

AGREEMENT ON FILM CO-PRODUCTION BETWEEN
THE GOVERNMENT OF JAPAN AND
THE GOVERNMENT OF THE ITALIAN REPUBLIC

The Government of Japan and the Government of the Italian Republic, hereinafter referred to individually as a “Party” and collectively as the “Parties”;

CONSIDERING that the film industries of Japan and the Italian Republic will benefit from closer mutual cooperation in the production of films;

SEEKING to build on and expand cooperation between the two countries in the area of film production;

DESIROUS of enhancing and facilitating the film co-production which may be conducive to the film industries of the two countries and to the development of their cultural and economic exchanges;

CONVINCED that these exchanges will contribute to the enhancement of relations between the two countries;

HAVE AGREED as follows:

Article 1
Objective

The objective of this Agreement is to enhance exchanges between filmmakers of the two countries and to expand film co-production between the two countries.

Article 2
Definitions

For the purposes of this Agreement:

- (a) the term “co-producer” means a Japanese or Italian film production company or entity as defined by the national laws and regulations in force in each country, who participates in the making of a co-production film;

- (b) the term “co-production film” means a film made by one or more Japanese co-producers and one or more Italian co-producers, including a multilateral co-production film to which Article 9 applies;
- (c) the term “film” means an aggregate of images, or of images and sounds, of any length, embodied in any material, including but not limited to fiction films, documentaries and animation films, and which are primarily intended for theatrical release;
- (d) the term “competent authority” means an authority of a Party responsible for the application and implementation of this Agreement.

Article 3

Competent authorities

The competent authorities shall be set out in the Annex to this Agreement. Notwithstanding Article 14, if either Party needs to designate another authority as its competent authority, that Party shall notify the other Party in advance in writing through diplomatic channels of such changes.

Article 4

Recognition as a national work and entitlement to benefits

1. A co-production film which has obtained the final approval referred to in paragraph 2 of Article 5 shall be identified as a national work and shall be entitled to the full enjoyment of all the benefits which are or may be accorded in Japan and the Italian Republic respectively to the national works, subject to the national laws and regulations in force in each country. These benefits accrue solely to the co-producer of the country that grants the benefits.
2. The benefits referred to in paragraph 1 of this Article shall not be granted if the Japanese co-producer and the Italian co-producer are linked by common management or control. An exception to this provision may only be allowed by mutual consent in writing of the competent authorities.

Article 5

Approval of a co-production film

1. In order to enjoy the benefits in accordance with this Agreement, co-producers shall apply for and obtain an approval related to the co-production film from respective competent authorities.

2. The co-producers shall submit applications to respective competent authorities, first to obtain a provisional approval and, once the making of the co-production film has been completed, to obtain a final approval.
3. The Italian co-producer is responsible for applying for an approval referred to in paragraphs 1 and 2 of this Article from the competent authority of the Italian Republic. The Japanese co-producer is responsible for applying for an approval referred to in paragraphs 1 and 2 of this Article from the competent authority of Japan.
4. Before granting the provisional approval referred to in paragraph 2 of this Article, the competent authorities shall consult with each other in order to ensure the compliance of the co-production film with the provisions of this Agreement and with the national laws and regulations in force in each country. The competent authority of the co-producers which have the major financial contribution shall communicate first its assessment on the feasibility of the making of the co-production film to the other competent authority.
5. The competent authorities may jointly decide the terms and conditions for granting the approval referred to in paragraphs 1 and 2 of this Article, for the purpose of achieving the objective of this Agreement.
6. The competent authorities shall ensure that their respective decision to grant or deny the approval referred to in paragraphs 1 and 2 of this Article will be made in accordance with the national laws and regulations in force in each country as well as terms and conditions referred to in paragraph 5 of this Article.
7. The applications submitted to obtain the approval referred to in paragraphs 1 and 2 of this Article shall meet the requirements set out in the Rules of Procedure, defined in the Annex to this Agreement.

Article 6

Filming

1. The filming in studios shall be done in studios located in Japan or the Italian Republic or, in cases of multilateral co-production films, in any of the third countries under Article 9. An exception to this provision may only be allowed by mutual consent in writing of the competent authorities.
2. The filming in the exterior or interior location other than studios in countries or regions other than the countries of the participating co-producers in the making of the co-production film may only be allowed by mutual consent in writing of the competent authorities, if such location is necessary to make the co-production film consistent with its script or subject.

Article 7 Participation

1. The authors, the scriptwriters, the directors, the performers and the rest of the creative, technical and artistic personnel, as well as other staff of workers participating in the making of the co-production film shall be:

(a) as regards the Italian Republic:

- (i) nationals of the Italian Republic;
- (ii) nationals of Member States of the European Union;
- (iii) foreign long-term residents in the Italian Republic, according to the laws and regulations in force therein;

(b) as regards Japan:

- (i) nationals of Japan;
- (ii) permanent residents in Japan, according to the laws and regulations in force therein.

2. The participation of foreign creative, technical and artistic personnel as well as other staff of workers which does not meet the requirements set out in paragraph 1 of this Article may be allowed only in exceptional cases and by mutual consent in writing of the competent authorities, if its participation is necessary to make the co-production film.

Article 8 Contributions of co-producers

1. The financial contribution of the co-producers of each country shall not be less than 20% (twenty percent) and not more than 80% (eighty percent) of the total financial contribution of all the co-producers. The contribution of the co-producers shall include, in principle, creative, technical and artistic participation in reasonable proportion to the financial contribution of each co-producer. When assessing the financial contribution of each co-producer, the competent authorities may jointly consider an “in kind” contribution, including, but not limited to, the provision of studio facilities as part of the financial contribution.

2. Derogations to the provisions of paragraph 1 of this Article shall be allowed by mutual consent in writing of the competent authorities, provided that the financial contribution of each co-producer shall not be less than 10% (ten percent) and not more than 90% (ninety percent) of the total financial contribution of all the co-producers.

3. If the co-producers of Japan or the co-producers of the Italian Republic aggregate two or more production companies or entities, the financial contribution of each company or entity shall not be less than 5% (five percent) of the total financial contribution of all the co-producers.

Article 9 **Multilateral co-production film**

1. The competent authorities will consider favorably the possibility to jointly approve the making of a multilateral co-production film among Japanese and Italian co-producers, and co-producers of any of the third countries with which one or both Parties have concluded an agreement on film co-production.

2. Each co-producer of the third countries shall fulfill all the conditions relating to the co-production status under the terms of the agreement on film co-production concluded and in force between those third countries and either Japan, the Italian Republic or both.

3. In cases of multilateral co-production films, the financial contribution of the co-producers of each country shall not be less than 10% (ten percent) and not more than 70% (seventy percent) of the total financial contribution of all the co-producers. If the co-producers of the third countries aggregate two or more production companies or entities, the financial contribution of each company or entity shall not be less than 5% (five percent) of the total financial contribution of all the co-producers.

Article 10 **Import of equipment**

The Parties shall facilitate, in accordance with the national laws and regulations in force in each country, the temporary importation of the cinematographic equipment required for the making and commercialization of co-production films.

Article 11
Film materials and languages

1. Each co-producer will be the owner, in proportion to its financial contribution, of the master material which shall be deposited, in joint name, in a jointly-decided upon laboratory to which each co-producer shall have access. The laboratory shall be located in Japan or the Italian Republic. In exceptional cases, the use of a laboratory located in a third country may only be allowed by mutual consent in writing of the competent authorities.

2. The master material shall be made in either Japan, the Italian Republic or both and it shall have at least two versions, respectively in Japanese and in Italian. The dubbing or subtitling process of the Japanese version shall be made in Japan while that of the Italian version shall be made in the Italian Republic. An exception to these provisions may only be allowed by mutual consent in writing of the competent authorities.

Article 12
Permission to exhibit publicly

The approval of a co-production film by the competent authorities referred to in paragraphs 1 and 2 of Article 5 shall not bind the relevant authorities in either Party to permit the public exhibition of the co-production film in their country.

Article 13
Joint Commission

1. In order to verify the implementation of this Agreement, the Parties shall establish a Joint Commission constituted by their respective officials and experts, including directors and producers as well as staff of the handling organization.

2. The Joint Commission may be held and convened by electronic means at the request of one or both competent authorities, including, in particular, if one or both competent authorities have serious difficulties in the implementation of this Agreement.

3. The Joint Commission shall verify comprehensively the appropriate balance of the number of films, financial contribution, and the creative, technical and artistic participations of the co-producers including equipment for the making of the co-production films. If the balance is considered inappropriate, the Joint Commission shall determine necessary measures to establish such balance and obtain the endorsement of the competent authorities.

Article 14
Status of Annex

1. The Annex to this Agreement is an integral part thereof.
2. The competent authorities may jointly propose modifications to the Annex. The Annex may be modified by mutual consent in writing of the Parties through the exchange of diplomatic notes. The modifications shall enter into force on the date of receipt of the second note.

Article 15
Implementation

1. This Agreement shall be implemented in accordance with applicable international law and, as regards the Italian Party, the obligations arising from its membership of the European Union.
2. The implementation of this Agreement shall be subject to the availability of appropriated funds.
3. The provisions of this Agreement are without prejudice to the rights and obligations of both Parties under other international agreements.

Article 16
Headings

The headings of the Articles of this Agreement are inserted for convenience of reference only and shall not affect the interpretation of this Agreement.

Article 17
Dispute resolution

1. Any dispute concerning the interpretation and implementation of this Agreement shall be settled amicably through consultations between the Parties.
2. Any dispute between co-producers shall be governed by paragraph 3 (xi) of B of the Annex to this Agreement.

Article 18
Entry into force, duration and amendments

1. This Agreement shall enter into force thirty (30) days after the receipt of the last of the two notifications by which the Parties shall have communicated each other the completion of their respective internal procedures necessary for its entry into force.

2. This Agreement shall remain in force for a period of five (5) years and shall be automatically renewed for further periods of five (5) years unless one of the Parties notifies the other Party of its intention to terminate this Agreement six (6) months prior to the intended date of expiration through diplomatic channels.

3. In the event of termination of this Agreement, its provisions shall continue to apply to the co-production films which have already obtained the final approval by the competent authorities referred to in paragraph 2 of Article 5 and to those which are in progress for the final approval at the time of the termination of this Agreement. The provisions of this paragraph shall also apply to the distribution of revenues from co-production films.

4. This Agreement may be amended by mutual consent in writing between the Parties. Such amendments shall enter into force following the same procedures as those stated in paragraph 1 of this Article.

IN WITNESS WHEREOF, the undersigned, being duly authorized, have signed this Agreement.

Done at Tokyo on this twenty-eighth day of June in the year 2023, in duplicate in the Japanese, Italian and English languages, all texts being equally authentic. In case of any divergence of interpretation, the English text shall prevail.

FOR THE GOVERNMENT
OF JAPAN

Y. Hayashi

FOR THE GOVERNMENT
OF THE ITALIAN REPUBLIC

Gennaro Sangiuliano

ANNEX

Rules of Procedure

A. Competent authorities

The competent authorities for the implementation of the Agreement on Film Co-production between the Government of Japan and the Government of the Italian Republic (hereinafter referred to as “the Agreement”) are as follows:

- for the Italian Republic: Ministry of Culture - Directorate-General for Cinema and Audiovisual;
- for Japan: the Ministry of Foreign Affairs, the Agency for Cultural Affairs and the Ministry of Economy, Trade and Industry, which will designate the Japanese handling organization and inform the Italian competent authority thereof.

B. Rules applying to co-production films

The competent authorities shall ensure, in accordance with the national laws and regulations in force in each country, that the rules set out in this Annex shall apply to co-production films under the Agreement.

Applications for the provisional approval under Article 5 of the Agreement shall be submitted to the respective competent authorities before the beginning of the filming or of the main work on animation, if possible simultaneously.

Applications for the final approval under Article 5 of the Agreement shall be submitted to the respective competent authorities accompanied by all the supporting documentation.

Projects that meet the requirements of co-production film will be issued an approval under Article 5 of the Agreement in writing by the competent authorities.

The application package shall include the items listed below:

1. a complete script of the film;
2. a document providing proof that the copyright for the production has been legally acquired in each country;

3. a copy of the co-production contract signed by the co-producers, subject to the approval by the competent authorities, which will include in any case:
- (i) the title of the co-production film;
 - (ii) the name of the producers;
 - (iii) the name of the author of the script or the adaptor in case of drawing from a literary source;
 - (iv) the name of the director (a substitution clause permitted to provide for his/her replacement if necessary);
 - (v) the budget, including the financing plan;
 - (vi) the commitment of the co-producers to covering any over or under expenditure in proportion to their respective financial contributions;
 - (vii) a clause recognizing that entitlement to benefits under the Agreement does not bind the relevant authorities in either Party to permit the public exhibition of the co-production film;
 - (viii) the approximate date when shooting is to begin;
 - (ix) a clause concerning the measures to adopt if one of the co-producers is partially failing to comply with the terms established in the co-production contract;
 - (x) a clause stipulating that the co-producer which has the major financial contribution will take out insurance policy covering at least “all production risks” and “all master material production risks”;
 - (xi) a clause establishing the applicable procedure for resolving any dispute between co-producers that cannot be resolved amicably;
 - (xii) a clause stipulating that the co-producers jointly own copyright to the co-production film and that each co-producer shall receive producer credit accordingly in the title sequence of the co-production film.

In addition, the contract between the co-producers will:

- (a) provide that a sufficient number of copies of the final material used in the production shall be made for all the co-producers. Each co-producer will be the owner of a copy of the protected reproduction material and will be entitled to use it to make the necessary reproductions. Moreover, each co-producer will have access to the original production material in accordance with the conditions jointly decided by the co-producers which at least will contain a clause stating that each co-producer is co-holder of the tangible elements of the co-production film and guarantee that all materials are copyright protected and that any exploitation can only be conducted by mutual consent of the co-producers.
 - (b) set out the financial liability of each co-producer for costs incurred:
 - (i) in preparing a project which is refused a provisional approval under Article 5 of the Agreement by the competent authorities;
 - (ii) in making a co-production film which has been given such a provisional approval under Article 5 of the Agreement and fails to comply with the conditions of such an approval; or
 - (iii) in making an approved co-production film, permission for whose public exhibition is withheld in any of the countries of the co-producers;
 - (c) set out the arrangements regarding the sharing between the co-producers of the revenues from the exploitation of the co-production film, including those from export markets. The sharing of revenues should, in principle, be proportional to the total contribution of each co-producer and it consists of either a sharing of revenues or a sharing of markets or a combination of the two formulas;
 - (d) specify the dates by which their respective financial contributions to the making of the co-production film shall have been completed;
4. the distribution contract, where this has already been signed;
5. the list of the creative, technical and artistic personnel indicating nationalities and role and, in the case of performers, the roles they are to play;

6. the production schedule;
7. the detailed budget, identifying the expenses to be incurred in each country by each producer;
8. the synopsis.

The competent authorities may ask for any further documentation and all other additional information deemed necessary.

Amendments may be made in the original contract. Any significant changes shall be submitted for the confirmation of the competent authorities before the making of a co-production film is completed. The replacement of a co-producer will be allowed only in exceptional cases and for reasons satisfactory to the competent authorities.

The competent authorities will keep each other informed of their decisions on the approval set out under the Agreement.

C. Identification of co-production films

Each co-production film shall include either a separate credit indicating that it is either a “Japanese-Italian co-production film” or an “Italian-Japanese co-production film” or, where relevant, a credit which reflects the participation from Japan, the Italian Republic and third countries.