



**ENGLISH
PRODUCTION
INCENTIVE
GUIDELINES
2010-2011**

Interpretation, Application, Disclaimer, and other Important Information

These Guidelines are for the information and convenience of Applicants 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 the interpretation by the CMF 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. Information included in Appendices A and B is an integral part of these Guidelines.

Productions that receive CMF funding in a given year are subject to the Guidelines and the CMF policies that are in effect for that fiscal year. For greater clarity, changes to CMF Guidelines and/or policies made in a subsequent fiscal year will not be applied 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 to receive the latest Guideline news and documentation.

1. INTRODUCTION TO THE CANADA MEDIA FUND

About the Canada Media Fund

The Canada Media Fund (CMF) champions the creation of successful, innovative, Canadian content and software applications for current and emerging digital platforms through financial support and industry research. Created by Canada's cable and satellite distributors and the Government of Canada, the CMF aspires to connect Canadians to our creative expressions, to each other, and to the world.

The CMF disburses funding through two streams: the Experimental Stream and the Convergent Stream. The CMF supports the creation of content that represents the variety of languages spoken by Canadians and the regions of the country in which they live.

For further information about the programs, results, management, and governance of the CMF, visit www.cmf-fmc.ca.

The English Production Incentive Program

The Canada Media Fund's (CMF) mandate includes providing incentives to ensure production occurs across the country. As such, the CMF is continuing its \$10 million English Production Incentive program for the 2010-2011 fiscal year. The English Production Incentive Program seeks to ensure that a minimum level of English-language television production occurs throughout Canada, in each of the following five areas:

- Atlantic Canada (includes: New Brunswick, Newfoundland and Labrador, Nova Scotia, and Prince Edward Island);
- Quebec;
- Ontario and Nunavut;
- The Prairies (includes: Manitoba, Saskatchewan, and Alberta); and
- British Columbia, Yukon, and Northwest Territories.

The CMF will monitor television production activity in each of these areas. Where production activity falls more than 20% below a 5-year average in any area, the CMF may implement an English Production Incentive for that area or areas in the following fiscal year. The CMF has determined that production activity fell by 54.3% in Quebec and 26.3% in British Columbia in 2009-2010. As such, two separate English Production Incentive allocations have been created for English-language productions based in British Columbia (including the Yukon and Northwest Territories) and Quebec in 2010-2011. The Quebec allocation is approximately \$5.4 million; the British Columbia allocation is approximately \$4.6 million.

This incentive will take the form of a CMF licence fee top-up (see section 2.2.TV of the 2010-2011 Broadcaster Performance Envelope Guidelines) contribution of 10% of a Television Component's Eligible Costs (see section 2.3.2 and all its subsections of the 2010-2011 Broadcaster Performance Envelope Guidelines) up to a per-project maximum of \$1 million. The incentive will be awarded to eligible projects on a first-come, first-served basis until resources for the incentive are depleted or until the application deadline, whichever comes first.

The English Production Incentive may be combined with funding from other CMF funding Programs; it will be awarded separately and in addition to any amounts contributed to the project through other CMF Programs, and without regard to Maximum Contribution amounts applicable to those Programs. Projects with Eligible Licence Fees (see section 3.2.TV.5 of the 2010-2011 Broadcaster Performance Envelope Guidelines) from Canadian broadcasters who do not have a CMF Performance Envelope are eligible for the English Production Incentive.

Eligible Projects in the English Production Incentive Program are convergent projects (with a Television Component and one or more Digital Media Components, VOD presentation of the Television Component, digital distribution of the Television Component, or any combination of these three) as described in section 3.2 of the CMF's 2010-2011 Performance Envelope Guidelines. However, only the Television Component will be financed by the CMF in the English Production Incentive Program (and not the Digital Media Component).

To be eligible for the English Production Incentive, the following criteria must be met:

- a) The Applicant(s) and project meet all of the applicable requirements of section 3 of the CMF's 2010-2011 Performance Envelope Guidelines.
- b) The Television Component's original language of production is English.
- c) The Television Component is or was submitted for CMF funding for the 2010-2011 CMF fiscal year; projects that were submitted for and received CMF funding in previous fiscal years are not eligible for the 2010-2011 English Production Incentive.
- d) The Television Component is 100% fully financed at application (including the English Production Incentive and any other CMF financing). For projects that have already applied for CMF funding for the 2010-2011 fiscal year, the financing and/or budget must be adjusted accordingly; the English Production Incentive cannot result in a project being more than 100% financed.
- e) The following geographical criteria are met, with "area" being defined as any part of British Columbia, the Yukon Territory, the Northwest Territories, or Quebec:
 - i) Principal photography for the Television Component occurs in the area, with suitable exceptions for documentaries;
 - ii) The Applicant (or, where there are separate Applicants for the Television Component and the Digital Media Component(s), the Applicant which owns the rights to the Television Component) is based in the area (with its head office situated in the area) and
 - iii) exercises full control of the creative, artistic, technical and financial aspects of the Television Component, or, in the case of an area/non-area co-production, the area Applicant has such control in proportion to its copyright ownership;
 - iv) owns at least 51% of the copyright of the Television Component in the case of an area/non-area co-production;
 - v) shares equitably in fees payable to producers and corporate overhead in the case of an area/non-area co-production;
 - vi) initially owns and controls the distribution rights to the Television Component and retains an ongoing financial interest in the Television Component or, in the case of an area/non-area co-production, the markets and potential revenues are shared equitably in proportion to the financial participation of each co-producer; and
 - vii) has meaningfully participated in the Television Component's development.
- f) Where the control and central decision makers in the Television Component are located outside of the area, the project is not eligible for the English Production Incentive.

Section 4 and the information under "Interpretation, Application, Disclaimer, and other Important Information" in the CMF's 2010-2011 Performance Envelope Guidelines apply to applications for this Program.

Applications for the British Columbia and Quebec English Production Incentives may be submitted beginning April 1, 2010 and will be accepted until the allocation(s) for the incentive are depleted or until the application deadline of December 6, 2010, whichever comes first.

The CMF will review the impact of the English Production Incentive at the end of the 2010-2011 fiscal year to determine its future continuation.

2. APPLICATION SUBMISSIONS

Application Deadlines

Open for Submissions	Final Closing Date
April 1, 2010	December 6, 2010

Deadline Definitions

Open for Submissions: All Applicants to this Program may submit applications beginning on the date indicated above.

Final Closing Date: Applications will be accepted until the final closing date, or until funds for this Program are depleted, whichever comes first. The final closing date is the deadline for submitting all applications for the fiscal year.

Application Offices

The CMF Program Administrator | Telefilm Canada administers English Production Incentive applications on behalf of the Canada Media Fund. Applicants may submit their CMF funding applications through eTelefilm at www.telefilm.gc.ca or to any of the following offices:

MONTREAL

6 - 360 Saint-Jacques Street
Montréal, Quebec H2Y 1P5
Toll Free: 1.800.567.0890
T: 514.283.6363
F: 514.283.8212

VANCOUVER

410 - 609 Granville Street
Vancouver, British Columbia V7Y 1G5
Toll Free: 1.800.663.7771
T: 604.666.1566
F: 604.666.7754

For inquiries on the status of your CMF funding application, please contact the appropriate office above or call 1.800.463.4607.

For inquiries regarding CMF policies, please contact us at 1.877.975.0766 or at info@cmf-fmc.ca.