extent that such links are inherent in the making of the co-production film itself.

ARTICLE 4
Filming

(1) Coproduction films shall be made, processed and dubbed or subtitled, up to creation of the first release print, in the countries of the participating co-producers, in accordance with the article 7. If the scenario or the subject of the film so requires, location shooting, exterior or real life interior, in a country not participating in the co-production may be authorized.

(2) The authors, scriptwriters, directors, actors and professionals of co-productions, as well as technicians participating in the production, must be nationals of the Italian Republic or the Argentine Republic, or nationals of member States of the European Union or long term residents of the Italian Republic or of the Argentine Republic according to the Community and national law in force in the two countries.

(3) Should the film so require, the participation of professionals who are not in the conditions provided by paragraph 2 may be permitted, but only in exceptional circumstances, and subject to agreement between the competent authorities of both Parties.

(4) Foreign professionals who are resident and/or normally employed in the Italian Republic or in the Argentine Republic may, in exceptional circumstances, take part in co-production as long term residents of one or the other of the said countries.

ARTICLE 5

Contributions of the Producers

(1) The respective contributions of the producers of the two countries may vary from ten (10) to ninety (90) per cent for each film. The co-producers shall be required to make in principle an effective technical and creative contribution, proportional to financial investment.

(2) Financial coproducers are allowable in the same percentage provided by paragraph (1).

(3) In the case the Italian co-producer or the Argentinian co-producer is composed of more production companies, the financial contribution of each company shall not be less than five (5) per cent of the total budget of the film.

ARTICLE 6

Multilateral Productions

(1) The Parties shall look favorably upon co-productions meeting international standards by Italy, Argentina and one or more countries to which Italy and or Argentina is bound by an official co-production agreement.

(2) The conditions of acceptance for such films shall be jointly approved in each case by both Parties subject to respective domestic laws. No minority contribution to such film shall be less than ten (10) per cent of the budget.

(3) In the case the Italian co-producer or the Argentinian co-producer or the co-producer of a third country or countries is composed of more production companies, the financial contribution of each company shall not be less than five (5) per cent of the total budget of the film.

ARTICLE 7

Film Negatives and Languages

(1) For each coproducer film, it shall be an original negative and an interpositive print.

(2) Each co-producer is owner on a pro-quota basis of the original negative; this negative will be deposited, on joint name, in a laboratory of one of the two countries, chosen by mutual consent by the co-producers. The development of the negative will be made in the laboratories of one of the two countries.

(3) Two versions shall be made of any co-produced film and such versions shall be respectively in Italian and in Spanish. The Italian version shall be made in Italy while the Spanish version shall be made in Argentina.

ARTICLE 8

Temporary entry

The Parties shall facilitate the temporary entry into and the re-export of any film equipment necessary for the production of films under this Agreement, subject to the domestic law in force in their countries. Each Party, in conformity with the domestic law and, as for as Italy, with the Community law in force, shall permit the creative and technical staff of

the other Party to enter and reside in its territory, without any restriction, for the purpose of participating in the production of these films.

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 Argentina, 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 application of this Agreement shall be made in accordance with the domestic law in force in this field in both countries.

ARTICLE 11

Contracts between Co-producers

Contracts between co-producers shall clearly stipulate the financial liabilities in respect of the percentage appointment of expenditures about development, elaboration, production and post-production costs up to the creation of the answer print.

ARTICLE 12

Approval of co-productions

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

ARTICLE 13

Exporting of film

If a co-produced film is exported to a country that has quota regulations, it shall normally be included in the quota of the Party that has the best opportunity of arranging for its exhibition.

ARTICLE 14

Identification of Co-production films

(1) All co-produced films shall be identified as Italian-Argentinan or Argentinan-Italian co-productions.

(2) Such identification shall appear in a separate credit title, in all commercial advertising, whenever co-produced films are shown at artistic or cultural events and at international festivals.

ARTICLE 15

Entry in International Festivals

(1) Co-produced films shall normally be entered in international festivals by the Party of the majority co-producer.

(2) Films produced on the basis of equal contributions shall be entered by the Party of which the director is a national.

ARTICLE 16

Rules of Procedure and Application for Qualification

(1) The competent Authorities of both Parties shall jointly establish the rules of procedure for co-productions, taking into account the domestic laws regulating the film industry in the Italian Republic and the domestic laws in force in matter in the Argentine Republic.

(2) Applications for qualification of a film for co-production benefits shall be filed, as a rule, at least thirty (30) days before the beginning of shooting or key animation, in accordance with the Rules of Procedure which are attached to this Agreement. In any case the application for qualification of a film for co-production benefits shall be filed at least one

day before the beginning of shooting; otherwise the film shall not be recognized as coproduction under the terms of the present Agreement.

(3) In principle, the competent Authorities of the Parties shall notify each other of their decisions regarding any such applications for co-production as soon as possible, but not necessarily within the aforementioned limit of thirty days. The country of the minority co-producer shall wait for the communication by the country of the majority co-producer.

ARTICLE 17

Mixed Commission

(1) During the term of this Agreement a Mixed Commission, consisting of officials of both Parties and experts including directors and producers of both countries, shall meet every two years 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 domestic laws governing the film, television and video industries in, or where the application of this Agreement presents serious difficulties.

(2) The Commission shall determine whether the overall balance of the coproductions has been achieved, considering the number of coproductions, the percentage, the total amount of the investments and of the artistic and technical contributions. If not, the Commission shall determine the measures deemed necessary to establish such a balance.

(3) The Mixed Commission shall submit to the competent Authorities of the two Parties, for approval, the necessary amendments in order to resolve any difficulties arising from the application of this agreement as well as to improve it, in the best interests of the Parties.

ARTICLE 18

Import Restrictions

No restrictions shall be placed on the import, distribution and exhibition of Italian film and video productions in the Argentine Republic or that of Argentinian film and video 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 the norms of the European Union.

ARTICLE 19

Entry into Force

(1) This Agreement shall enter into force on the date of receipt of the second of two notifications with which each of the Parties shall notify the other of the completion of any domestic procedure for giving effect to this Agreement and shall be valid for a period of five years.

(2) It may be renewed for like periods by tacit agreement failing notice of termination in writing given by one of the contracting Parties at least six months prior to its expiry.

(3) Co-productions which have been approved by the competent Authorities and which are in progress at the time of notice of termination of this Agreement by either Party, shall continue to benefit fully until completion from the provisions of this Agreement. After expiry or termination of this Agreement, its terms shall continue to apply to the division of revenues from completed co-productions.

(4) This Agreement annuls and replaces the previous Agreement on Film Coproduction between the Government of the Italian Republic and

the Government of the Argentine Republic signed on December 9, 1987 and entered into force on July 19, 1990.

ARTICLE 20

Amendments

This Agreement may be amended, in accordance with the article 17, by mutual consent of the Parties through an exchange of notes, through the diplomatic channel.

**DIREZIONE GENERALE
PER IL CINEMA**

ARTICLE 21

Dispute Resolution

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

**DIREZIONE GENERALE
PER IL CINEMA**

DONE at Rome on 16 October 2006 in two originals each in the Italian, Spanish and English languages, all the texts bearing equally witness. In case of divergent interpretations, the English text shall prevail.

**FOR THE GOVERNMENT OF THE
ITALIAN REPUBLIC**

il Ministro per i Beni e le Attività
Culturali

On. Francesco Rutelli

**FOR THE GOVERNMENT OF THE
ARGENTINE REPUBLIC**

el Secrétario de Cultura de la
Presidencia de la Nación

Dr. José Nun

ANNEX

RULES OF PROCEDURE

Applications for qualification of a film for co-production benefits must be filed, in principle simultaneously, to the competent administrations no less than thirty days prior to the commencement of shooting of the film.

Applications must be accompanied by the following documents in the Italian language for the Italian Republic and in the Spanish language for the Argentine Republic:

- I. the scenario;
- II. a document providing proof that the copyright of the film adaptation has been legally acquired or failing this a valid option;
- III. the co-production contract, subject to the approval of the competent administrations of the two countries.

The co-production contract must specify:

1. the title of the film, also if provisional;
2. the name of the writer or of the person responsible for adapting the subject if it is drawn from a literary source;
3. the name of the director (a safety clause is permitted for his replacement, if necessary);
4. the amount of the budget of the film;
5. the amount of the financial contributions of the co-producers;
6. the sharing of the receipts and markets;
7. the undertaking between the co-producers concerning their participation in any costs which exceed the budget or in the benefits

from any savings in the production cost, proportionate to their respective participation. The participation in over-expenditure by the minority co-producer may be limited to 30% of the budget of the film;

8. a clause in the contract must provide that the admission of the film to the benefits of the agreement does not bind the competent Authorities to permit the public exhibition of the film. Under the circumstances, therefore, there must be a clause setting out the conditions of a financial settlement between the co-producers:
 - a) if the competent Authorities of either country refuse the application following examination of the complete file;
 - b) if the competent Authorities do not permit exhibition of the film in either country or in third countries;
 - c) if the financial contributions have not been made according to the terms of Article 10 of the Agreement.
9. a clause aiming at establishing measures to be implemented if one of the co-producers does not entirely fulfill his commitments;
10. a clause which requires the majority of co-producer to take out an insurance policy covering all production risks;
11. the approximate starting date of shooting;
- IV. the plan for financing the film;
- V. the list of the technical and artistic components, and, for the personnel, stating their nationalities, including the roles to be played by the performers;
- VI. the production schedule.

The competent Authorities of the two countries shall be entitled to 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 competent Authorities 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 competent Authorities of both countries before the film is finished.

The replacement of a co-producer may be allowed only in exceptional cases and for reasons declared valid by the competent Authorities.

The competent Authorities will keep each other informed of their decisions, enclosing one copy of the file.

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