



**DEVELOPMENT  
PROGRAM  
GUIDELINES  
2018-2019**

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# 1. GENERAL INFORMATION

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## **Interpretation, Application, Disclaimer, and other Important Information**

These Guidelines are for the information and convenience of Applicants (as defined in [section 3.1](#)) to the Canada Media Fund (CMF). They provide an overview of the objectives of the CMF, the manner in which the CMF is administered, and information on typical administrative practices of the CMF. Compliance with these Guidelines is a prerequisite to eligibility for any CMF funding.

The CMF has full discretion in the administration of its programs and in the application of these Guidelines to ensure funding is provided to those projects that contribute to the fulfillment of its mandate. In all questions of interpretation of these Guidelines CMF the interpretation shall prevail.

All Applicants and broadcasters (where relevant) must abide by the Accounting and Reporting Requirements (ARR) of the CMF and follow applicable business policies as created and amended from time to time. Business policies, including the ARR, may be found in Appendix B of these Guidelines and are also available from the CMF website at [www.cmf-fmc.ca](http://www.cmf-fmc.ca). Information included in Appendices A and B is an integral part of these Guidelines.

Projects that receive CMF funding in a given year are subject to the Guidelines and CMF policies in effect for that fiscal year. To be clear, changes to CMF Guidelines and/or policies made in a subsequent fiscal year will not apply retroactively, unless specifically stated. The CMF fiscal year is April 1 to March 31.

*Please note: These Guidelines may be changed or modified as required, without notice. Please consult the CMF website at [www.cmf-fmc.ca](http://www.cmf-fmc.ca) for the latest Guideline news and documentation.*

## **Provision of Documentation**

It is the responsibility of the Applicant to ensure that the CMF receives all relevant documentation, and to update such documentation and information after a material change. The CMF may request other documentation and information to conduct an assessment and evaluation of the project and, once assessed, to complete CMF file reviews. For the purposes of project assessment and evaluation, the CMF reserves the right to rely solely on the written and audiovisual materials initially submitted by the Applicant.

## **Failure to Comply**

If an Applicant fails to comply with these Guidelines, as determined by the CMF, then the CMF may refuse the application, revoke the eligibility status of the Applicant's project and may demand repayment of any sums paid to the Applicant.

## **Misrepresentation**

If, at any time, an Applicant, as required by the Guidelines or as requested by the CMF, provides false information or omits material information in connection with an application, the Applicant may suffer serious consequences. These may include, among others outcomes:

- Loss of eligibility for funding of the current project;
- Loss of eligibility for funding of future productions;
- Repayment of any funds already advanced, with interest;
- Criminal prosecution, in the case of fraud.

These measures may be imposed not only on the Applicant but also on related, associated and affiliated companies and individuals (as determined by the CMF at its sole discretion). Any Applicant receiving approval for funding will be required to sign a legally enforceable agreement, which includes further provisions concerning misrepresentations, defaults, and related matters.

## 2. HOW THE DEVELOPMENT PROGRAM WORKS

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### HOW TO READ THESE GUIDELINES

Projects in the Convergent Stream may involve both a Television Component and one or more Digital Media Components. The eligibility and technical requirements for these two Components may be very different. In these Guidelines, sections dealing with requirements for the Television Component use “.TV” in their section number, and sections dealing with requirements for the Digital Media Component use “.DM”. Sections dealing with requirements for the entire convergent project – i.e. the Television Component and, where applicable, the Digital Media Component – simply use a section number without “.TV” or “.DM”.

### 2.1 INTRODUCTION

The Development Program, which forms part of the CMF’s Convergent Stream, allocates funding to projects at the development stage.

TV Components in this Program are no longer required to have an accompanying convergent platform. Therefore, with the exception of the English and Quebec French Predevelopment subprogram<sup>1</sup>, Applicants can apply with either a:

- TV Component; or
- Combined TV and DM Component(s).

For clarity, in cases where the Applicant is applying with both a TV and DM Component(s), both Components will be submitted through one single application budget.

The Development Program operates through three subprograms:

- English and French Development Envelopes ([section 2.A](#));
- Quebec French Regional Development ([section 2.B](#))
- English and Quebec French Predevelopment ([section 2.C](#)).

Details can be found in the relevant section for each subprogram in these Guidelines.

The CMF also provides development financing through the Aboriginal Program, the Francophone Minority Program and the Northern Incentive. See those Guidelines for more information.

#### 2.1.1 Definitions Applicable to the Development Program: Canadian broadcaster, In-house Programming, Affiliated Programming and Regional Development Projects

A Canadian broadcaster is a broadcaster licensed by the CRTC, including private, public, educational, speciality, pay-per-view broadcasters and CRTC-licensed video-on-demand (VOD) services.

A broadcaster-affiliated production company is an Applicant, as defined in [section 3.1\(1\)](#), that is affiliated with a Canadian broadcaster (the CMF uses the definition of “Affiliate” set out in the Canada Business Corporations Act). Affiliated Programming covers projects produced by a broadcaster-affiliated production company and licensed by its affiliated broadcaster(s). In-house Programming comprises projects produced and owned by a Canadian broadcaster.

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<sup>1</sup>In this sub-program only, Applicants can only apply for set, Eligible Costs related to Television projects, as described in [section 2.3.2.TV.2](#)

A maximum of 15% of the funds available in each subprogram will be allocated to Affiliated Programming and In-house Programming, with the exception of the English and Quebec French Predevelopment subprogram, where Affiliated Programming and In-house Programming are not eligible. In the Development Envelope Subprogram, broadcasters are limited in the amount of their Development Envelope allocation that they are permitted to commit to Affiliated Programming and In-house Programming to 15% of their Development Envelope allocation. However, corporate groups, and independent broadcasters whose combined Performance Envelope allocation (from both languages) is below \$5 million and educational broadcasters are exempt from this limit (see section C.5 of the [Development Envelope Manual](#)).

For the purposes of the financing of English Regional projects, described in [sections 2.A.2](#) and [2.A.3](#) below and the Quebec French Regional Development, described at [section 2.B](#) below, a Regional Development Project is a project in which:

- a) The Applicant is based in the region with its head office in the region.
- b) The regional Applicant initiates and continues to meaningfully participate in the project's development, retaining at least 51% ownership of the copyright interest in the project.

For the purposes of this definition, "region" or "regional" is defined as any part of Canada more than 150 km by the shortest reasonable roadway route from:

- Toronto for English projects
- Montreal for French projects

## **2.A ENGLISH AND FRENCH DEVELOPMENT ENVELOPE**

### **2.A.1 Introduction**

In the Development Envelope Subprogram, the CMF contributes to Eligible Projects (see [section 3.2](#)) through Development Envelope allocations, which are apportionments of CMF program funds made to Canadian broadcasters. Broadcasters may then choose which development projects they wish to allot a portion of their Development Envelope allocation to, subject to specified Maximum Contribution amounts (see [section 2.A.2](#)) and other limitations. To be eligible, projects must have received a financial commitment from the broadcaster in question (Development Fee) that meets or exceeds a specified minimum amount (Development Fee Threshold, see [section 2.A.3](#)) for the Television Component and/or the Digital Media Component(s). Maximum Contribution and Development Fee Threshold amounts are calculated on the Eligible Costs of the Television Component and/or Digital Media Component(s) (see [section 2.3](#)).

Broadcasters are required to direct a minimum percentage of their respective Development Envelope allocation dollars to projects where a designated percentage of key creative roles are held by women (see sections C.4 and D.1 of the [Development Envelope Manual](#)).

### **2.A.2 Amount of Funding Contribution**

Broadcasters may decide what proportion of their Broadcaster Development Envelope allocation to allot to an Eligible Project, up to a specified Maximum Contribution. Broadcasters may allot a Broadcaster Development Envelope contribution to either the Television Component, the Digital Media Component, or both Components.

The Maximum Contribution by the CMF, for English and French, to either (a) the TV Component or (b) TV and DM Component(s), is the lesser of:

50% (or 75% for an English Regional Development Project) of the Eligible Costs in development, up to \$200,000 for all development activities combined and all eligible types of programming.

The broadcaster's entire Development Fee and any other confirmed sources of development financing must be included within the financial structure prior to confirmation of the CMF contribution amount, up to the Maximum Contribution level.

For clarity, in cases where the Applicant is applying with both a TV and DM Component(s), the Maximum Contribution Amount will be calculated on the project's combined Eligible Costs (e.g., both Television and Digital Media Components) and will be submitted through one single application budget.

### **2.A.3 Broadcaster Development Fee Thresholds**

All applications for development financing in this subprogram must include a commitment for a Development Fee by a Canadian broadcaster or broadcasters with access to a CMF Broadcaster Development Envelope allocation. Development Fees must meet or exceed a minimum amount, expressed as a percentage of the Eligible Costs of the Project (Development Fee Threshold), to be eligible for CMF funding.

Development Fee Threshold amounts for (a) the TV Component or (b) TV and DM Component(s) in this subprogram are:

- For English projects: the Development Fee Threshold is 50% of the Eligible Costs in Development (or 25% for Regional Development Projects).
- If there is third party financing other than: 1) the CMF; or 2) the Applicant or a party related to the Applicant; or 3) a Canadian broadcaster; then the Development Fee Threshold and the CMF contribution are calculated on the total financing of the Eligible Costs minus third party financing.
- For French projects, the Development Fee Threshold is 25% for drama and pilots of all eligible genres, and is 15% for documentary, children and youth and variety and performing arts.

For clarity, in cases where the Applicant is applying with both a TV and DM Component(s), the Development Fee Threshold will be calculated on the project's combined Eligible Costs (e.g., both Television and Digital Media Components) and will be submitted through one single application budget.

## **2.B QUEBEC FRENCH REGIONAL DEVELOPMENT**

### **2.B.1 Introduction**

Eligible Applicants to this subprogram must have their head office in the province of Quebec and the projects must be Regional (see [section 2.1.1](#)). In this subprogram, the CMF contributes to Quebec French Regional Eligible Projects (see [section 3.2](#)) on a first come, first served basis until resources are depleted. In the event that a large number of projects are submitted on the same date, creating oversubscription, the CMF may distribute funding to those projects deemed eligible on a proportional (pro-rated) basis, designate how many submitted projects (per applicant) will receive funding, or elect to distribute funding in some other equitable manner, to be determined in the CMF's sole discretion.

The CMF may contribute to (a) the TV Component or (b) TV and DM Component(s) at the requested level subject to specified Maximum Contribution amounts (see [section 2.B.2](#)) and other limitations. To be eligible, projects must have received a financial commitment from a Canadian broadcaster (a Development Fee) that meets or exceeds a specified minimum amount (Development Fee Threshold, see [section 2.B.3](#)). Maximum Contribution and Development Fee Threshold are based on a project's Eligible Costs (see [section 2.3](#)).

Eligible Applicants may apply with a maximum of two Eligible Projects per fiscal year. Where an Applicant receives funding for two projects in a fiscal year, only one may be a returning series.

## 2.B.2 Amount of Funding Contribution

The CMF may contribute financially to (a) the TV Component or (b) TV and DM Component(s) in this subprogram at the level requested by the Applicant, up to the Maximum Contribution. The broadcaster's full Development Fees and any other confirmed sources of development financing must be included within the financial structure prior to the CMF reaching the Maximum Contribution level. The CMF's Maximum Contribution for each Eligible Project shall be the lesser of:

75% of the Eligible Costs in development, up to \$200,000 for all development activities combined and all eligible types of programming.

For clarity, in cases where the Applicant is applying with both a TV and DM Component(s), the Maximum Contribution Amount will be calculated on the project's combined Eligible Costs (e.g., both Television and Digital Media Components) and will be submitted through one single application budget.

## 2.B.3 Broadcaster Development Fee Thresholds

All applications for development financing in this segment must include a commitment for a Development Fee by a Canadian broadcaster or broadcasters. Development Fees must meet or exceed a minimum amount, expressed as a percentage of the Eligible Costs of the Television Component and/or Digital Media Component(s) of the project (Development Fee Threshold) to be eligible for CMF funding. Development Fee Threshold amounts for (a) TV Component or (b) TV and DM Component(s) are:

10% of the Eligible Costs in development for all eligible genres.

For clarity, in cases where the Applicant is applying with both a TV and DM Component(s), the Development Fee Threshold will be calculated on the project's combined Eligible Costs (e.g., both Television and Digital Media Components) and will be submitted through one single application budget.

## 2.C ENGLISH AND QUEBEC FRENCH PREDEVELOPMENT

### 2.C.1 Introduction

Beginning in 2018-2019, this subprogram will no longer be exclusive to regional projects. English projects from Applicants from every part of Canada and French projects from Applicants from every part of the province of Quebec will be eligible for predevelopment funding. Despite this expansion to the pool of Eligible Applicants, the CMF will retain a designated amount<sup>2</sup> of predevelopment funds strictly earmarked for regional Applicants.

In this subprogram, the CMF contributes to Eligible Projects (see [section 3.2](#)) on a first come, first served basis until resources are depleted. In the event that a large number of projects are submitted on the same date, creating oversubscription, the CMF may distribute funding to those projects deemed eligible on a proportional (pro-rated) basis, designate how many submitted projects (per applicant) will receive funding, or elect to distribute funding in some other equitable manner, to be determined in the CMF's sole discretion.

Eligible Projects in this subprogram must be meant to be produced in the language applied for in this subprogram. Eligible Costs must be in accordance with [section 2.3.2.TV.2](#)

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<sup>2</sup>For clarity, 40% of the English predevelopment subprogram budget will be set aside for English regional Applicants and 15% of the Quebec French predevelopment subprogram budget will be set aside for French regional Applicants.



For English projects, Eligible Applicants may apply with a maximum of three Eligible Projects per fiscal year. For French projects, Eligible Applicants may apply with a maximum of two Eligible Projects. Any eligible individual broadcaster or broadcaster corporate group is limited in the number of projects it can trigger, to a maximum of 20 projects. Returning series, Affiliated and In-house Programming are not eligible in predevelopment.

## 2.C.2 Amount of Funding Contribution

The CMF may contribute financially to an Eligible Project in this segment in accordance with the specific enumerated Eligible Costs listed in [section 2.3.2.TV.2](#) below.

## 2.C.3 Broadcaster Commitment

All applications for predevelopment financing must include a letter of interest from a Canadian broadcaster with a [CMF Development Envelope Allocation](#). There is no requirement for a broadcaster to commit a Development Fee in this segment.

## 2.2 NATURE OF FUNDING CONTRIBUTION

Successful Applicants to all Development subprograms receive non-interest bearing advances. For all Television Components (or Television Components with Digital Media Component(s) per [section 3.2 DM](#) below), 100% of the advance must be repaid on or before the earliest applicable event of repayment as described here:

- i) The first day of official preparation for principal photography of the Television Component or upon other use of the script

or

- ii) The transfer, sale, assignment, or other disposition of the script.

## 2.3 ELIGIBLE COSTS

All Eligible Costs in Development (for both TV Components and DM Components) are costs set out in the development budget of the Eligible Project or the final cost report as applicable (including both related-party and non-related-party costs) – plus costs the CMF considers necessary and minus costs the CMF considers excessive, inflated or unreasonable. Assessment of a project's Eligible Costs is at the CMF's sole discretion. CMF participation is calculated on the Eligible Costs of each Component. The CMF estimates Eligible Costs at the time of application, based on budgets for the project.

For clarity, all types and amounts of Eligible Costs in Predevelopment are enumerated in [section 2.3.2.TV.2](#) below.

In this Program, only Canadian costs are Eligible Costs. Costs incurred more than 12 months prior to the Applicant entering into an eligible development agreement\* are not Eligible Costs, with the exception of the option or acquisition of rights and the expenses associated with acquiring those rights, as long as they are not paid to a person with ownership interest.

*\*Note: An eligible development agreement is the current, legally binding agreement between the Applicant and a Canadian broadcaster that triggers the CMF development funding sought by the application, and includes, where applicable, a Development Fee that meets the applicable Development Fee Threshold.*

See sections [2.3.2.TV.1](#) and [2.3.2.DM.1](#) and [2.3.2.TV.2](#) for information on Eligible Costs in development and predevelopment respectively.

Additional CMF business policies relating to Eligible Costs are in [Appendix B](#).

### 2.3.1 Related-Party Transactions

All related-party fees, related-party allowances and any other related-party transactions must be:

- Disclosed to the CMF
- In accordance with the current CMF Accounting and Reporting Requirements.

#### 2.3.2.TV.1 Eligible Costs in Television Development

The CMF supports scriptwriting and other activities normally associated with television project development.

Depending on the development activity, allowable Eligible Costs shall be the following:

- Predevelopment costs as described below in [section 2.3.2.TV.2](#)
- Research
- Option fees paid to an unrelated party, or acquisition of rights fees
- Scriptwriting (1st draft scripts, polish, bible, etc.)
- Script workshops
- Development of production budget and financing
- Audience research
- Focus groups
- Short non-broadcast demos
- Producer fees and corporate overhead (subject to the Producer Fees and Corporate Overhead Policy)
- Accounting fees (if review engagement is required as per the Accounting and Reporting Requirements)
- Arms-length legal costs
- Third-party preparation of the Production budget breakdown
- Eligible Costs of the Digital Media Component (set out in [2.3.2.DM.1](#) below)
- The following preproduction costs (these costs must not exceed 10% of the total development costs per project, and are only allowed for returning series):
  - Cast retention
  - Set retention
  - Travel costs related to procuring international pre-sales
  - Showrunner fees

Please note, the CMF development budget template outlines specific allowable costs.

For clarity, in cases where the Applicant is applying with both a TV and DM Component(s), Maximum Contribution Amounts and the Development Fee Threshold will be calculated on the project's combined Eligible Costs (e.g., both Television and Digital Media Components) and will be submitted through one single application budget.

#### 2.3.2.TV.2 Eligible Costs in Television Predevelopment

Allowable types and amounts of Eligible Costs for a project in the predevelopment stage are set out in Table 1 below. For clarity, despite the fact that the figures listed in Table 1 are fixed costs that will be automatically provided to Applicants who claims one or many of them (subject to verification), it is important to note that the total contribution the CMF may provide is limited to 84% of a project's Eligible Costs.

Table 1

ACTIVITY	ENGLISH		QUEBEC FRENCH
Creative Documents <ul style="list-style-type: none"> <li>• Preliminary research</li> <li>• Scriptwriting consultant</li> <li>• Story editor</li> <li>• Writing (Treatment, Bible, preliminary stages of script)</li> </ul>	\$17,000		\$14,300
Short non-broadcast Demo (live-action projects only) Or Production of Drawings (animation projects only)	\$3000		\$2000
Producer Fees and Corporate Overhead	\$2000 (Creative Documents)		\$1600 (Creative Documents)
	\$1200 (Short non-broadcast Demo)		\$800 (Short non-broadcast Demo)
	Or \$1200 (Production of Drawings)		Or \$800 (Production of Drawings)
<ul style="list-style-type: none"> <li>• Printing/Collating Costs</li> <li>• Creation/packaging of documents related to pitching projects to Canadian broadcasters</li> </ul>	\$500		\$500
Travel Expenses within Canada	If no air travel is required	If air travel is required	\$800
	\$800	\$1300	

### 2.3.2.DM.1 Eligible Costs in Digital Media Development

The CMF supports activities related to the development of digital media content associated with the Television Component of the project. Depending on the project, allowable Eligible Costs shall be the following:

- Research
- Arms-length legal costs
- Accounting fees (if review engagement is required as per the Accounting and Reporting Requirements)
- Third-party preparation of the Production budget breakdown
- Development of production budget and financing
- Technology and content design
- Market research
- Prototype development
- Detailed production planning

For clarity, in cases where the Applicant is applying with both a TV and DM Component(s), Maximum Contribution Amounts and the Development Fee Threshold will be calculated on the project's combined Eligible Costs (e.g., both Television and Digital Media Components) and will be submitted through one single application budget.

## 3. ELIGIBILITY FOR FUNDING

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### 3.1 ELIGIBLE APPLICANTS

An eligible Applicant to the CMF is either:

- 1) A company that:
  - a) Is a for-profit (i.e. a taxable Canadian corporation, within the meaning of Canada's Income Tax Act) production company;
  - b) Is Canadian-controlled as determined in sections 26 to 28 of the Investment Canada Act
  - c) Has its head office in Canada

or

- 2) A Canadian broadcaster, public or private, licensed to operate as such by the Canadian Radio-television and Telecommunications Commission (CRTC), including a CRTC-licensed VOD service.

Applicants who are unincorporated, but meet all other requirements above, may apply for development financing if they have never received CMF funding before. Applicants, however, will be required to incorporate prior to signing a development agreement with the CMF.

*Note: For the purposes of these Guidelines, the term Applicant includes all coapplicants, and/or all related, associated, affiliated or parent companies and/or individuals (as determined by the CMF at its sole discretion), as applicable.*

### 3.2 ELIGIBLE PROJECTS

An Eligible Project in this Program is defined as either (a) a TV Component or (b) TV and DM Component(s) that meets all applicable [section 3.2](#) criteria and subsections. The CMF recognizes that projects at the development stage are necessarily nascent, evolving works that may not strictly comply at application with all requirements of [section 3.2](#) and its subsections. As such, TV Components must be reasonably intended to comply with the three Essential Requirements (see [section 3.2.TV.1](#)), as appropriate to each category of production and programming genre, as set out in [Appendix A](#), plus all other requirements of sections [3.2.TV.1](#) through [3.2.TV.4](#). DM Components must be reasonably intended to comply with the requirements of sections [3.2.DM.1](#) through [3.2.DM.4](#) as may be applicable to development. The CMF shall solely determine whether a development project is reasonably intended to comply with these sections.

Eligibility for development or predevelopment funding does not guarantee Applicant or project eligibility for further CMF predevelopment funding, further CMF development funding, or CMF production funding.

### **3.2.TV The Television Component**

The Television Component of an Eligible Project must be developed as a Canadian production or intended as an audiovisual treaty coproduction. A Canadian scriptwriter must be involved in all stages of development. For Television Components meant for Canadian audiovisual treaty coproductions, the active creative contribution of a Canadian scriptwriter is required.

The Applicant must have acquired all rights and options to the Television Component, exclusive for at least 24 months, which are necessary for the adaptation of the original work or concept, the scriptwriting, the production and worldwide distribution (with appropriate case-by-case exceptions for a purchased format).

#### **3.2.TV.1 Essential Requirements**

A production must meet the Essential Requirements listed here. For a series, the Essential Requirements apply to every episode of the cycle, even if all episodes are not submitted for CMF funding. The CMF solely decides whether or not a project meets the Essential Requirements and its interpretation shall prevail.

- 1) The TV Component will be certified by the Canadian Audio-Visual Certification Office (CAVCO) and has achieved 10/10 points (or the maximum number of points appropriate), as determined by the CMF using the CAVCO scale.
- 2) Underlying rights are owned, and significantly and meaningfully developed, by Canadians.
- 3) The TV Component is shot and set primarily in Canada.

Further details on these Essential Requirements and permissible genre-specific exceptions are in [Appendix A](#) of these Guidelines. This Appendix includes other important information and is an integral part of these Guidelines.

#### **3.2.TV.1.1 Audiovisual Treaty Coproductions**

With respect to the CMF eligibility of audiovisual treaty coproductions, these Essential Requirements shall be interpreted so as to treat the coproduction partner as “Canadian.”

Accordingly, the term “Canadians” in Essential Requirement 2, and the term “Canada” in Essential Requirement 3 include the coproduction country. The 10/10 points referenced in Essential Requirement 1 must be attained by citizens of Canada or the coproducing country.

The CMF recognizes that projects at the development stage are necessarily nascent, evolving works that may be unable to strictly comply at application with all of the requirements of [Section 3.2.TV.1](#). As such, TV Components must be reasonably intended to comply with the Essential Requirements, as appropriate to each category of production and programming genre, as set out in [Appendix A](#), plus all other eligibility requirements that may be applicable to development and, in the CMF’s discretion, comply with the spirit and intent of the Guidelines.

For information on audiovisual treaty coproduction between Canada and a country that is part of the European Union, please see [Telefilm Canada’s treaty coproduction guidelines](#).

#### **3.2.TV.2 Genres of Programming**

The CMF supports the following genres: drama, documentary, children’s and youth programming, and variety and performing arts. The CMF defines of each in [Appendix A](#) of these Guidelines.

The following is a non-exhaustive list of genres and programming formats that are not eligible to apply to the CMF: sponsored productions, sports, news, game shows, current affairs, public affairs, lifestyle productions, “how-to” productions, reality television, instructional television, infomercials, music videos, formal or curriculum-based educational programs, foreign format buys without significant Canadian adaptation and creative contribution, magazine productions, talk shows, “talkshows culturels,” award shows, galas, reporting and current events, religious programs, fundraising productions, benefits, tributes, promotional productions, pep rallies, travelogues and interstitials.

*Note: Some flexibility exists for children’s and youth programming. See [Appendix A](#) for more information.*

### **3.2.TV.3 Canadian Ownership and Control**

The Television Component must meet these criteria:

- a) It is under Canadian ownership and Canadian executive and creative control.
- b) It is under the financial control of Canadian citizens or permanent residents.
- c) It is, and has been, controlled creatively and financially by a Canadian production company during all stages of development.
- d) Generally, no more than 49% of the development financing is provided by a single non-Canadian entity, person or related entity. Interim lending of more than 49%, however, may be provided by a non-Canadian arm’s-length entity in the business of lending money and taking security.
- e) The Applicant retains and exercises all effective controls or approvals consistent with those of a producer. This includes control and final approval of creative decisions and financing, distribution and exploitation, and preparation and final approval of the budget, subject to reasonable and standard approval rights customarily required by arm’s-length financial participants, including Canadian broadcasters and distributors.
- f) The Applicant owns all rights (including copyright) and options necessary for the development, production and its distribution in Canada and abroad (with appropriate case-by-case exceptions for a purchased format), and retains an ongoing financial interest in the TV Component.

*Note: The interpretation of these criteria shall allow Canadian audiovisual treaty coproductions to access the CMF.*

### **3.2.TV.4 Miscellaneous Requirements**

The Television Component must meet these criteria:

- a) It conforms to the Canadian Association of Broadcasters’ (CAB) Code of Ethics and to all programming standards endorsed by the Canadian Radio-television and Telecommunications Commission (CRTC), including the CAB Violence Code and the CAB Equitable Portrayal Code.
- b) If applicable, it must be made meaningfully and coherently with the DM Component(s). What is meaningful and coherent in a particular instance will depend on the nature of the TV Component, the relative balance between the investment of both the TV Component and DM Component(s) and whether the project provides a coherent experience which cumulatively augments the television viewer’s engagement to the project as a whole. The CMF will decide on a case-by-case basis whether the Television Component was made meaningfully and coherently with the DM Component(s).

- c) It is a new production. A new production is one which is not substantially a repackaged version of a previously-produced production. For a series, the CMF will consider the entire cycle to determine if the TV Component is a repackaging (e.g. some “best of,” “making-of” and/or “catch-up” episodes may be permitted). Television Components comprised mainly of stock footage may be new productions provided the footage is not merely repackaged in whole or large segments for the TV Component.

### **3.2.DM Digital Media Components**

A Digital Media Component of an Eligible Project must be an audiovisual, multimedia, or interactive work that:

- a) Is associated with the Television Component that is funded by the CMF in the current fiscal year;
- b) Is made available to the Canadian public by way of a digital network, including internet and mobile;
- c) Provides a coherent digital or social media experience to the audience before, during or after the broadcast of the Television Component, expands the television viewer’s experience beyond the Television Component and aims to augment engagement towards the Television Component; and
- d) Meets the definition of “value-added” or “rich and substantial” (defined below) for either one or a mix of the following activities:
  - 1. Interactive or linear original content related to the Television Component but created specifically to be consumed on digital media platforms.
  - 2. Activities and applications using digital and social media aimed at locating, leveraging or building audiences.
  - 3. Interactive online activities or applications providing a synchronised experience during the broadcast of the Television Component.

#### **3.2.DM.1 Canadian Content**

A Digital Media Component must meet the following criteria:

- a) Its underlying rights are owned, and significantly and meaningfully developed, by Canadians.
- b) It is produced in Canada.

Digital media coproductions are eligible if they comply with the [Framework for international digital media coproduction](#).

#### **3.2.DM.2 Ineligible Content**

The following is a non-exhaustive list of types of content that are not eligible as a Digital Media Component includes: industrial, corporate, curriculum-based projects, and system software.

A work that consists primarily of existing content reused on new platforms (such as the online streaming/broadcast of existing television programs) is not an eligible Digital Media Component.

### **3.2.DM.3 Canadian Ownership and Control**

A Digital Media Component must meet the following criteria:

- a) It is under Canadian ownership and Canadian executive and creative control.
- b) It is under the financial control of Canadian citizens or permanent residents.
- c) The Applicant retains and exercises all effective controls or approvals consistent with those of a producer.
- d) The Applicant owns all rights (including copyright) and options necessary for the development, production and distribution of the DM Component in Canada and abroad (with appropriate case-by-case exceptions for a purchased format), and retains an ongoing financial interest in the DM Component .

*Note: These criteria shall be interpreted so as to allow international coproductions that have an acceptable degree of Canadian ownership and control to access the CMF. Digital media coproductions are eligible if they comply with the [Framework for international digital media coproduction](#).*

### **3.2.DM.4 Miscellaneous Requirements**

A Digital Media Component:

- a) It must be made meaningfully and coherently with the TV Component. What is meaningful and coherent in a particular instance will depend on the nature of the DM Component(s), the relative balance between the investment of both the TV Component and DM Component(s) and whether the project provides a coherent experience which cumulatively augments the television viewer's engagement to the project as a whole. The CMF will decide on a case-by-case basis whether the Television Component was made meaningfully and coherently with the DM Component(s).
- b) Cannot contain elements of excessive violence, sexual violence, or sexual exploitation or elements which are obscene, indecent or child pornography within the meaning of the Criminal Code (as amended from time to time), or libellous or in any other way unlawful.
- c) Must, when the CMF funds it, be new content. The CMF will not fund an already existing Digital Media Component.