



**ENGLISH
PRODUCTION
INCENTIVE
GUIDELINES
2013-2014**

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.

Projects 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

The English Production Incentive Program

The Canada Media Fund's mandate includes ensuring funding support to production across the country. As such, the CMF is continuing its English Production Incentive program for the 2013-2014 fiscal year.

The CMF will monitor television production activity in each Canadian province and territory. Where production activity drops significantly below a 5-year average in any province/territory, the CMF may implement an English Production Incentive for that/those province(s) or territory(ies) in the following fiscal year. The CMF considers a drop in production activity of more than 20% to be significant, but retains the discretion to implement an English Production Incentive for drops of less than 20% when circumstances dictate. For provinces/territories with production activity of less than 1% of the national total, the CMF will provide minimum English Production Incentives for each province/territory. The provinces/territories that have qualified for a 2013-2014 English Production Incentive and the amount(s) of the incentive(s) are available on the CMF website at www.cmf-fmc.ca.

Once a province or territory has qualified for an English Production Incentive in a given fiscal year, in the following year that province/territory will be allocated either: 1) the allocation it would normally receive under the CMF's allocation formula if the province/territory again qualifies for the English Production Incentive; or 2) if it does not again qualify for the English Production Incentive, for one year only, 50% of what the province/territory received in the previous year.

This incentive will take the form of a CMF licence fee top-up (see section 2.2.TV of the [2013-2014 Performance Envelope Program Guidelines](#)) contribution of 10% of a Television Component's Eligible Costs (see section 2.3.2 and all its subsections of the 2013-2014 Performance Envelope Program Guidelines) up to a per-project maximum of \$1 million. In the case of eligible interprovincial co-productions, the amount of the incentive will be calculated on the portion of the Television Component's Eligible Costs associated with the province(s) or territory(ies) for which the CMF has implemented an English Production Incentive. 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 2013-2014 Performance Envelope Program 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 2013-2014 Performance Envelope Program 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 2013-2014 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 2013-2014 CMF fiscal year; projects that were submitted for and received CMF funding in previous fiscal years are not eligible for the 2013-2014 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 2013-2014 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 "eligible province/territory" referring to a province or territory for which the CMF has implemented an English Production Incentive and "non-eligible province/territory" referring to a province or territory for which the CMF has not implemented an English Production Incentive:
 - i) Principal photography for the Television Component occurs in an eligible province/territory, with suitable exceptions for documentaries; and
 - ii) The Applicant(s) (or, where there are separate Applicants for the Television Component and the Digital Media Component(s), the Applicant(s) which own(s) the rights to the Television Component) is/are based in an eligible province(s)/territory(ies) (with its head office situated in an eligible province(s)/territory(ies)) and
 - exercises full control of the creative, artistic, technical and financial aspects of the Television Component, or, in the case of a co-production between eligible province(s)/territory(ies) and non-eligible province(s) territory(ies), the eligible province(s)/territory(ies) Applicant(s) has/have such control in proportion to its copyright ownership;
 - in the case of a co-production between eligible province(s)/territory(ies) and non-eligible province(s) territory(ies), owns at least 51% of the copyright of the Television Component;
 - in the case of a co-production between eligible province(s)/territory(ies) and non-eligible province(s) territory(ies), shares equitably in fees payable to producers and corporate overhead;
 - 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 a co-production between eligible province(s)/territory(ies) and non-eligible province(s) territory(ies), the markets and potential revenues are shared equitably in proportion to the financial participation of each co-producer; and
 - has meaningfully participated in the Television Component's development.

Where the control and central decision makers in the Television Component are located outside of an eligible province(s)/territory(ies), the project is not eligible for the English Production Incentive.

Section 1 of the CMF's 2013-2014 Performance Envelope Guidelines apply to applications for this Program.