AGREEMENT
ON
FILM CO-PRODUCTION
BETWEEN
THE GOVERNMENT OF THE STATE OF ISRAEL
AND
THE GOVERNMENT OF THE REPUBLIC OF AUSTRIA

The Government of the State of Israel and the Government of the Republic of Austria, hereinafter referred to as "the Parties";

Mindful of the fact that mutual cooperation may serve the development of film production and encourage a further development of the cultural and technological ties between the two countries;

Considering that co-production may benefit the film industries of their respective countries and contribute to the economic growth in the audio-visual field, especially in relation to the joint production of cinematographic films in Israel and in Austria;

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

Have therefore agreed as follows:

Article 1

For the purpose of this Agreement

(1) "co-production" means a cinematographic work, made by an Israeli and Austrian co-producer and intended for commercial exploitation;

(2) "Israeli co-producer" means the Israeli person or entity by whom the arrangement necessary for the making of the film are undertaken;

(3) "Austrian co-producer" means the Austrian person or entity by whom the arrangement necessary for the making of the film are undertaken;

(4) The "Competent Authorities" means both Competent Authorities responsible for the implementation of this Agreement or either Competent Authority in regard to its own country, as the case may be. The Competent Authorities are:

For the Israeli side: the Ministry of Culture and Sport or its designee(s)

For the Austrian side: the Federal Ministry of Science, Research and Economy

Article 2

(1) Co-productions pursuant to this Agreement must be approved by the Competent Authorities.

Any co-production produced in pursuance of this Agreement shall be entitled to the benefits to which the film production industry is entitled by virtue of each Party's domestic legislation or by those which may be decreed by each Party. These benefits accrue solely to the co-producer of a country that grants them.

(2) Failure of a Party's co-producer to fulfill the conditions according to which that Party has approved a co-production 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 and adequate qualifications to bring the production to a successful conclusion and exploitation.

(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 the creation of the first release print, in the countries of the participating co-producers. 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 a country participating in the co-production, the Competent Authorities may authorize the procurement of such services from a supplier in third countries.

(2) Those participating in a co-production must be from the following groups:

1. In relation to the State of Israel: citizens or permanent residents of the State of Israel.

2. In relation to the Republic of Austria

    a. Citizens.

    b. Nationals of a Member State of the European Union who enjoy freedom of movement for workers, or nationals of a country party to the Agreement on the European Economic Area of 2 May 1992 as well as

    c. Third-country nationals or stateless persons who, according to national legislation, are entitled to stay permanently in Austria, as well persons qualifying for asylum; these persons must hold permits entitling them to take up work in the Republic of Austria.

(3) Should the co-production so require, the Competent Authorities may permit, in exceptional circumstances, the participation of persons who do not fulfill the conditions provided by paragraph (2).

(4) Dubbed versions may include passages of dialogue in another language if the screenplay so requires.

Article 5

(1) The respective financial contributions of the producers of the two countries shall be between twenty (20) and 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 contribution of each co-producer must comprise an actual technical and creative investment in the form of adequate employment of staff with responsibility in these fields, which must be commensurate with this producer's financial investment.

Any exception to the abovementioned principles must be approved by the Competent Authorities, which may, in special cases, authorize that the respective financial contributions by the producers of the two countries vary from ten (10) to ninety (90) per cent.

(2) In the event that a producer from a third country is authorized to participate in the co-production, its financial contribution shall not be less than ten (10) per cent.

Article 6

(1) The co-producers shall ensure that rights to exploit 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 par. 3(a) of the Annex.

(2) Allocation of rights to exploit a co-production film, including ownership and licensing thereof, shall be made in the co-production contract to be concluded between the co-producers.

(3) The co-production contract shall set forth that revenue from all types of exploitation be distributed in accordance with the financial investment of each co-producer. In exceptional circumstances also specific exploitation territories or sectors may be defined with due regard to the respective market sizes and market values.

(4) 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 exploitation rights in the said materials, except as is determined by the parties in the co-production contract.

(5) 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 exploitation rights that may be embodied in the said physical copy, except as is determined by the parties in separate agreements.

(6) The co-production contract shall guarantee each co-producer ownership on a joint basis of the original negative (image and sound). Moreover, the contract shall ensure that each co-producer has a right to original materials for duplication (internegative, sound negative and the like) in the respective national language. Original materials for duplication in other languages shall be produced by agreement of the co-producers.

Article 7

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

Article 8

Approval of the co-production of a film by the Competent Authorities does not imply any permission or authorization to show or distribute the film thus produced.

Article 9

(1) All co-produced films shall be identified as Israeli-Austrian or Austrian-Israeli co-productions.

(2) Such identification shall appear in a separate credit title, in all commercial advertising and promotional material, and whenever co-produced films are shown at any public performance.

Article 10

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.

Article 11

(1) In order to review the application of this Agreement, the Parties shall establish a Joint Commission to be composed of equal numbers of representatives of both Governments and of professional organizations. In principle, the Commission shall meet every two years, alternately in one of the two countries.

(2) The Joint 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 Commission shall determine the measures deemed necessary to establish such balance.

- Recommend means to generally improve cooperation in film co-production between Israeli and Austrian producers.

(3) Each party shall notify the other, through diplomatic channels, as to its appointees to the Joint Commission.

Article 12

Any differences between the Parties arising from the implementation of this Agreement shall be settled via the Joint Commission through diplomatic channels.

Article 13

(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 concluded for an indefinite period of time, unless terminated by either Party giving at least six (6) months written prior notice to the other Party of its intention to terminate the Agreement.

(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 from the provisions of this Agreement until completion.

(4) In the event of termination of this Agreement, its terms shall continue to apply to the division of revenues from completed co-productions.

Signed in Vienna on 1st October 2014, which corresponds to the 7th Tishrei 5775, in two original copies in the Hebrew, German and English languages, all texts being equally authentic. In case of divergence the English text shall prevail.

For the Government of the State of Israel

For the Government of the Republic of Austria

ANNEX
RULES OF PROCEDURE

1. Applications for qualification of a film for co-production benefits must be filed with the Competent Authorities at least thirty (30) 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. Applications must be accompanied by the following documents in the Hebrew or English languages for the State of Israel and in the German or English languages for Austria:

    a. A proof that the co-producers hold all the necessary exploitation rights and rights related to copyright (neighboring rights) to an extent sufficient for the purposes of fulfilling the objectives of the co-production contract, especially the rights of reproduction, distribution, broadcasting, performance, and of making the work available on demand, which are necessary for the purposes of fulfilling the contract.

    b. The signed co-production contract, which is subject to the approval of the Competent Authorities.

4. The co-production contract must make provisions 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 synopsis 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 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. Provisions as to the respective participation of the co-producers in any additional expenses that may be incurred. Participation in additional expenses must, in principle, correspond to the respective financial contribution; however, the contribution of the minority co-producer may be limited to a lower percentage or a certain amount;

    j. Allocation of exploitation rights in a co-production film, including ownership and licensing thereof;

    k. Breach of the co-production contract;

    l. A clause which requires the major co-producer to take out insurance policies that are customary in this sector;

    m. The approximate starting date of shooting;

n. The list of required equipment (technical, artistic or other) and personnel, including nationality of personnel and the roles to be played by the performers;

o. The production schedule;

p. A distribution agreement, if one has been concluded;

q. The manner in which the co-production shall be entered in international festivals;

r. Other provisions required by the Competent Authorities.

5. 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.

6. Provisions in the original co-production contract may be amended by the co-producers subject to prior approval by the Competent Authorities.

7. The replacement of a co-producer is subject to the prior approval by the Competent Authorities.