



**VERSIONING
PROGRAM**
GUIDELINES
2010-2011

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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 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.

About the Versioning Program

The Versioning Program, which forms part of the CMF's Convergent Stream, strives to increase the reach of existing programming to Canadians through language versioning. Versioning also increases the revenue earned by Canadian producers through national and international sales. It also strengthens the Canadian versioning industry by providing Canadian artistic talent and specialized technicians with significant employment opportunities.

Note: Unless otherwise indicated, in these Guidelines the term "broadcaster" includes both a traditional, schedule-based broadcaster and a CRTC-licensed video-on-demand (VOD) service; the term "broadcast" includes both traditional, scheduled broadcast and making content available via a CRTC-licensed VOD service.

2. HOW THE VERSIONING PROGRAM WORKS

2.1 INTRODUCTION

The CMF contributes to Eligible Projects (see Section 3.2) in the Versioning Program on a first come, first served basis until resources are depleted. Consideration is given to ensure all parts of the country are able to participate. The CMF may contribute to Eligible Projects subject to specified Maximum Contribution amounts (see [section 2.3.1](#)) and other specified limitations. Maximum Contribution amounts are calculated based upon a project's Eligible Costs (see [section 2.3.2](#)).

2.2 NATURE OF FUNDING CONTRIBUTION

Assistance will be provided in the form of a non-repayable contribution.

2.3 AMOUNT OF FUNDING CONTRIBUTION

2.3.1 CMF Contribution

The CMF may contribute to an Eligible Project an amount equal to the Eligible Costs of the project minus the project's broadcast licence fee or financing from any other sources, subject to the following Maximum Contribution amounts.

For a television program, series or mini-series, the Maximum Contribution is the lesser of 75% of Eligible Costs, and the applicable amounts stated in the following chart.

For a television pilot, or single episode of a series or mini-series, and for the purposes of previewing or marketing that pilot, series or mini-series, the Maximum Contribution is the lesser of 80% of the Eligible Costs, and the applicable amounts stated in the chart below.

For projects to be distributed in specialized markets (i.e. other than commercial theatres or public or private commercial broadcasts), the Maximum Contribution is the lesser of 80% of the Eligible Costs, and the applicable amounts stated in the chart below.

Television Versioning Expenses and Services

Drama	Children's & Youth	Animation	Documentary	Variety & Performing Arts
\$418/min.	\$418/min.	\$418/min.	\$180/min.	\$180/min.

2.3.2 Eligible Costs

Eligible Costs are the budgeted or final costs of the project, as applicable (including both related-party and non-related party costs), plus any costs the CMF considers necessary, minus any costs that the CMF considers excessive, inflated or unreasonable. Assessment of a project's Eligible Costs shall be done at the CMF's sole discretion. The CMF estimates Eligible Costs at the time of application, based upon the versioning budget for the project.

Eligible Costs in this Program are versioning expenses and services carried out in Canada by qualified, private-sector companies, using Canadian artists, actors, employees and technicians (as applicable) and which were not included in the original language production budget.

Eligible Costs may include the Applicant's eligible distribution fees. Eligible distribution fees for Applicants which are producers are 15% of the project's eligible broadcast licence fees or foreign sales contract. Eligible distribution fees for Applicants which are distributors are 30% of the project's eligible broadcast licence fees or foreign sales contract. See Section 3.2.1 for more on eligible broadcast licence fees and foreign sales contracts.

No work carried out without prior written confirmation of CMF funding shall constitute an Eligible Cost.

In some cases, the CMF may finance secondary activities (i.e. minimal re-editing, adaptation of songs, etc.) that are indirectly related to the versioning of an Eligible Project but are essential to the making of the production. The CMF will evaluate such requests on a case-by-case basis.

Eligible Costs in this Program do not include items that are related to the production of the television project. These items should be included in the project's original language production budget, and remain solely the responsibility of the producer.

The Applicant must provide a versioning budget which must:

- a) Define those activities that constitute an Eligible Cost through this Program, including all tasks from the pre-production phase (receipt of material to be versioned) to the submission of the required version (final copy); and
- b) Identify the costs for each of the tasks required. The budget also allows for reasonable administrative expenses incurred by the versioning company, up to a maximum of 5% of the budget (with no pyramiding of fees allowed). In addition, the Applicant is allowed to include expenses incurred in coordinating the versioning process up to a maximum of the lesser of 5% of the budget, or \$5,000.

The CMF reserves the right to request that the Applicant obtain multiple quotes from service providers and to assess the reasonableness of proposed versioning costs.

Additional CMF business policies relating to Eligible Costs are in Appendix B of this document.

2.3.2.1 Related-Party Transactions

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

- a) Disclosed to the CMF; and
- b) In accordance with the CMF/Telefilm Canada Accounting and Reporting Requirements of January 1, 2006, more specifically but not limited to sections 3 and 4.

3. ELIGIBILITY FOR FUNDING

3.1 ELIGIBLE APPLICANTS

An eligible Applicant to the CMF is either:

- 1) A company that:
 - a) is for-profit: i.e. a taxable Canadian corporation, within the meaning of the *Income Tax Act (Canada)*;
 - b) is Canadian-controlled as determined for the purposes of sections 26 to 28 of the *Investment Canada Act*, and
 - c) has its head office based in Canada.
- or
- 2) A Canadian broadcaster, public or private, that is licensed to operate as such by the Canadian Radio-television & Telecommunications Commission (CRTC).

In addition, when assessing an Applicant's eligibility, the CMF may choose to look at factors, including:

- a) If the Applicant's activities take place in Canada;
- b) The financial stability of the Applicant (with appropriate exceptions for new production or distribution companies without established parent companies); and
- c) Whether or not the Applicant operates principally as an interactive, television or film production or distribution entity, or is a Canadian broadcaster

Where the Applicant is a distribution entity, it must hold the distribution rights to the CMF project that is the subject of the application.

Note: For the purposes of these Guidelines the term "Applicant" is deemed to mean and includes all co-applicants and/or parent companies as applicable.

3.2 ELIGIBLE PROJECTS

An "Eligible Project" in this Program is a project that meets all of the criteria of section 3.2 and all its subsections.

3.2.1 Basic Requirements

Eligible Projects are those television projects that have received production financing support in any year through the CMF. The project must be completed in its original language before it will be considered eligible under the Versioning Assistance Program. In the case of animated series, an episode of that series must be completed in its original language before the series can be submitted to the CMF in this Program.

The CMF will not usually contribute towards the versioning of a production where there already exists a similar version of that production in the same language for commercial release. In some cases, however, the CMF may agree to subsidize minor changes to versions if the production was versioned in Canada. The CMF may contribute towards the versioning of a production that already exists in the target language where such versioning would improve its relevance to the Canadian market.

In addition, Eligible Projects must have either:

- a) A letter from a broadcaster committing to air the versioned production in Canada or abroad within one year of delivery. The letter must specify a broadcast licence fee, the market value of which must be fair and acceptable to the CMF and represent a minimum of 25% of the versioning budget; or
- b) A foreign sales contract, the market value of which is fair and acceptable to the CMF.

If one or more production financiers contractually require that the project be versioned into a second language, then the cost of versioning that television program must be included in the original language production budget. In such cases, the project is not eligible for versioning assistance.

Note: Except for television pilots, or single episodes of a series or mini-series, and for the purposes of previewing or marketing that pilot, series or mini-series.

3.2.2 Other Conditions and Requirements

Other Conditions and Requirements for Eligible Projects include:

- a) **Availability of the Dubbed or Subtitled Version:** In cases where an Applicant does not have exclusive distribution rights in all markets for a production, the Applicant must guarantee that the production versioned with the assistance of the CMF be made available either to the Canadian producer or to any distribution or foreign sales company appointed by the Canadian producer;
- b) **Distribution, Partnership and Sub-Distribution:** Any business association or sub-distribution agreement involving the marketing of the versioned production in any market sector and any media in Canada must be made only with Canadian (as defined in the Investment Canada Act) companies with recognized expertise in these markets. The contractual agreement must be filed with the CMF, and the terms of the agreement must be acceptable to the CMF; and
- c) **Companies Active in Specialized Markets:** The CMF may help finance the versioning of Eligible Projects to be distributed in specialized markets (i.e. other than commercial theatres or public or private commercial broadcasts). Companies applying for versioning assistance must have proven marketing expertise in these areas and a sufficient volume of business in this sector.

4. COMPLIANCE AND REPRESENTATIONS

4.1 PROVISION OF DOCUMENTATION

It is the responsibility of the Applicant to ensure that the CMF is in receipt of all documentation relevant to its application, and to update such documentation and information after a material change. The CMF may request other documentation and information as required in order to conduct an assessment and evaluation of the project and, once assessed, as might be necessary 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.

4.2 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.

4.3 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:

- 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; and
- 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.

5. APPLICATION SUBMISSIONS

Application Deadlines

Open for Submissions	Final Closing Date
April 1, 2010	January 17, 2011

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 Versioning Program 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

HALIFAX

400 - 1717 Barrington Street
Halifax, Nova Scotia B3J 2A4
Toll Free: 1.800.565.1773
T: 902.426.8425
F: 902.426.4445

TORONTO

100 - 474 Bathurst Street
Toronto, Ontario M5T 2S6
Toll Free: 1.800.463.4607
T: 416.973.6436
F: 416.973.8606

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.