

**AGREEMENT BETWEEN
THE GOVERNMENT OF THE PEOPLE'S REPUBLIC
OF CHINA
AND
THE GOVERNMENT OF THE REPUBLIC OF KOREA
CONCERNING THE CO-PRODUCTION OF FILMS**

The Government of the People's Republic of China and the Government of the Republic of Korea (hereinafter referred to as "the Parties");

Seeking to enhance cooperation between their two countries in the area of film;

Desiring to facilitate and expand the co-production of films which may be conducive to the film industries of both countries and to the development of their cultural and economic exchanges; and

Convinced that such co-production films will contribute to the enhancement of relations between the two countries;

Have agreed as follows:

Article 1
Definitions

For the purposes of this Agreement:

- (a) "competent authority" means the authority designated as such in the Annex to this Agreement by each Party;
- (b) "co-producer" means one or more nationals of the People's Republic of China or one or more nationals of the Republic of Korea involved in the making of a co-production film, or, in relation to Article 5 ("Third Party Co-Productions"), one or more nationals of a third country/region;
- (c) "co-production film" means a film made by one or more nationals of one country in cooperation with one or more nationals of the other country under a project approved jointly by the competent authorities of the two Parties, and includes a film to which Article 5 applies. In order for a film to be approved under this Agreement, the co-production film must satisfy the minimum levels for the performing, technical, craft and financial contributions of each co-producer, as well as the other requirements of this Agreement;
- (d) "film" means a series of images, or of images and sounds, including animation, which is intended to be shown in cinemas;
- (e) "nationals" means¹:
 - (i) for the People's Republic of China,
 - citizens of the People's Republic of China as defined in the nationality law; or
 - legal persons in the People's Republic of China.
 - (ii) for the Republic of Korea,
 - nationals of the Republic of Korea as defined in the nationality law; or

¹ For the purpose of this Agreement, foreigners who have obtained permanent residence permits in the People's Republic of China or the Republic of Korea may enjoy the same treatment as Chinese or Korean nationals.

- legal persons in the Republic of Korea.

Article 2

Recognition as a National Film and Entitlement to Benefits

A co-production film made in accordance with this Agreement shall be fully entitled to all the benefits which are or may be accorded to national films by each Party under its respective national laws and regulations in force currently or in the future.

Article 3

Approval of Projects

1. Co-production films must receive provisional approval from the respective competent authorities of the Parties before they are put into production. It is the responsibility of the co-producers to provide any documentation required by the competent authorities to enable the competent authorities to complete their provisional approval processes.
2. Co-production films must be made in accordance with the terms of the provisional approval which has been given by the competent authorities.
3. Upon completion of production, it is the responsibility of the co-producers to submit to the competent authorities the completed co-production film and any documentation required respectively by the competent authorities and to obtain their final approval.
4. In determining both provisional and final approval, the competent authorities shall apply the provisions of the Annex to this Agreement to co-production films.
5. The competent authorities shall consult with each other to enable them to

determine whether a project conforms with the provisions of this Agreement. Each competent authority, in deciding whether to grant or refuse provisional or final approval, shall apply its own policies and guidelines.

6. In relation to the People's Republic of China, a co-production film shall be recognized as having completed the provisional approval process once the Chinese competent authority has granted it "Project Establishment" status. A co-production film shall be recognized as having completed the final approval process once the Chinese competent authority has granted it a "Film Public Screening Permit".

7. In relation to the Republic of Korea, a co-production film shall be recognized as having completed the provisional or final approval process once the Korean competent authority provides written notification of such approval.

Article 4

Contributions

1. The proportion of the performing, technical and craft contributions (hereinafter jointly referred to as the "creative contribution") of each co-producer of a film shall be decided by arrangement between the co-producers, and shall be between twenty to eighty percent (20 to 80 %) of the final creative contribution to the film.

2. The proportion of the financial contributions of each co-producer of a film shall be decided by arrangement between the co-producers, and shall be between twenty to eighty percent (20 to 80%) of the final production cost of the film. Calculation of the financial contribution may include in-kind contributions.

Article 5

Third Party Co-Productions

1. Where either the People's Republic of China or the Republic of Korea maintains with a third party a film co-production agreement, the competent authorities may approve a project for a co-production film under this Agreement that is to be made in conjunction with a co-producer from that third party.
2. Approvals under this Article shall be limited to proposals in which the contribution of the third party co-producer is no greater than the lesser of the individual contributions of the People's Republic of China and the Republic of Korea co-producers.

Article 6

Film Production

At least ninety percent (90%) of the footage included in a co-production film shall, subject to any departure from this rule which is mutually approved by the competent authorities, be specially shot for that film.

Article 7

Entry Facilitation

Subject to its national laws and regulations, each Party shall permit nationals of the other country, and nationals of any third party co-producer approved under Article 5, to enter the People's Republic of China or the Republic of Korea for the purpose of making or promoting a co-production film.

Article 8
Import of Equipment

Each Party shall endeavor to provide, in accordance with its respective national laws and regulations, temporary admission, free of import duties and taxes, of technical equipment and filming materials for the making of co-production films.

Article 9
Film Distribution

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

2. Both Parties shall endeavor to promote the global distribution of co-production films in order to enhance the competitiveness of the co-production films in the global market.

Article 10
Technical Cooperation

Both Parties shall endeavor to promote inclusive technical cooperation activities in film and related areas such as computer graphics, virtual reality and/or digital cinema technologies.

Article 11
Status of Annex

The Annex to this Agreement shall be an integral part of this Agreement.

Article 12
Obligations under International Law

The provisions of this Agreement are without prejudice to the obligations of the Parties under international law, including international agreements to which they are party.

Article 13
Entry into Force

The Parties shall notify each other in writing through diplomatic channels of the completion of their respective domestic procedures necessary for the entry into force of this Agreement. This Agreement shall enter into force on the date of the later of such notifications.

Article 14
Amendment

To improve the effectiveness of this Agreement, amendment may be made with the mutual written consent of the Parties. The amendment shall be notified in writing through diplomatic channels and shall take effect on the date of the later notification.

Article 15
Duration and Termination

1. This Agreement shall remain in force for a period of three (3) years from the date of entry into force and shall thereafter be automatically renewed for successive periods of three (3) years, unless either Party notifies the other Party in writing through diplomatic channels of its intention to terminate this Agreement, within six (6) months of the expiry date.

2. Unless otherwise mutually agreed by the Parties, the provisions of this Agreement shall continue to be applied in respect of any co-production film approved by the competent authorities and not yet completed at the time of termination, and shall be effective until such co-production is completed.

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

DONE in duplicate at _____, on the ____ day of _____, 2014, in the Chinese, Korean and English languages, all texts being equally authentic. In case of any divergence of interpretation, the English text shall prevail.

FOR THE GOVERNMENT OF
THE PEOPLE'S REPUBLIC OF CHINA

FOR THE GOVERNMENT OF
THE REPUBLIC OF KOREA

ANNEX

IMPLEMENTING ARRANGEMENTS FOR THE AGREEMENT BETWEEN THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA AND THE GOVERNMENT OF THE REPUBLIC OF KOREA CONCERNING THE CO-PRODUCTION OF FILMS

1. The competent authorities for the Agreement between the Government of the People's Republic of China and the Government of the Republic of Korea Concerning the Co-Production of Films (hereinafter referred to as the "Agreement") are, for the Chinese Party, the Film Bureau of the State Administration of Press, Publication, Radio, Film and Television, and, for the Korean Party, the Korean Film Council (KOFIC).

The China Film Co-production Corporation is designated as the Chinese handling organization through which co-production films are assessed for co-production status.

Both competent authorities and the handling organization shall supervise and review the operation of the Agreement, as well as mediate any disputes arising between the co-producers.

2. This Agreement applies to film co-production between co-producers from Mainland China and the Republic of Korea only.

3. Application Process

In order to benefit from the provisions of the Agreement, the co-producers must, before shooting commences, submit an application for co-production status and attach the documents listed below:

- (a) a copy of the documentation concerning the ownership of the copyright for the commercial exploitation of the work;

- (b) a synopsis of the film, including concrete information on the theme, and the complete script of the film;
- (c) a list of the technical and artistic contributions of each of the nationals from the countries or regions involved, indicating their nationalities and filmography, and, in the case of the actors, their nationality and the roles that they will play, with an indication of the type and length of the roles;
- (d) a work plan stating the periods and locations of principal photography on a weekly basis for studio and outdoor shooting;
- (e) a budget including the investors' letters of commitment and a detailed financing plan;
- (f) the co-production contract made between the producers, which states that the co-producers jointly own the property of the film and sets forth the allocation rates of the revenues from the exploitation of the film, including the revenues from overseas markets; and
- (g) any other documents and additional information that the competent authorities of the two countries may request.