

## [FR] Two general multi-industry agreements signed on transparency in the cinema and audiovisual sectors

**IRIS 2017-8:1/21**

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On 6 July 2017, the Minister for Culture, Françoise Nyssen, gathered together organisations representing the cinema sector to sign two agreements relating to the industry. As soon as they were signed, the agreements were extended by decree to cover the entire sector. Article 21 of the Act of 7 July 2016 on the freedom of creation defines the framework for the transparency of the operating and production accounts for full-length cinematographic works. In this respect, the new Article L. 213-29 of the Cinema Code provides that (i) the form of the operating account and (ii) the definition of gross revenue, operating costs and operating overheads are to be determined by means of an agreement within the industry. The same applies, under Article L. 213-25, to the form of the production account, the definition of the various categories of expenditure in the production account, and the means of financing. After large-scale consultation, film-makers, authors, producers, co-producers and distributors have reached agreement on all the elements that must be included in the production and operating accounts for films.

In real terms, this means that all partners involved in a film now have a standard model that sets out very clearly the amounts of expenses and revenue in respect of a work for all types of distribution (cinema theatre, television, VOD, subscription VOD, etc.). Thanks to these agreements, rights holders will now have the benefit of well-specified and regular remuneration stemming from revenue and expenditure in relation to the manufacture and distribution of their films. Such remuneration will also accrue to the film's financial partners, and to the performers and technicians. Also, in accordance with the provisions of the Act of 7 July 2016, the CNC will audit the production and operating accounts in order to make sure that these agreements on transparency are indeed being applied.

In the audiovisual field, the agreement concluded between authors and producers is in itself something new, making up for the total absence of collective supervision of the rules on transparency and the payment of shares of revenue. In the cinema sector, these agreements reinforce and amplify the agreement between authors and producers concluded in 2010, by providing for greater formalisation of the feedback of information and the rendering of accounts due to authors in particular. A press release from the French society of dramatic authors and composers (Société des Auteurs et Compositeurs Dramatiques - SACD) stated that "by achieving a harmonised definition of the producer's part of net revenue

where this is used as the basis for remunerating authors and by reinforcing the role played by collective management in favour of authors, this agreement should improve the quality, frequency and precision of accountability to authors, particularly since the Creation Act provided for a strengthening of the CNC's supervisory resources".

***Arrêté du 7 juillet 2017 pris en application des articles L. 251-2 et L. 251-6 du Code du cinéma et de l'image animée et portant extension du premier accord sur la transparence des comptes et des remontées de recettes en matière de production audiovisuelle du 19 février 2016, de l'avenant n° 1 à l'accord du 19 février 2016 sur la transparence des comptes et des remontées de recettes en matière de production audiovisuelle du 6 juillet 2017 et de l'accord professionnel sur la transparence des comptes d'exploitation des œuvres audiovisuelles du 6 juillet 2017***

<https://www.legifrance.gouv.fr/eli/arrete/2017/7/7/MICK1720244A/jo>

Order of 7 July 2017 adopted in application of Articles L. 251-2 and L. 251-6 of the Cinema and Animated Image Code extending the initial agreement on the transparency of accounts and the transmission of revenue in respect of audiovisual production of 19 February 2016; Codicil No. 1 to the agreement of 19 February 2016 on the transparency of accounts and the transmission of revenue in respect of audiovisual production of 6 July 2017; and the agreement within the industry on the transparency of the operating accounts for audiovisual works of 6 July 2017

***Arrêté du 7 juillet 2017 pris en application des articles L. 251-2 et L. 251-6 du Code du cinéma et de l'image animée et de l'article L. 132-25-1 du Code de la propriété intellectuelle et portant extension de l'accord entre auteurs et producteurs d'œuvres audiovisuelles relatif à la transparence des relations auteurs-producteurs et à la rémunération des auteurs du 6 juillet 2017***

<https://www.legifrance.gouv.fr/eli/arrete/2017/7/7/MICK1720246A/jo>

Order of 7 July 2017 adopted in application of Articles L. 251-2 and L. 251-6 of the Cinema and Animated Image Code and Article L. 132-25-1 of the Intellectual Property Code extending the agreement between authors and producers of audiovisual works on the transparency of relations between authors and producers and the remuneration of authors of 6 July 2017

