

Film Co-production Agreement
between the Government of Japan and
the Government of the People's Republic of China

The Government of Japan and the Government of the People's Republic of China (hereinafter referred to individually as a "Party" and collectively as the "Parties");

CONSIDERING that the film industries of the two countries will benefit from closer mutual co-operation in the production of films;

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

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:

1. "Co-producer" means a body corporate or entity of Japan or the People's Republic of China (hereinafter referred to as "China") who participates in the making of a co-production film.
2. "Co-production film" means a film made by one or more Japanese co-producers in conjunction with one or more Chinese co-producers through joint investment and copyright, and includes a film to which Article 6 applies.

3. "Film" means an aggregate of images, or of images and sounds, embodied in any material, including but not limited to fiction films, documentaries and animation films, and which are primarily intended for theatrical release.

4. "Competent authorities" means the authorities designated as such by the Parties as responsible for the application and implementation of this Agreement.

Article 3 Recognition as a National Film and Entitlement to Benefits

A co-production film shall be entitled to the full enjoyment of all the benefits which are or may be accorded in Japan and China respectively to the national films subject to the laws and regulations in each country. These benefits accrue solely to the co-producer of the country that grants the benefits.

Article 4 Competent Authorities

The competent authority of each Party shall be set out in the Annex to this Agreement. Notwithstanding Article 10, if either Party wishes 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 5 Confirmation or Approval of a Co-production Film

1. Co-producers, who wish to receive the benefits in accordance with this Agreement, shall apply for and obtain provisional confirmation or approval related to the co-production film from respective competent authorities before the co-production film is put into production.

2. Co-production films shall be made in accordance with the terms and conditions of the provisional confirmation or approval with which respective competent authorities provide.

3. Co-producers, who have obtained the provisional confirmation or approval referred to in paragraph 1 of this Article, upon the completion of the production of its co-production film, shall be required to apply for and obtain the final confirmation or approval from respective competent authorities in order to receive the benefits.

4. The Annex to this Agreement provides the rules of procedures in which co-producers apply to the competent authorities for a confirmation or approval, referred to in paragraphs 1 and 3 of this Article.

5. The competent authorities shall consult with each other in order to enable them to determine whether a project conforms to the provisions of this Agreement upon the request from either of the competent authorities.

6. The competent authorities may stipulate terms and conditions in granting a confirmation or approval referred to in paragraphs 1 and 3 of this Article, for the purpose of achieving the general objectives of this Agreement.

7. The competent authorities shall ensure that their decision of granting (including terms and conditions referred to in paragraph 6 of this Article) or denying the confirmation or approval will be made within the laws and regulations in their respective countries.

Article 6 Co-production with Third Countries

1. With joint confirmation or approval by the competent authorities, any producers from the third countries may participate in co-producing co-production films under this Agreement.

2. Any third country co-producer shall fulfill all conditions relating to the co-production status which would be required to be fulfilled to produce a film under the terms of the film co-production agreement in force between that co-producer's country and either Japan or China.

Article 7 Application for Co-production Film Status

1. The co-producer of Japan is responsible for applying for a confirmation referred to in paragraphs 1 and 3 of Article 5 to the competent authority of Japan.

2. The co-producer of China is responsible for applying for an approval referred to in paragraphs 1 and 3 of Article 5 to the competent authority of China.

Article 8
Import of Equipment

Each Party confirms that it shall implement customs procedures regarding the temporary admission of equipment for the making of co-production films, in accordance with its laws and regulations.

Article 9
Permission to Exhibit Publicly

The confirmation or approval of a co-production film by the competent authorities shall not bind the relevant authorities in either Party to permit the public exhibition of the resulting film in their country.

Article 10
Status of Annex

1. The Annex to this Agreement forms an integral part of this Agreement.
2. Notwithstanding paragraph 4 of Article 12, any modifications to the Annex shall be made through consultations between the competent authorities, and shall enter into force once the agreed modifications are confirmed through the exchange of diplomatic notes that inform agreements of the competent authorities on the modifications.

Article 11
Implementation

1. The implementation of this Agreement shall be subject to the relevant laws and regulations in each country.
2. This Agreement shall be implemented, subject to the availability of appropriated funds in each country.
3. Any matters in relation to the interpretation or application of this Agreement shall be solely solved through consultation between the competent authorities.
4. The provisions of this Agreement are without prejudice to the rights and obligations of both Parties under other international agreements.

Article 12
Entry in Force, Duration and Amendment

1. This Agreement shall enter into force on the date of signature.

2. This Agreement shall remain in force for a period of five years. Unless either of the Parties notifies the other Party of the intention to terminate this Agreement in writing six months before the expiration date, this Agreement shall be automatically extended for a further period of five years, and shall thereafter be renewable for similar periods accordingly.

3. A film made in accordance with a confirmation or approval by the competent authorities under this Agreement but completed after the termination of this Agreement shall be treated as a co-production film and its co-producers shall accordingly be entitled to all the benefits of this Agreement.

4. This Agreement may be amended by mutual consent in writing between the Parties. Unless otherwise specifically agreed, such amendments shall enter into force in accordance with the terms stipulated in paragraph 1 of this Article.

IN WITNESS WHEREOF, the undersigned, being duly authorized by their respective Governments, have signed this Agreement.

DONE at Tokyo on this ninth day of May in the year 2018, in duplicate in the Japanese, Chinese and English languages, all texts being equally authentic.

For the Government of
Japan

河野太郎

For the Government of
the People's Republic of China

王毅

Annex to
the Film Co-production Agreement between
the Government of Japan and the Government of
the People's Republic of China

A. Competent Authorities

The competent authorities for the Film Co-production Agreement between the Government of Japan and the Government of the People's Republic of China (hereinafter referred to as "the Agreement") are as follows:

- (1) The Japanese competent authority is 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 Chinese competent authority thereof. The Japanese competent authority may commission a part of administrative affairs to the handling organization.
- (2) The Chinese competent authority is China Film Bureau.

The Chinese competent authority designates the China Film Co-Production Corporation as the Chinese handling organization through which co-production films are assessed for co-production status.

B. Rules Applying to Co-Production Films

The competent authorities will ensure within the laws and regulations in their respective countries that the following rules of this Annex will apply to co-production films under the Agreement:

- (1) Application for co-production status under the Agreement will be made to the handling organization in each country together with all supporting documentation;

In Japan, projects will be evaluated within forty-five (45) working days from application. Projects that meet the requirements of co-production will be issued a confirmation in writing by the Japanese handling organization;

In China, upon receiving the application and supporting documentation, the Chinese competent authority will examine them and provide the applicant with a statement of their decision within forty-five (45) working days. Projects that meet the requirements of co-production will be granted "The Film Project Approval Note", and will be recognized as having completed the final approval process once the Chinese competent authority has granted it "The Film Public Screening Permit";

The application package shall include the items listed below:

- (a) A complete script of the film;
- (b) A document providing proof that the copyright for the production has been legally acquired;
- (c) A copy of the co-production contract signed by the two co-producers, which will include in any case:
 - (i) The title of the co-production film;
 - (ii) The name of the producer, and the author of the script or the adaptor in case of drawing from a literary source;
 - (iii) The name of the director (a substitution clause permitted to provide for his/her replacement if necessary);
 - (iv) The budget, including the financing plan;
 - (v) International distribution estimates;
 - (vi) The respective shares of the co-producers in any over or under expenditure, which shares shall in principle be in proportion to their respective contributions, although the minority co-producer's share in any over expenditure may be limited to a lower percentage or to a fixed amount provided that the minimum proportion permitted under Section B(7) of this Annex is respected;

- (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 period when shooting is to begin;
- (ix) A clause stipulating that the majority co-producer will take out insurance policy covering at least "all production risks" and "all original material production risks";
- (d) The distribution contract, where this has already been signed;
- (e) The list of the creative and technical personnel indicating nationalities and role, and in the case of performers, the roles they are to play;
- (f) The production schedule;
- (g) The detailed budget, identifying the expenses to be incurred in each country by each producer;
- (h) The synopsis.

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

Amendments may be made in the original contract. Any significant changes (including the replacement of a co-producer) shall be submitted for confirmation or approval by the competent authorities before the film co-production is finished. The replacement of a co-producer will be allowed only in exceptional cases and for reasons satisfactory to the two competent authorities.

The competent authorities will keep each other informed of their decisions on the confirmation or approval as set out under this paragraph.

- (2) The contract or contracts governing the making of the co-production films will provide that a co-producer may assign or dispose of the benefits referred to in Article 3 of the Agreement only to a body corporate or entity in that co-producer's country.
- (3) The competent authorities will satisfy themselves that conditions of work in the making of co-production films under the Agreement in each of the countries of the participating co-producers are in broad terms comparable and that in the event that location shooting of the film takes place in a country other than that of a co-producer under the Agreement, conditions will be, in broad terms, no less favorable.
- (4) None of the co-producers will be linked by common management, ownership or control.
- (5) Co-production films will be made and processed up to the creation of the first release print in Japan and China, and when there is a third country co-producer, in that co-producer's country. Re-voicing of co-production films may be carried out in Japan or China, and when there is a third country co-producer, in that co-producer's country. The majority of the work will normally be carried out in the country of the co-producer which has the major financial contribution but the competent authorities may mutually confirm or approve other arrangements. The competent authorities may also mutually confirm or approve location filming in a country other than the countries of the participating co-producers.
- (6) The performing, technical and craft contribution (being the "creative" contribution) and the financial contribution of each co-producer will be agreed by the co-producers, provided that the performing, technical and craft contribution of each co-producer to a co-production film will be in reasonable proportion to each of the co-producer's financial contribution. When assessing the financial contribution of each co-producer, the competent authorities may mutually confirm or approve "in kind" contribution (including, but not limited to, the provision of studio facilities) as part of the financial contribution.

- (7) Each co-producer will have a financial and creative contribution of not less than twenty per cent (20%) of the total financial and creative contribution for the co-production film, and not more than eighty per cent (80%) of the total. The competent authorities may agree to different limits, but subject to new minimum and maximum limits of 10% and 90%, respectively. In the event that a third country co-producer is jointly confirmed or approved to participate in the film co-production, its total contribution shall be no less than ten per cent (10%) and no more than twenty per cent (20%) of the total.
- (8) At least ninety per cent (90%) of the footage included in a co-production film will, subject to any departure from this rule which is mutually confirmed or approved by the competent authorities, be especially shot for the film.
- (9) The contracts between the co-producers will:
- (a) Provide that a sufficient number of copies of the final protection and reproduction 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 protection and 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 agreed upon between the co-producers which at least will contain a clause stating that each co-producer is co-holder of the tangible elements of the film and guarantee that all materials are copyright protected and that any exploitation can only be conducted with agreement of the two co-producers.
- The original production material should be registered to the joint names of the co-producers in a jointly-agreed-upon laboratory to which each co-producer should have access.
- (b) Set out the financial liability of each co-producer for costs incurred:

- (i) in preparing a project which is refused provisional confirmation or approval as co-production film by the competent authorities;
 - (ii) in making a film which has been given such provisional confirmation or approval and fails to comply with the conditions of such confirmation or approval; or
 - (iii) in making a confirmed or 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 division between the co-producers of the revenues from the exploitation of the film, including those from export markets. The sharing of revenues should, in principle, be proportional to the total contribution of each of the co-producers and shall be subject to confirmation or approval by the competent authorities. This sharing 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 contributions to the production of the film will have been completed.
 - (e) Include a clause stipulating that the co-producers jointly own copyright in and to the co-production film and that each co-producer shall receive producer credit accordingly in the co-production film's title sequence.
- (10) Each co-production film will include either a separate credit title indicating that the film is either a "Japanese-Chinese Co-production", or a "Chinese-Japanese Co-production", or where relevant, a credit which reflects the participation of Japan, China and the third country and may carry the logos of the competent authorities.
- (11) The competent authorities will inform each other of new agreements concluded with other countries, in order to increase the effectiveness of the Agreement.