

# The 2000 Film Agreement

## The parties to the Agreement

1. **The Swedish State**,
2. **Sveriges Biografägarförbund** (*Swedish Exhibitors Association*), **Folkets Husföreningarnas Riksorganisation** (*National Federation of Labour Movement Community Centres*), **Riksföreningen Våra Gårdar** (*Temperance Centres' Association*), **Sveriges Filmuthyrareförening u.p.a.** (*Swedish Film Distributors Association*) and **Föreningen Sveriges Filmproducenter** (*Swedish Film Producers Association*) — collectively referred to below as 'the film industry' — and
3. **Sveriges Television AB** and **TV 4 AB (publ.)** — collectively referred to below as 'the TV companies' — have reached the following agreement.

The Swedish State enters into this Agreement subject to the Government's approval.

## The terms of the Agreement

### Section 1

This Agreement concerns the financing of support extended by the Swedish Film Institute Foundation (hereinafter referred to as 'the Film Institute' or 'the Institute') for the purposes specified in the Agreement. Under its Memorandum of Association, the Institute's affairs are to be managed by a Board of Governors (hereinafter referred to as 'the Board'), whose members are appointed by the Government.

### Section 2

The parties are agreed that the rules governing support for Swedish cinema should be framed so as to foster the rational, efficient production and distribution of Swedish films and ensure that the funds allocated for this purpose are employed judiciously and effectively.

### Section 3

A 'full-length feature film' is defined in this Agreement as a film with a running time equivalent to at least 2000 metres of 35 mm film (or the equivalent in other formats), and intended for normal release and commercial screening at movie houses. Exceptions to the rule on running times may be allowed by the Board in the case of children's films, films for young people or documentary films.

The term 'film' as used in this Agreement also refers to videograms in all cases where such usage is justified and applicable in practice. A videogram is defined as a medium of information containing moving pictures, with or without sound, and intended for use in conjunction with a device for electronic reproduction.

### Section 4

A film is deemed to be Swedish if its producer is Swedish and if a substantial proportion of the actors or other performers involved are Swedish.

A 'Swedish producer' is defined as a physical person residing in Sweden, or a company, branch of a foreign company or other legal person registered in Sweden.

A film which does not have a Swedish producer may nevertheless be regarded as Swedish provided that at least 20 per cent of its production costs are financed by Swedish capital and a substantial proportion of the actors or other performers involved are Swedish.

## **Screening fees**

### **Section 5**

The exhibitor, or person or entity otherwise responsible for a cinematic performance (hereinafter referred to as the 'cinema operator' or 'operator') is required to pay the Film Institute a screening fee equivalent to 10 per cent of the gross box-office takings from each performance. Gross box-office takings in this context refer to gross income as defined in the general regulations governing film distribution issued by the Filmägarnas Kontrollbyrå Aktiebolag (*Film Distributors Checking Bureau Ltd.* — hereinafter referred to as 'the Bureau'). Film rent is not payable on the portion of gross box-office takings allocated to screening fees. The use of video technology as opposed to traditional technology has no bearing on the cinema operator's liability.

### **Section 6**

No fee is payable in the case of a cinematic performance at any permanent screening location at which, according to the register maintained by the Bureau, there are no more than five performances per week (excluding children's matinees).

A children's matinee is defined as a performance aimed at children and beginning no later than 5 p.m.

If cinematic performances have been arranged with a view to circumventing the regulations requiring payment of a screening fee, the Board may decide that this fee is payable. Before coming to a decision in such a case, the Board shall give the operator and the organisation of which he/she is a member an opportunity to express an opinion in the matter.

The Board may grant exemption from payment of the screening fee where film rent and cinema rentals are waived and in cases where box-office takings are donated to charity. Film festivals and similar events are exempt from screening fees.

### **Section 7**

Cinema operators are required to render account of and remit their screening fees directly to the Film Institute. Operators must observe a minimum of six accounting periods per year. The Film Institute is required to consult the film industry before adopting rules in this regard.

Accounts shall be submitted on forms approved by the Bureau. In other respects, accounts and fee payments must comply with the general regulations on film distribution issued by the Bureau. A provision to the effect that failure to pay the screening fee shall be equivalent to failure to pay film rent shall be included in the regulations.

Inspectors acting on behalf of the Film Institute must be allowed access to operators' accounting records insofar as these relate to the screening fee.

## **Section 8**

A written undertaking by every operator concerned to pay any fees that may be stipulated in this Agreement and otherwise comply with its provisions shall be obtained by the Bureau as soon as possible and submitted to the Film Institute. The wording to be used in this undertaking is set out in Appendix 1.

Cinema operators who fail to make such an undertaking will be excluded from the distribution list. If this sanction is not implemented despite a request to that effect, the film distributor shall be responsible to the Institute for all screening fees payable on any performance at which a film supplied by the same distributor is exhibited.

## **Grants from the TV companies**

### **Section 9**

Sveriges Television AB shall make a monthly grant to the Film Institute amounting to not less than thirty-eight million Swedish crowns (SEK 38,000,000) per calendar year. In addition, the company intends to spend an amount equivalent to the company's undertaking as part of the Film Institute's 1993 Financing Agreement (guaranteed amount) on co-production, co-financing and the purchase of broadcasting rights for films receiving grants under this Agreement.

TV 4 AB (publ.) shall make a monthly grant to the Film Institute amounting to not less than seven million, two hundred thousand Swedish crowns (SEK 7,200,000) per calendar year. In addition, the company intends to spend an amount equivalent to the company's undertaking as part of the Film Institute's 1993 Financing Agreement (guaranteed amount) on co-production, co-financing and the purchase of broadcasting rights for films receiving grants under this Agreement.

Grants and guaranteed amounts from the TV companies are to be adjusted on 1 July of each year, in accordance with the compensation index for Sveriges Television AB for 1 April of the same year and the compensation index for January, 2000.

## **Grants from the Swedish Film Producers Association**

### **Section 10**

The Swedish Film Producers Association shall make an annual contribution to the Film Institute equivalent to the revenues accruing to the Association but not exceeding two million Swedish crowns (SEK 2,000,000). Neither membership or service fees payable by the Association's members or direct grants or support received by the Association may be regarded as revenue in this context.

## **State grants**

### **Section 11**

Subject to Parliamentary approval, the Swedish State shall make an annual grant of two hundred million, five hundred thousand Swedish crowns (SEK 200,500,000) to the Film Institute. The State intends to adjust this grant in accordance with the rules governing allocation of state grants.

## **Grants from sources not party to the Agreement**

### **Section 12**

In the event of a person or organisation not party to the present Agreement wishing to make a contribution towards the aims stated herein, a separate agreement shall be drawn up between the contributing party and the parties to this Agreement. The State may enter into such an agreement with another grant source on behalf of the other parties.

A separate agreement as described in this Section shall be framed in general accordance with the wording provided in Appendix 2.

## **Allocation of the Film Institute's funds**

### **Section 13**

Funds accruing to the Film Institute under the terms of this Agreement shall be used for the following purposes:

1. Production subsidies for Swedish films.
2. Support for distribution and exhibition of films throughout the country.
3. Support for film-related cultural activities, etc.

## **Production subsidies for Swedish films**

### **Section 14**

Production subsidies for Swedish films shall comprise:

1. Advance allocations (for feature films, films for children and young people, short and documentary films, and development funds),
2. audience-related support, and
3. authors' subsidies.

### **Section 15**

Of the funds accruing to the Institute, fifty million Swedish crowns (SEK 50,000,000) shall be used to finance audience-related support measures. In addition, 5 per cent of any revenue accruing from screening fees in accordance with Section 5 in excess of the total screening fee revenue for the year 2000 shall be so used. The Board may reserve a maximum of 10 per cent of available funds for audience-related support for the same purpose during the following financial year.

## **Section 16**

Audience-related support shall be made available for unrestricted exhibition, i.e. cinematic performances open to the general public. Subsidies shall be based on gross box-office takings over a twelve-month period beginning on the date of the film's release.

Where more than 49 per cent of a film's production costs are financed by advance allocations, audience-related support shall not exceed 25 per cent of the gross box-office takings. Where advance allocations cover 49 per cent or less of a film's production costs, audience-related support may correspond to 50 per cent of gross box-office takings. In the case of films for which no advance allocation has been made, audience-related support may amount to 75 per cent of gross box-office takings. 'Advance allocation' is defined in Section 18.

In the case of children's films, audience-related support may correspond to 100 per cent of the film's gross box-office takings.

The Board may adjust the percentage rates applicable to the various film categories as necessary in the light of available funds. In this connection, the Board must seek to maintain the highest possible standards in terms of clarity and advance planning in order to facilitate the planning of new film projects. The producer is required to notify the Institute before shooting begins. The percentage rate to be applied in the case of an individual film project shall be decided on receipt of such notification before shooting begins.

The subsidies are payable until such time as the producer has been recompensed in full for a previously fixed outlay. The term 'producer' refers to a natural person, company or other legal person responsible for producing — that is to say financing, designing, shooting and completing — a film, and thereby acquires, and bears responsibility for, all the rights appertaining to that cinematic work. For the purposes of this Agreement, the term 'outlay' refers only to financing from a private source or from the TV companies party to this Agreement.

A factor to be considered when determining the point at which the producer is deemed to have been recompensed in full for his/her outlay is that 25 per cent of the film's gross box-office takings may be estimated as accruing to the producer over and above the amount of the subsidy.

## **Section 17**

A minimum of 43 per cent of the funds accruing to the Institute, after settlement in respect of audience-related support as defined in Section 15, shall be used to finance other production subsidies for Swedish films. The Board may reserve a maximum of 10 per cent of the funds allocated to each form of subsidy as defined in Sections 18 – 20 for the same purpose during the following financial year.

## **Section 18**

Of the funds accruing to the Institute in any financial year under Section 17, not less than 67 per cent shall be disbursed in the form of advance allocations for feature films, while not less than 10 per cent shall be disbursed in the form of advance allocations for short and documentary films, and not less than 10 per cent shall be disbursed in the form of

advance allocations for films aimed at children and young people.

Subsidies shall only be payable to producers who can present a comprehensive plan for the film's distribution in a range of distribution formats. Consideration must be given in this connection to whether the film is suitable for relaying by the TV companies party to this Agreement or on channels owned by TV companies that pay grants under Section 12.

**Section 19**

Of the funds accruing to the Institute in any financial year under Section 17, not less than 7 per cent shall be disbursed in the form of development subsidies. The term 'development subsidies' shall be deemed to include project-based support for scriptwriters, producers and directors, 'greenhouse grants' for young film-makers, support for further professional training for established film-makers and subsidies for independent producers.

An independent producer is any legal person, as defined in paragraph 5, Section 16, that is not a majority-owned subsidiary of a company whose operations involve the distribution, screening or broadcasting of cinematic works, or that does not form part of such a company.

The subsidy is payable to an independent producer for a maximum total period of three years and may not exceed one million Swedish crowns (SEK 1,000,000) per year.

**Section 20**

Of the funds accruing to the Institute in any financial year under Section 17, not less than 2 per cent shall be disbursed in the form of direct subsidies to scriptwriters, producers and directors (referred to below as 'authors') professionally involved in the production of Swedish films.

Authors' subsidies shall be disbursed retroactively to the film's authors for unrestricted movie-house performances, i.e. performances open to the general public. The authors shall be entitled to a maximum subsidy of ten Swedish crowns (SEK 10) for each ticket sold provided the total number of tickets sold does not exceed 100,000. The subsidies shall be divided equally between the three author categories. The Board may make such annual adjustments to the amount of the subsidy as it deems necessary in the light of available funds.

**Section 21**

The Board shall discharge its responsibility to meet the need for quality Swedish film productions by granting subsidies for short as well as feature films. The Board shall also bear in mind the need for documentary films and films aimed at children and young people. The Board shall further ensure that support — primarily in the form of subsidies for short films — gives young and new film-makers sufficient opportunity to develop their skills. To this end, the Board may in certain cases make exceptions to the requirement to produce a comprehensive distribution and screening plan, as stipulated in paragraph 2, Section 18.

## **National distribution and performance subsidies**

### **Section 22**

National distribution and performance subsidies shall include

1. film-launching subsidies and support for parallel distribution,
2. movie-house subsidies,
3. subsidies for regional activities
4. subsidies for film-related activities in schools
5. support for exhibiting organisations, film festivals and the importing and launching of quality films

### **Section 23**

A minimum of 24 per cent of the funds accruing to the Institute, after settlements in respect of audience-related support as defined in Section 15, shall be used to finance support for the distribution and screening of films on a countrywide basis. The Board may reserve a maximum of 10 per cent of the funds allocated to each form of subsidy as defined in Sections 24 – 28 to be used for the same purpose during the following financial year.

### **Section 24**

Of the funds accruing to the Institute in any financial year under Section 23, not less than 15 per cent shall be used to support the launching of Swedish feature films and not less than 4 per cent shall be used to support the parallel distribution of film copies.

Support for film launches shall normally be extended to distributors of Swedish feature films in the form of subsidies of an equivalent size to that of the distributor's own financial contribution. The amount of the subsidy shall be settled by the Board prior to the film's release.

Where the availability of funds or other considerations give special grounds for doing so, the Board may have recourse to other criteria for setting the amount of the subsidy than that stipulated in paragraph 2 above. However, this amount may not exceed five hundred thousand Swedish crowns (SEK 500,000).

### **Section 25**

Of the funds accruing to the Institute in any financial year under Section 23, not less than 24 per cent shall be disbursed in the form of movie-house subsidies. Not less than 60 percent of the above allocation shall be extended to cinema operators for general exhibition of Swedish films. Not less than 15 per cent of the same shall be made available for audience-related measures to operators based in towns with less than 50,000 inhabitants. Not less than 11 per cent of the same shall be used towards the re-equipment and refurbishment of movie-houses. Not less than 5 per cent of the same shall be extended to arrangers of film performances not liable to value-added tax.

When distributing the subsidy for general exhibition of Swedish films, special consideration must be given to the needs of operators in small and medium-size towns.

### **Section 26**

Of the funds accruing to the Institute in any financial year under Section 23, not less than 20 per cent shall be disbursed in the form of subsidies for regional activities. This class of subsidy shall include support for activities at regional standby centres for film and video as well as support for activities at regional film production centres. Support for regional activities is contingent on a contribution by

the local county council, municipal council or other principal equal to or greater than the subsidy provided for in this Agreement. The total amount disbursed to regional film production centres may not exceed three million Swedish crowns (SEK 3,000,000) annually.

#### **Section 27**

Of the funds accruing to the Institute in any financial year under Section 23, not less than 14 per cent shall be disbursed in the form of subsidies for film-related activities in schools. Funds shall be allocated to projects aimed at the dissemination of short and documentary films and to School Cinema, a project aimed at promoting film-related activities in schools. The subsidies shall also cover costs incurred in renting films from the Film Institute and the acquisition of film rights.

Support for School Cinema is payable to a local authority or film association for a maximum total period of three years, and is contingent on a contribution by the local county council, municipal council or other principal equal to or greater than the subsidy provided for in this Agreement. To receive support, schools must also submit a teaching plan and pursue their film-related activities in co-operation with a local cinema operator.

#### **Section 28**

Of the funds accruing to the Institute in any financial year under Section 23, not less than 9 per cent shall be disbursed in the form of subsidies for exhibiting organisations. For the purposes of this Agreement, an exhibiting organisation is defined primarily as an association of public-service, not-for-profit societies that exhibit films in movie-houses, either under their own management or through financing provided by their membership.

In addition, not less than 5 per cent of the above funds shall be disbursed in the form of subsidies to film festivals and support for the importing and launching of quality films.

### **Subsidies for film-related cultural activities, etc.**

#### **Section 29**

Support for film-related cultural activities shall include:

1. subsidies to help meet the costs of international launches and charges incurred in connection with international activities,
2. subsidies to help meet the costs of adding Swedish sub-titles to films and videos, and for producing oral descriptions of films for the visually impaired,
3. subsidies to facilitate co-operation between the film industry and the TV companies,
4. subsidies for other film-related cultural activities, and
5. funds to cover the Film Institute's administrative and management costs.

#### **Section 30**

A minimum of 23 per cent of the funds accruing to the Institute, after settlements in respect of audience-related support as defined in Section 15, shall be used to finance support for film-related cultural activities, etc. The Board may reserve a maximum of 10 per cent of the funds allocated to each form of subsidy as defined in Sections 31 – 34 to be used for the same purpose during the following financial year.



**Section 31**

Of the funds accruing to the Institute in any financial year under Section 30, not less than 18 per cent shall be disbursed in the form of subsidies for international launches of Swedish films and charges incurred in connection with international activities. The Institute shall continue its co-operative activities within Eurimages and Nordiska Film- och TV-fonden and assume responsibility for co-ordinating Swedish efforts in connection with the Media II Programme. The Institute shall also take an active part in international launches of Swedish films and support the producers and distributors of Swedish films in such launches.

**Section 32**

Of the funds accruing to the Institute in any financial year under Section 30, not less than 2 per cent shall be used to make films more accessible to the functionally impaired. To this end, the Board shall divide the allocation into support for Swedish sub-titling of films and videos, and producing oral descriptions in videograms for the visually impaired.

**Section 33**

Of the funds accruing to the Institute in any financial year under Section 30, not less than 2 per cent shall be disbursed in the form of subsidies to assist co-operation between the film industry and the TV companies. The Swedish Film Trades Organisation's Co-operation Committee shall be responsible for distributing the allocation between the film industry and the TV companies in proportion to the size of their respective contributions to the Institute. The subsidies are to be used to support the dissemination of films of artistic or cultural worth, promote education and research, help implement measures aimed at preventing the unauthorised use of films, and encourage activities designed to enhance public interest in films in all distribution formats.

**Section 34**

Of the funds accruing to the Institute in any financial year under Section 30, not less than 29 per cent shall be disbursed in the form of subsidies for other film-related cultural activities including preserving and facilitating access to Sweden's cinematic heritage, providing the public with information about films and documenting the cinema both as art form and as part of the entertainment industry. Of these funds, 5 million Swedish crowns (SEK 5,000,000) shall go to restoring Swedish colour films.

**Section 35**

Of the funds accruing to the Institute in any financial year under Section 30, not more than 45 per cent shall be used to cover the Film Institute's administrative and management costs, including management and administrative costs incurred in connection with the activities of consultants and of the Advisory Committee.

Funds available for the subsidies referred to in Sections 24 – 28 may be used to defray administrative costs incurred in connection with each type of subsidy. However, said administrative costs may not exceed 10 per cent of the funds available for these subsidies.

**Section 36**

With respect to subsidies for regional activities, film-related activities in schools and film-related cultural activities, etc., the Institute shall comply with any special

requirements relating to the use and accounting of the funds in question which the Government may see fit to impose.

## **Consultants and Advisory Committee**

### **Section 37**

The Board shall engage consultants and appoint an advisory committee to assist it in determining which feature film projects should receive advance allocations. The Advisory Committee shall comprise a consultant and four other members appointed by the Board. Of the funds available for advance allocations for feature films under Section 18, one half shall be allocated in accordance with the assessment of the consultant concerned and the other half shall be allocated in accordance with the assessment of the Advisory Committee.

The Board shall also engage consultants to assist it in determining which projects involving short films, documentaries and films aimed at children and young people should receive advance allocations and to help determine the allocation of development subsidies in accordance with the provisions in Section 19.

As a rule, the Board should abide by the consultants' assessments. If the Board does not approve a subsidy for a film project that has been recommended by a consultant or the Advisory Committee, it should state its reasons for this decision. Under the Foundation Act (1994:1220), the Board is responsible for the operations of the Institute.

Applicants shall be free to submit the same project for assessment by more than one consultant and by the Advisory Committee.

### **Section 38**

Consultants and members of the Advisory Committee shall be appointed for a limited period. When appointing consultants and members of the Advisory Committee, the Board shall seek to ensure that men and women are equally represented.

### **Section 39**

Each year, the Board shall provide consultants and the Advisory Committee with a financial framework for their recommendations.

## **Observance of the Agreement**

### **Section 40**

The film industry undertakes to promote and uphold observance of this Agreement. Organisations bound by the Agreement shall seek to persuade their members to comply with its provisions.

### **Section 41**

A Co-operation Council appointed by the Board shall be entrusted with the task of monitoring the Institute's implementation of the Agreement. The Council shall be composed of ten members appointed for a maximum term of two years. Five members shall be proposed by the film industry and two members shall be proposed by the TV companies. The Council shall elect from among its own members a Chair and a Vice Chair.

## **Section 42**

The Institute shall supply any information requested by the Council relating to the implementation of the Agreement and the administration of the funds provided for therein. The Institute shall consult the Council regarding the priorities governing subsidies to cinema operators for general exhibition of Swedish films as specified in Section 25.

The Council shall compile an annual report on the results of its monitoring activities. The report shall be presented to the Board and the signatories to the Agreement.

The Council shall form a quorum when the Chair and at least five other members are present. Votes shall be decided by a majority of those members who are present. In the event of a tied vote, the Chair shall have the casting vote.

Monitoring methods and procedures shall be a matter for the Council to decide.

## **Other provisions**

### **Section 43**

The State may terminate this Agreement with immediate effect if its terms have been breached by another party.

An organisation within the film industry may terminate this Agreement with immediate effect if an entertainment tax on cinematic performances, or another tax of essentially the same character and having essentially the same effect, or a value-added tax on cinematic performances are introduced. The same shall apply should the right of cinema operators to deduct the screening fee when calculating net operating income for income tax purposes be restricted or abolished.

Sveriges Television AB may terminate this Agreement with immediate effect if there are significant changes in the financing, channel structure or duties of the company as laid down by Parliament in 1996 in legislation concerning the company's operations, or in the broadcasting licence granted to the company by the Government on the basis of that legislation.

TV 4 AB may terminate this Agreement with immediate effect if Sveriges Television AB or another programming company licensed by the Government to broadcast TV programmes on a nation-wide basis using analogue broadcasting technology receives permission to broadcast paid advertising. The same shall apply if TV 4 AB loses its licence to broadcast television programmes in Sweden using analogue broadcasting technology.

### **Section 44**

This Agreement comes into effect on 1 January, 2000 and shall remain in force until 31 December, 2004.

Notice of termination of the Agreement shall be given no later than one year before its expiry. In the absence of such notice, the Agreement shall be renewed for three years at a time.

When the Agreement has been in force for two years, each signatory may summon the other parties for the purpose of discussing the terms therein.

### **Section 45**

Feature films whose shooting commenced in 1999 shall be eligible for post-production subsidies in the year 2000 in accordance with the provisions in Section

21 of the 1993 Financing Agreement for the Swedish Film Institute, as the Agreement was worded after 5 May, 1997. The size of the post-production subsidy shall be based on the number of paying audience members who have seen the film by 31 December, 2000. Subsidies shall be drawn from the funds accruing to the Institute during fiscal 2000.

Audience-related subsidies under Section 16 shall be payable for feature films whose shooting commenced after 31 December, 1999. In the year 2000, the Board shall, without regard to the provisions set out in Section 15, determine the extent of the funds to be used for such subsidies in the light of available funds after settlement of post-production subsidies in accordance with paragraph 1 above. If post-production subsidies exceed 50 million Swedish crowns (SEK 50,000,000), no audience-related subsidies shall be granted.

#### **Section 46**

If this Agreement is not replaced by a new agreement when its period of validity expires, the fees reported for the years 2003 and 2004 shall be employed in accordance with the terms of the Agreement unless the parties to it agree otherwise.

#### **Section 47**

Disputes arising in connection with the interpretation or enforcement of this Agreement or with legal relationships based on its provisions shall be settled by statutory arbitration. Arbitration proceedings shall be held in Stockholm. The Stockholm District Court shall appoint all three arbitrators if the parties so request.

This Agreement has been drawn up in eight identical copies, of which each party has taken one.

Stockholm, 29 April, 1999

On behalf of the Swedish State  
Ann-Christin Nykvist

On behalf of Sveriges Biografägareförbund (*Swedish Exhibitors Association*)  
Jan Bernhardsson

On behalf of Sveriges Filmuthyrareföreningen u.p.a. (*Swedish Film Distributors Association*)  
Kay Wall

On behalf of Riksföreningen Våra Gårdar (*Temperance Centres Association*)  
Bo Larsson

On behalf of Folkets Husföreningarnas Riksorganisation (*National Federation of Labour Movement Community Centres*)  
John Brattmyhr

On behalf of Föreningen Sveriges Filmprodcenter (*Swedish Film Producers Association*)  
Börje Hansson

On behalf of Sveriges Television AB  
Sam Nilsson

On behalf of TV 4 AB (publ.)  
Thorbjörn Larsson

The Film Distributors Checking Bureau, Ltd. has no objection to the above Agreement  
Björn Gregfelt

## ***Appendix 1***

## **Undertaking: Screening Fees**

I, the undersigned cinema operator, having read the existing Film Agreement and the special rules set out in Section 7 of that Agreement, hereby give an undertaking to the Swedish Film Institute Foundation to pay all relevant fees stipulated in the Agreement for as long as the Agreement remains in force, and to allow an inspector appointed by and acting on behalf of the said Foundation to examine those parts of my accounting records relating to these fees and the reporting thereof. I also undertake to comply with all other provisions of the Agreement and acknowledge and agree that failure to pay the fees as stipulated will be equated with failure to pay film rent.

## ***Appendix 2***

### **Agreement with other contributors not party to this Agreement**

The following agreement has been reached between the Swedish State, as party to the 2000 Film Agreement, and NN.

The agreement is subject to approval by the Government.

#### **Section 1**

NN shall pay an annual fee of ... million Swedish crowns (SEK ...) to the Swedish Film Institute Foundation. These funds shall be used for the purposes specified in the 2000 Film Agreement. (In addition, NN intends to spend an average of ... million Swedish crowns (SEK ...) annually on co-production and co-financing of films eligible for support under the said Agreement.)

#### **Section 2**

This agreement takes effect on ... and will remain in force until ...

Notice of termination of the Agreement shall be given no later than one year before its expiry. In the absence of such notice, the Agreement shall be renewed for three years at a time, provided that the 2000 Film Agreement is extended or that a new, equivalent agreement is reached.

#### **Section 3**

Disputes arising in connection with the interpretation or enforcement of this Agreement or with legal relationships based on its provisions shall be settled by statutory arbitration. Arbitration proceedings shall be held in Stockholm. The Stockholm District Court shall appoint all three arbitrators if the parties so request.

## **Memoranda**

### **Note to Section 1**

1. The parties to the Agreement note that a condition of its validity is the approval by the European Commission of the forms of subsidy specified in the said Agreement.
2. The parties to the Agreement assume that the funds received by the Film Institute Foundation from TV companies not party to the said Agreement will be used in accordance with the provisions contained therein.

### **Note to Section 9**

The opportunities for and the consequences of introducing a tax liability on the TV fee payable under the TV Fees Act in accordance with the Value-Added Tax Act (1994:200) will be duly assessed in the course of preparations leading to a decision on new licences for public service companies.

### **Note to Section 10**

The Swedish Film Producers Association undertakes to notify the other parties to the Agreement and the Film Institute Foundation of its anticipated revenues during the period of the Agreement and to advise them of its intentions regarding an increased contribution to the Institute not later than 31 December, 2000.

### **Note to Section 13**

The signatories note that the manner in which the use of funds received for film-related cultural activities is regulated in the Agreement may, under the terms of the Foundation Act, require an amendment of Point 2 of the Swedish Film Institute Foundation's Articles of Incorporation. The parties accordingly assume that the Board will, if so required and without delay, apply to the Legal, Financial and Administrative Services Agency for such an amendment to be made.

### **Note to Section 25**

The parties to the Agreement assume that the granting of subsidies to cinema operators for general exhibition of Swedish films will not hinder, distort or hamper competition in a manner inconsistent with legislation on business practices.