AGREEMENT
ON
FILM CO- PRODUCTION
BETWEEN
THE MINISTRY OF CULTURE AND SPORT OF THE STATE OF ISRAEL
AND
THE MINISTRY OF CULTURE OF THE REPUBLIC OF ESTONIA

The Ministry of Culture and Sport of the State of Israel and The Ministry of Culture of the Republic of Estonia, hereinafter referred to as "the Parties";

Mindful of the fact that mutual cooperation may serve the development of film production and encourage the 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 of the film, television, video and new media production and distribution industries in Israel and in Estonia;

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

Recalling the Agreement between the Government of the State of Israel and the Government of the Republic of Estonia on Cultural, Educational and Scientific Cooperation signed in Jerusalem on 12 July 1993 ;

Have therefore 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 Israeli co-producer and an Estonian co-producer, produced in any format, for distribution through any venue or medium, including theatres, television, internet, videocassette, videodisc, CD-ROM or any similar means, including future forms of cinematographic production and distribution;

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

(3) **"Estonian co-producer"** means the Estonian person or entities 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 Estonian side the Ministry of Culture of the Republic of Estonia or its designee(s);

Article 2

(1) Films to be co-produced pursuant to this Agreement by the two countries must be approved by the competent authorities.

(2) Any co-production produced in pursuance of this Agreement shall be considered by the Competent Authorities as a national film, subject, respectively, to the domestic legislation of each Party. Such co-productions shall be entitled to the benefits to which the film production industry is entitled by virtue of each Party's domestic legislation or to those benefits which may be decreed by each Party. These benefits accrue solely to the co-producer of a country that grants them.

(3) 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 agreement by a Party's co-producer 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 adequate technical organization, 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 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 a third country.

(2) The producers, authors, scriptwriters, performers, directors, professionals and technicians participating in co-productions, must be citizens or permanent residents of the State of Israel or of the Republic of Estonia in accordance, respectively, with the domestic legislation of the Parties.

(3) Should the co-production so require, the participation of professionals who do not fulfill the conditions provided by paragraph (2) may be permitted, in exceptional circumstances, and subject to the approval of the Competent Authorities.

(4) Use of any other languages in a co-production other than the languages permitted according to the legislation of the Parties may be added to the co-production if the screenplay requires it.

Article 5

(1) The respective contributions of the producers of the two countries 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 personal, laboratories and facilities.

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 producers of the two countries vary from ten (10) to ninety (90) per cent.

(2) In the event that the Israeli co-producer or the Estonian 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.

(3) In the event that a producer from a third country is authorized to participate in the co-production its contribution shall not be less that 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 technical 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 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 par. 3(a) of the Annex.

(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 said 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 said 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 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 production of co-production films under this Agreement, subject to their respective domestic legislation. 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 its territory for the purpose of participating in the production of co-production films.

Article 9

Approval of a proposal for 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 10

(1) If a co-produced film is marketed in a country that has quota regulations in regard to both the Parties, it shall be included in the quota of the Country 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

country 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 Parties, the co-produced film shall be marketed by the Party 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 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 Party will 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 Israeli-Estonian or Estonian-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 12

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 13

(1) The Parties may establish a Joint Commission, with equal number of representative from both countries. The Joint Commission shall meet, when necessary, alternately in Jerusalem and in Tallinn.

(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 Estonian producers.
- Recommend amendments to this Agreement to the Competent Authorities.

(3) The members of the Joint Commission shall be agreed upon by the Parties in written form.

Article 14

This Agreement may be amended in writing by mutual consent of the Parties. Any modification of the Agreement or of the appended Annex shall follow the same procedures for entering into force as are specified in Article 16.

Article 15

Any differences between the Parties arising from the implementation of this Agreement shall be settled in amicable manner.

Article 16

(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 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.

Signed in Jerusalem on Nov. 12, 2012 which corresponds to the 27 of Heshvan, 5773, in two original copies in the Hebrew and English languages, all texts being equally authentic. In case of divergence the English text shall prevail.

For the Ministry of Culture and Sport of the State of Israel

For the Ministry of Culture of the Republic of Estonia