

**AGREEMENT
ON
FILM CO-PRODUCTION AND COOPERATION
BETWEEN
THE GOVERNMENT OF THE STATE OF ISRAEL
AND
THE CABINET OF MINISTERS OF UKRAINE**

The Government of the State of Israel and the Cabinet of Ministers of Ukraine, hereinafter referred to as the "Parties";

Mindful of the importance of cooperation for the development of film co-production, enhancement of cultural and technological ties and strengthening friendly relations between the two States;

Considering that co-production may contribute to the development and economic growth of industries of film, television, video and new media production and distribution in their respective States;

Noting their mutual decision to establish a framework for encouraging all audio-visual media output, especially the co-production of films;

With the purpose of establishing the legal base for the further development of cooperation and film co-production between Ukraine and Israel on the principles of equality and mutual benefits according to legislation and international agreements in force for the States of the Parties;

Have agreed as follows:

Article 1

For the purpose of this Agreement:

- (1) "**co-production**" or "**co-production film**" means a cinematographic work, with or without accompanying sounds, regardless of length or genre, including fiction, animation and documentary productions, made by an Ukrainian co-producer and an Israeli co-producer, produced in any format, for distribution through any venue or medium, including cinemas, theatres, television, Internet, videocassette, videodisc, CD-ROM or any similar means, as well as future forms of cinematographic production and distribution, which complies with the legislation in force governing the film industry in each of the States of the Parties;
- (2) "**Ukrainian co-producer**" means the Ukrainian person or entities by whom the arrangement necessary for co-production of the film are undertaken;
- (3) "**Israeli co-producer**" means the Israeli person or entities by whom the arrangement necessary for co-production of the film are undertaken;
- (4) "**Competent Authorities**" means both Competent Authorities responsible for the implementation of this Agreement or either Competent Authorities in regard to their own States of the Parties, as the case may be. The Competent Authorities are:

- For the Ukrainian Party: the State Film Agency of Ukraine;
- For the Israeli Party: the Ministry of Culture and Sport.

In case the Competent Authority had been changed, the relevant Party shall inform accordingly the other Party in writing through the diplomatic channels.

Article 2

- (1) Films to be co-produced pursuant to this Agreement by the two States must be approved by the Competent Authorities.
- (2) Films qualified as co-production in pursuance of this Agreement shall be entitled to the benefits granted to national films subject to the legislation in force in each of the States which accrue to the co-producer of the State that grants them.
- (3) Applications for qualification of a film for co-production status and the attendant rights and benefits must comply with the rules of procedure laid down in the Annex to this Agreement.
- (4) Failure of a Party's co-producer to fulfill the conditions according to which that Party has approved a co-production or a material breach of the co-production contract may result in that Party revoking the co-production status of the production and the attendant rights and benefits.

Article 3

- (1) In order to qualify for the benefits of co-production, the co-producers shall provide evidence that they have the proper technical organization, adequate financial support, 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, except to the extent that such an association has been established specifically for the purpose of the co-production film itself.

Article 4

- (1) Co-production films shall be made, processed, dubbed or subtitled, up to creation of the first release print in the participating States. However, if a scenario or the subject of the film so requires, location shooting, exterior or interior, in a country not participating in the co-production may be authorized by the Competent Authorities. Similarly, if processing, dubbing or subtitling services of satisfactory quality are not available in the States participating in the co-production, the Competent Authorities may authorize the procurement of

such services from a third country.

- (2) The producers, authors, scriptwriters, performers, directors, other professionals and technicians participating in co-productions, must be citizens or permanent residents of Ukraine or of the State of Israel in accordance, respectively, with the domestic legislation of the States of the Parties.
- (3) Should the co-production so require, the participation of professionals who do not fulfill the conditions provided by paragraph (2) of this Article may be permitted, in exceptional circumstances, and subject to the approval by the Competent Authorities.
- (4) Use of any languages in a film co-production other than the languages permitted according to the legislation of the States of the Parties may be added to the co-production if the script requires it.

Article 5

- (1) The respective contributions of the co-producers of the States of the Parties may vary from twenty (20) to eighty (80) per cent for each co-production film. In addition, the co-producers shall be required to make an effective technical and creative contribution, proportional to their financial investment in the co-production film. The technical and creative contribution should be comprised of the combined share of authors, performers, technical-production personnel, laboratories and facilities.
- (2) Any exception to the abovementioned principles must be approved by the Competent Authorities, who may, in special cases, authorize that the respective contributions by the co-producers of the two countries vary from ten (10) to ninety (90) per cent.
- (3) In the event that the Ukrainian co-producer or the Israeli co-producer is composed of several production companies, the contribution of each company shall not be less than five (5) per cent of the total budget of the co-production film.
- (4) In the event that a producer from a third country is authorized to participate in the co-production, its contribution shall not be less than ten (10) per cent. In the event that the co-producer from a third country is composed of several production companies, the contribution of each company shall not be less than five (5) per cent of the total budget of the co-production film.

Article 6

- (1) The Parties shall encourage co-productions that meet generally accepted international standards.
- (2) The conditions for approving co-production films shall be jointly agreed upon by the Competent Authorities, on a case by case basis, subject to the provisions of this Agreement and to the respective domestic legislation of the States of the Parties.

Article 7

- (1) The co-producers shall ensure that intellectual property rights in a co-production that are not owned by them will be available to them through license arrangements sufficient to fulfill the objectives of this Agreement, as stipulated in paragraph 4 (a) of the Annex to this Agreement.
- (2) Allocation of intellectual property rights in a co-production film, including ownership and licensing thereof, shall be made in the co-production contract.
- (3) Each co-producer shall have free access to all the original co-production materials and the right to duplicate or print there from, but not the right to any use or assignment of intellectual property rights in the above-noted materials, except as is determined by the co-producers in the co-production contract.
- (4) Each co-producer shall be an owner on a joint basis of the physical copy of the original negative or other recording media in which the master co-production is made, not including any intellectual property rights that may be embodied in the above-noted physical copy, except as is determined by the co-producers in the co-production contract.
- (5) Where the co-production is made on film negative, the negative will be developed in a laboratory or other institution chosen mutually by the co-producers, and will be deposited therein on an agreed name.

Article 8

The Parties shall facilitate the temporary entry and the re-export of any film equipment necessary for the films co-production under this Agreement, subject to the respective domestic legislation of the States of the Parties. Each Party shall do their utmost, under its domestic legislation, to permit the creative and technical staff of the other Party to enter and reside in the territory of its State for the purpose of participating in the films co-production.

Article 9

Approval of a proposal for the co-production of a film by the Competent Authorities does not imply any authorization to distribute and show the film thus produced, which shall be permitted according to the legislation of the States of the Parties.

Article 10

- (1) If a co-produced film is marketed in a country that has quota regulations in regard to both States of the Parties, it shall be included in the quota of the State which is the majority co-producer. In the event that the contributions of the co-producer are equal the co-production shall be included in the quota of the State of which the director of the co-production is a citizen or a permanent resident.
- (2) If a co-produced film is marketed in a country that has quota regulations in regard to one of the States of the Parties, the co-produced film shall be marketed by the State in regard to whom there is no quota.
- (3) In the event that a co-produced film is marketed in a country that has quota regulations in regard to one or both States of the Parties, the Competent Authorities may agree on arrangements, in regard to the quota regulations, that differ from those set out in paragraphs (1) and (2) of this Article.
- (4) In all matters concerning the marketing or export of a co-production film, each State of the Party shall accord the co-production film the same status and treatment as a domestic production, subject to their respective domestic legislation.

Article 11

- (1) All co-produced films shall be identified as Ukrainian-Israeli or Israeli-Ukrainian co-productions.
- (2) Such identification shall appear in a separate credit title, in all trailers, commercial advertising and promotional material, whenever co-produced films are shown at any public performance.

Article 12

Film co-production may be permitted under this Agreement with one or more co-producers from countries with which the Parties have concluded co-production agreements according to legislation in force of the States of the Parties and international agreements.

Article 13

The Competent Authorities shall act in accordance with the Rules of Procedure appended in the Annex hereto, which constitute an integral part of this Agreement, but may, in a given case, jointly authorize co-producers to act in accordance with ad hoc rules, which they approve.

Article 14

The Competent Authorities of the Parties with the purpose of development of the film co-production and improving cinema in their States agree to encourage within the framework of their respective powers and when possible:

- Participation in film festivals held in the two States, other international events, as well as organization of "Ukrainian Film Week / Days" in Israel and "Israeli Film Week / Days" in Ukraine;
- Professional training in the sphere of cinema, participation in educational programs;
- Consultations and necessary measures for the development of basic and higher education, improving professional skills of the authors and experts of the cinema field;
- Exchange of information, materials, scientific achievements, know-how, experience and experts (representatives of the Competent Authorities, artistic and technical professions, etc.), including organization of educational and training programs and courses, seminars, conferences, workshops and participation in relevant international events;
- Development of cooperation between the film funds and other institutions responsible for depositing the film archives of the States of the Parties, as well as national associations, other professional associations and organizations in the sphere of cinema;
- Expansion of other areas of cooperation within the sphere of film coproduction upon agreements between the Competent Authorities of the Parties.

Article 15

(1) A Joint Film Commission shall be established pursuant to this Agreement and composed of representatives of the Competent Authorities of the Parties and experts, their number and competence to be determined on a reciprocal basis. The Joint Commission shall meet, when necessary, alternately in Ukraine and in the State of Israel.

(2) The Joint Film Commission shall, inter alia:

- Review the implementation of this Agreement;

- Determine whether the overall balance of the co-production has been achieved, considering the number of co-productions, the percentage and the total amount of the investments and of the artistic and technical contributions. If not, the Joint Film Commission shall determine the measures deemed necessary to establish such balance;
 - Recommend means to generally improve cooperation and film co-production;
 - Recommend amendments to this Agreement to the Competent Authorities.
- (3) The meetings of the Joint Film Commission shall be held periodically upon consent between the Competent Authorities of the Parties. The Heads of the two delegations shall be co-Chairpersons at the meetings of the Joint Film Commission.

Article 16

This Agreement may be amended in writing by mutual consent of the Parties. Any modification of this Agreement or its Annex shall constitute an integral part of this Agreement and enter into force in accordance with Article 18 of this Agreement.

Article 17

Any dispute between the Parties relating to the interpretation or application of this Agreement shall be settled amicably by consultations or negotiations.

Article 18

- (1) This Agreement shall enter into force on the date of the second of the Diplomatic Notes by which the Parties notify each other that their internal legal procedures of its entry into force have been complied with.
- (2) This Agreement shall be valid for a period of five (5) years and shall automatically be extended for additional periods of five (5) years each, unless terminated by either Party giving at least six (6) months written prior notice through diplomatic channels to the other Party of its intention to terminate the Agreement.
- (3) The termination of this Agreement shall not affect the distribution of revenue and profits from co-production, which have been produced hereunder.
- (4) Co-productions which have been approved by the Competent Authorities and which are in progress at the time of termination of this Agreement by either Party shall continue to benefit fully from the provisions of this Agreement until completion, unless the Competent Authorities of the Parties agree otherwise.

Done in Jerusalem on December 22, 2015 which corresponds to the 10th of Tevet, 5776, in two original copies in the Ukrainian, Hebrew and English languages, all texts being equally authentic. In case of divergence in interpretation of provisions of this Agreement the English text shall prevail.



**For the Government of the State
of Israel**



**For the Cabinet of Ministers
of Ukraine**

ANNEX

RULES OF PROCEDURE

1. Applications for qualification of a film for co-production status and the attendant rights and benefits in accordance with the provisions of this Agreement must be filed by the producers of each Party concurrently with their Competent Authorities at least sixty (60) days prior to the commencement of shooting or key animation of the film.
2. The Competent Authorities shall notify each other of their decision regarding any such application for co-production within thirty (30) days from the date of submitting the complete documentation listed in the Annex to this Agreement.
3. The Competent Authority of the Party with the minority financial participation shall give its decision upon notice by the Competent Authority of the Party with the majority financial participation.
4. Applications must be accompanied by the following documents in the Ukrainian language for Ukraine and in the Hebrew or English languages for the State of Israel:
 - a. A proof of license arrangements with respect to intellectual property rights, of any sort, including in particular copyright and neighboring rights ("neighboring rights" shall be understood as including, inter alia, moral rights, performers' rights, phonogram producers' rights and broadcasters' rights), embodied in, or arising from, a co-production, to an extent sufficient for purposes of fulfilling the objectives of the co-production contract, including clearance arrangements for distribution and public performance (cinema, video, broadcast and other), and duplication, sale, rental or leasing of physical or electronic copies of the co-production in the territories of the States of the Parties as well as in third countries, and including copyright and neighboring rights clearance with respect to any literary, dramatic, musical or artistic work which has been adapted by the applicant for purposes of the co-production;
 - b. The signed co-production contract, which is subject to the approval of the Competent Authorities.
5. The co-production contract must make provision for the following issues:
 - a. The title of the film, even if provisional;
 - b. The name of the writer or the person responsible for adapting the subject if it is drawn from literary source;
 - c. The name of the director (a safety clause is permitted for his replacement, if necessary);

- d. A script of the film;
 - e. The budget of the film;
 - f. The plan for financing the film;
 - g. The amount of the financial contributions of the co-producers;
 - h. The financial undertakings of each co-producer in respect of the percentage apportionment of expenditures with regard to development, elaboration, production and post-production costs up to the creation of the answer print;
 - i. The distribution of revenue and profits between the co-producers including the sharing or pooling of markets;
 - j. The respective participation of the co-producers in any costs which exceed the budget or in the benefits from any savings in the production cost;
 - k. A list of the technical and artistic contributions from each of the participating States;
 - l. Allocation of intellectual property rights in a co-production film, including ownership and licensing thereof;
 - m. A clause in the contract must recognize that the approval of the film co-production, entitling it to benefits under this Agreement, does not obligate the Competent Authorities of either Party to permit the public screening of the said film. Likewise, the contract must set out the conditions of a financial settlement between the co-producers in the event that the Competent Authorities of the Parties refuse to permit the public screening of the film in either State or in third countries;
 - n. Breach of the co-production contract;
 - o. A clause which requires the major co-producer to take out an insurance policy covering all production risks;
 - p. The approximate starting date of shooting;
 - q. The list of required equipment (technical, artistic or other) and personnel, including nationality of personnel and the roles to be played by the performers;
 - r. The production schedule, including number of shooting weeks (exterior and interior) and location shooting;
 - s. A distribution agreement, if one has been concluded;
 - t. The manner in which the co-production film shall be entered in international festivals;
 - u. Other provisions required by the Competent Authorities.
6. The co-producers will provide any further documentation and information, which the Competent Authorities deem necessary in order to process the co-production application or in order to monitor the co-production or the execution of the co-production agreement.
 7. Material provisions in the original co-production contract may be amended subject to prior approval by the Competent Authorities of both Parties.

- 8. The replacement of a co-producer is subject to the prior approval by the Competent Authorities of both Parties.
- 9. The participation of a producer from a third country in the co-production is subject to the prior approval by the Competent Authorities of both Parties.