



**SUMMARY OF
CHANGES
2019-2020**

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1. GENDER INITIATIVES

Performance Envelope Manual – Gender requirement

- Previously, Broadcasters were required to direct 25% of their respective Performance and Development Envelope Allocations (as applicable) to Eligible Projects where, of all the enumerated cumulative Producer, Director and Writer positions on a TV Component, at least 40% of the total number of positions are held by women.
- Now, Broadcasters will be required to commit a minimum 35% of their Envelope allocations to such projects.
 - *See sections C.2.7 and D.2 of the Performance Envelope Manual*

2. EXPERIMENTAL STREAM

Changes applicable to the Experimental Stream

Introduction of the “Conceptualization” Program

- Beginning in 2019-2020, the CMF will begin accepting applications for funding for all interactive projects through a new initiative designed to support Canadian interactive digital media content and software applications at the very beginning of a Project’s creative process with the objective of giving a Project a better chance to succeed for future stages of financing. Specifically, this Program is designed to allow an Eligible Applicant to create and test a proof of concept and verify either the design idea, concept assumption or demonstrate a functionality in preparation for the Prototyping phase and beyond.
 - See *Conceptualization Program Guidelines*

Expansion of Prototyping support

- Previously, prototyping was only offered through the Innovation Program.
- Now, the Prototyping Program is on its own and is available to interactive projects that align with the Commercial Projects and Innovation Programs.
 - See *Prototyping Program Guidelines*

Elimination of “Convergent Project” ineligibility

- Previously, interactive digital media projects associated with a film or television production were considered ineligible to the Experimental Stream.
- Now, these projects will be eligible to apply and, if awarded funding through the Experimental Stream’s selective process, will be permitted to count as an Eligible Convergent Stream Project’s Digital Media Component.
 - See *Conceptualization, Prototyping, Commercial Projects and Innovation Program Guidelines*

Clarification of Ineligible Projects

- The gamification of non-cultural digital media content and software applications will be included as an example of an ineligible project.
 - See *section 3.2.2.1 of the Conceptualization, Prototyping, Commercial Projects and Innovation Program Guidelines*.

Changes applicable to the Experimental Stream – Innovation and Commercial Projects (C2P) Programs

Combined Production and Marketing & Promotion funding stages

- Previously, the Innovation Program supported Prototyping, Production and Marketing & Promotion funding and the C2P Guidelines supported Production and Marketing & Promotion.
- Now, the Production and Marketing & Promotion funding stages will be merged into a single Production stage where Applicants must devote a minimum percentage of eligible costs to marketing & promotion activities.
 - See *C2P and Innovation Program Guidelines*

Limited Access to Marketing & Promotion support

- Innovation Program and C2P projects financed at the production stage before 2019-2020 will continue to have access to Marketing & Promotion support through a separate reserve of funding. For clarity, projects receiving funding through this limited access will be subject to the overall funding caps noted in the 2018-2019 Innovation and Commercial Projects Programs.
 - See *section 4 of the 2019-2020 Innovation and C2P Guidelines*

Changes applicable to the Experimental Stream – Innovation Program

Increase in Maximum Contribution - Production

- Previously, a project seeking Production support could receive the lesser of 75% of a project's eligible costs or \$1M and a single Innovation project could receive \$1.2M for all stages of funding.
- Now, a project seeking Production support can receive the lesser of 75% of a project's eligible costs or \$1.5M and a single project may receive a maximum of \$1.5M for Conceptualization, Prototyping and Production support.
 - See section 2.3.1

Change in the definition of Innovation

- Previously, the CMF provided a descending scale to illustrate the degrees of innovation. Further, it specified that revolutionary projects had the greatest likelihood of receiving funding while projects with mere iterations have the lowest likelihood.
- Now, the definition will be as follows: Eligible Projects must be innovative. Innovation may be expressed in terms of innovative content or innovative technology. While the CMF does not define or delimit what is innovative, the CMF recognizes that innovation can include both breakthrough, novel and revolutionary content/technology and the intelligent re-imagining, reworking or extension of existing content/technology (e.g., sequels to existing products and advancing existing technology or content).
 - See section 3.2.2.2

Evaluation Grid changes

- The Innovation Program evaluation grid will be revised in order to integrate Marketing & Promotion support.
 - See section 2.4

Changes applicable to the Experimental Stream – Commercial Projects Program (“C2P”)

Increase in Maximum Contribution - Production

- Previously, a project seeking Production support could receive the lesser of 60% of a project's eligible costs or \$1.2M and a single C2P project could receive a maximum of \$1.4M for all stages of funding.
- Now, a project seeking Production support may receive the lesser of 75% of a project's eligible costs or \$1.5M and a single project may receive a maximum of \$1.5M for Conceptualization, Prototyping and Production support.
 - See section 2.3.1

Evaluation Grid changes

- The C2P evaluation grid will be revised in order to integrate Marketing & Promotion support and to further differentiate it from the Innovation Program by putting an increased focus on commercial success.
 - See section 2.4

Recoupment Policy

- Previously, the C2P had a recoupment policy where Applicants were allowed to deduct a range of fees, commissions and enhancement costs before the CMF could begin to recoup its investment.
- Now, the simplified C2P recoupment policy will enable the CMF directly access 15% of all revenues generated by the exploitation of the Project before any commissions, fees, costs, or expenses of any type are deducted.
 - See Appendix A to the C2P Guidelines, section 2.1

Changes applicable to the Accelerator Partnership Program (“A2P”)

Revised list of approved business accelerators

- The list of business accelerators approved to provide acceleration services through this Program has been revised. Eligibility of other business accelerators will be evaluated on a case-by-case basis.
 - *See paragraph 4*

Changes made to Appendix B

Chapter 5 – Insurance Policy

- Previously, the CMF held that for the production of digital media projects in the Convergent Stream and the Experimental Stream, Applicants were required obtain the relevant insurance policies in accordance with the standards of the digital content production industry.
- Now, the CMF has updated its Business Policies and provided a more detailed list of insurance requirements for Experimental Stream projects.
 - *See page 5-1 of Appendix B*

3. CONVERGENT STREAM

Changes applicable to all Convergent Production Programs

Expanded funding triggers

- Previously, only either a CRTC-licensed broadcaster or CRTC-licensed VOD service was eligible to trigger funding in the CMF's Convergent Stream.
- Now, all services that meet the CMF's definition of a "Canadian Broadcaster" are eligible to trigger funding. A Canadian Broadcaster will be defined as either:
 - A Canadian programming undertaking, public or private, licensed to operate by the Canadian Radio-television and Telecommunications Commission (CRTC) (including exempt broadcasters regulated by the CRTC via *Broadcasting Order CRTC 2015-88*);
 - An online service owned, controlled and operated by a Canadian licensed programming undertaking;
 - An online service owned, controlled and operated by a Canadian broadcasting distribution undertaking ("BDU"), licensed to operate by the CRTC; and
 - CRTC-licensed VOD services.
 - *See section 2.1.1 of the Performance Envelope Guidelines*

Core Rights and Other Rights

- Previously, Eligible Licence Fees from a CRTC-licensed broadcaster or CRTC-licensed VOD service were in exchange for the Canadian Broadcast or Canadian VOD Right.
- Now, Eligible Licence Fees from a "Canadian Broadcaster" will be in exchange for the "Canadian Broadcast Right" which will be defined as the right of the Canadian Broadcaster to broadcast and/or make the Television Component available on any broadcast or online platforms the Canadian Broadcaster owns, operates and controls in Canada, in language of the Broadcaster, for the Maximum Term.
 - *See section 3.2.TV.5.3 of the Performance Envelope Guidelines*

Changes to the Digital Media Component ("DM")

- Previously, the CMF had separate tiers of DM Component based on different budgetary thresholds: "value-added" and "rich and substantial".
- Now the CMF will only have one type of DM Component and there will not be a minimum or maximum budget threshold.
 - *See section 3.2.DM of the Performance Envelope Guidelines*
- Previously, a DM Component had separate Eligible Costs, minimum Broadcaster contribution amounts, CMF maximum contribution amounts, and "rich and substantial" DM Components were submitted through a separate application.
- Now, a DM Component's Eligible Costs must be submitted within the TV Component's application budget and, along with the TV Component's Eligible Costs, be treated as one set of Eligible Project Eligible Costs for the purposes of:
 - the ratio of licence-fee top-up/equity investment provided by the CMF;
 - the Licence Fee Threshold;
 - the CMF's Maximum Contribution Amount
 - *See section 2.3.2 of the Performance Envelope Guidelines*
- Previously, while the emphasis of the DM Component highlighted that it be cohesive with and provide a synchronized experience with the TV Component, there was flexibility to make the DM Component distinct and exist independently and apart from the TV Component.

- Now, there will be a greater emphasis placed on how a DM Component helps promote, market and makes the TV Component discoverable for audiences.
 - See section 3.2.DM of the Performance Envelope Guidelines.
- Previously, the DM Component was required to be an “audiovisual, multimedia or interactive project”.
- Now, the DM Component will be expanded to also include “audio projects” in order to support podcasts, audio books and smart speaker applications.
 - See section 3.2.DM of the Performance Envelope Guidelines.

Expanded allowable marketing expenses

- Previously, eligible marketing expenses for the TV Component were the lesser of 5% of Categories B +C of the production budget or \$300K.
- Now, eligible marketing expenses for the project will be the lesser of 5% of Categories B+C of the production budget or \$400K.
 - See section 2.3.2.TV.2 of the Performance Envelope Guidelines

Changes to the Performance Envelope Program

Shift some Historic Performance Factor Weight to the Regional Production Licences Factor Weight

- Previously, in the English-language market, the Historic Performance Factor Weight was 15% and the Regional Production Licences Factor Weight was 20%. In the French-language market, the Historic Performance Factor Weight was 25% and the Regional Production Licences Factor Weight was 10%.
- Now, in the English-language market, the Historic Performance Factor Weight will be reduced to 5% and the Regional Production Licences Factor Weight will be increased to 30%. In the French-language market, the Historic Performance Factor Weight will be reduced to 20% and the Regional Production Licences Factor Weight will be increased to 15%.
 - See section E.8 of the Performance Envelope Manual

Elimination of the Digital Media Investment Factor and introduction of the OTT First Run Licences Factor

- Previously, the Digital Media Investment Performance Factor aimed to incentivize eligible Broadcasters to support “rich and substantial” DM Components. This Factor had a weight of 10% in both the English and French Envelopes.
- Now, the Digital Media Investment Factor will be replaced by the OTT First Run Licences Factor. Credit for the OTT First Run will be based on Eligible Licence Fees for Eligible Projects that are made available to Canadian audiences first and exclusively for a period of at least 7 days on any of the non-traditional platforms in the CMF’s Canadian Broadcaster definition (see section 2.1.1 of the Performance Envelope Guidelines). In order for Broadcasters to receive credit via the OTT First Run Licences Factor, they must make this declaration in the BAF. Further, Broadcasters will be unable to claim Audience Success-Original First Run credit for the same project.
 - See section E.8 of the Performance Envelope Manual

Convergence Requirement

- Previously, Broadcasters had the option to either:
 - (i) spend at least 60% of their respective Performance Envelope allocations on projects with a “rich and substantial” DM Component, or alternatively,
 - (ii) have a minimum of at least 60% of their projects supported through their Performance Envelope include a DM Component which met the CMF’s standard for “value-added” or “rich and substantial” content as defined under section 3.2.DM of the Guidelines.

- Now, Broadcasters have the option to either:
 - (i) spend at least 60% of their respective Performance Envelope allocations on projects that include a Digital Media Component, or alternatively,
 - (ii) have a minimum of at least 60% of Eligible Projects supported through their Performance Envelope allocations include a Digital Media Component.
 - See section C.2.6 of the Performance Envelope Manual

Introduction of “Alternative Access” to the Performance Envelope Program

- Beginning in 2019-2020, Broadcasters that have not generated a PE Allocation in a given year are eligible for Alternative Access to the Performance Envelope Program. Eligible Broadcasters may utilize this Alternative Access via the appropriate English or French Envelope on a first-come, first-served basis, by providing an Eligible Licence Fee and a BAF with a PE commitment to an Eligible Project, until the entire Alternative Access budget is spent. Eligible Broadcasters are limited to two applications using the Alternative Access portion of the PE Program or \$100,000 in total PE commitments in 2019-2020, whichever is less.
 - See section E.1.1 of the Performance Envelope Manual

In-house and Broadcaster Affiliated Cap

- Previously, Broadcasters were limited to commit 7.5% of their Documentary Performance Envelope allocation and 15% of their combined Drama, Children’s & Youth and Variety and Performing Arts (and flex amounts) PE allocation to in-house and/or broadcaster affiliated programming.
- Now, Broadcasters will be permitted to commit up to 25% of their combined Drama, Documentary, Children’s & Youth and Variety and Performing Arts (and flex amounts) Performance Envelope allocation to in-house and broadcaster affiliate programming in those four genres.
 - See section 2.1.1 of the Performance Envelope Guidelines

Elimination of Decreasing Licence Fee Top-Up

- Previously, the maximum licence fee top-up contribution received by a new series would decrease for the project’s second and subsequent seasons (2% per in the English market and 1% per year in the French market) until a designated threshold was reached.
- Now, the decreasing licence fee top-up will be eliminated for returning series. For clarity, this change will be in 2019-2020 and not be retroactive (e.g., series that have seasons with a reduced licence fee top-up would remain, but subsequent seasons would operate under the new rule).
 - See section 2.2 of the Performance Envelope Guidelines

Quebec French Regional Production Incentive – Maximum Contribution

- Previously, regional French-language productions produced by Applicants with their head office in the province of Quebec were eligible for a licence fee top-up of the lesser of the lesser of \$750K (Drama & Animation)/\$250K (all other Genres) or 15% of the project’s Eligible Costs.
- Now, Eligible Projects under this Incentive are eligible for a licence fee top-up of the lesser of \$225K (all Genres) and 15% of the project’s Eligible Costs.
 - See Section 2.3.1.1.TV of the Performance Envelope Guidelines

Changes applicable to Aboriginal Program, Diverse Languages Program, English POV Program and Francophone Minority Program

Digital Media Component Scoring

- Previously, all DM Components were able to earn up to 10 points in the Evaluation Grid.
- Now, the DM Component section in the evaluation grid will be eliminated and the 10 points will be reallocated to the Creative Elements Assessment Criterion.
 - See section 2.4 of all Convergent Selective Program Guidelines

Changes to Diverse Languages Program

Evaluation Grid - Broadcaster commitment

- Previously, projects could earn up to 10 points in the “Broadcaster commitment” section of the Market Interest Assessment Criterion in the Evaluation Grid. Further, one factor evaluated through “Broadcaster commitment” was the “level of licence fees paid by Broadcasters to the project” and this was not qualified.
- Now, for broadcaster affiliated and in-house programming, the maximum points the “Broadcaster commitment” section can receive will be limited to the highest commitment made by a broadcaster to a project produced by an independent producer.
 - See section 2.4 of the Diverse Languages Program Guidelines

Changes to the Export Pilot Program

Eligible Projects – Broadcaster commitment

- Previously, Eligible Projects required (within the last 2 years) either (i) a letter of interest; (ii) a Development Fee; or (iii) an Eligible Licence Fee from a Canadian Broadcaster with a Development or Performance Envelope allocation.
- Now, Eligible Projects will require a Development Fee (within the last 2 years) from a Canadian Broadcaster with a Development Envelope Allocation.
 - See section 3.2.4 of the Export Pilot Program Guidelines

Changes applicable to the Francophone Minority Program

In-house and Broadcaster affiliated programming cap

- Previously, a maximum of 12% of funds in the Francophone Minority Program were allocated to In-house and broadcaster affiliated programming.
- Now, this cap of funds in the Francophone Minority Program allocated to In-house and broadcaster affiliated programming will be reduced to 10%.

Evaluation Grid – Broadcaster commitment

- Previously, projects could earn up to 15 points in the “Broadcaster commitment” section of the Market Interest Assessment Criterion in the Evaluation Grid. Further, one factor evaluated through “Broadcaster commitment” was “an allocation from a Broadcaster’s Performance Envelope” and this was not qualified.
- Now, only Broadcasters that contribute a Performance Envelope allocation of at least 7% of the Eligible Project’s overall budget will receive points in this section of the “Broadcaster commitment” section of the Evaluation Grid.
 - See section 2.4 of the Francophone Minority Program Guidelines

Changes to the Convergent Digital Media Incentive

Elimination of the Incentive

- Beginning in 2019-2020, the CMF will no longer offer the Convergent Digital Media Incentive. DM Components will now be supported through the Television budget in the Convergent Stream and through their new access to Programs in the Experimental Stream.

Changes applicable to CMF Development Programs

Introduction of the Early-Stage Development Program

- Beginning in 2019-2020, the CMF will begin accepting applications for funding for all projects at the beginning of the creative process through a new initiative designed to support Canadian creators. The Program will have two access points: one for writers with a minimum of 10 produced & broadcast hours of work and one for producers who collaborate with writers and an enumerated partner. While a Canadian Broadcaster is one enumerated partner in this access point, a Canadian Broadcaster's involvement is not required. Finally, projects will be awarded funding on a first-come/first-served basis.

Elimination of the English and Quebec French Predevelopment Subprogram

- Previously, the Development Program operated through 3 subprograms: (i) English and French Development Envelopes; (ii) Quebec French Regional Development; and (iii) English and Quebec French Predevelopment.
- Now, the Development Program will no longer offer English and Quebec French Predevelopment (as many of its elements have been merged into the newly created Early-Stage Development Program).

Development funding through both the Development Envelope and other CMF Programs

- Beginning in 2019-2020, the CMF will make it explicit that Eligible Projects may not receive development funding from both the Development Program and any of either the Aboriginal Program, the Northern Incentive or the Francophone Minority Program.
 - See section 2.1 of the *Aboriginal and Francophone Minority Program Guidelines* and page 4 of the *Northern Incentive Guidelines*.

All Convergent Production Programs and the Development Envelope

BAF in Dialogue

- Programs have been migrating into Dialogue, our online platform, over the last three years. The digital transformation continues and will now include the Broadcaster Agreement Form (BAF). The BAF form, formerly available on the CMF website, will now be available only in Dialogue. We have worked with broadcasters to simplify the form and streamline processes within Dialogue. Producers will initiate the BAF directly in Dialogue and submit to Broadcasters. Broadcasters are required to create a Dialogue account in order to approve or revise the BAF. The BAF will be available in Dialogue on April 9, 2019.