



**DEVELOPMENT
PROGRAM**
GUIDELINES
2014-2015

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1. GENERAL INFORMATION

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. 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 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

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. Except in the English and French Regional Predevelopment subprogram, Eligible Projects (see [section 3.2](#)) in this Program must be convergent, meaning: they must have a Television Component (see [section 3.2.TV](#)) and one or more Digital Media Components (see [section 3.2.DM](#)), VOD presentation of the Television Component, digital distribution of the Television Component, or any combination of these three.

The Development Program operates through three subprograms:

- English and French Development Envelopes ([section 2.A](#));
- Quebec French Regional Development ([section 2.B](#))
- English and French Regional 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 Francophone Minority and the Aboriginal Programs. See those Guidelines for more information.

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

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.

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 French Regional 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 that they are permitted to commit to Affiliated Programming and In-house Programming to 15% of their Development Envelope. 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 F.3 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, the Quebec French Regional Development, described at [section 2.B](#) below and the English and French Regional Predevelopment subprogram, described in [section 2.C](#) below, a Regional Development Project is a project in which:

- a) The Applicant (or, whichever Applicant owns rights to the Television Component if there are separate Applicants for Television and Digital Media) is based in the region with its head office in the region
- b) The regional Applicant (or, whichever Applicant owns rights to the Television Component if there are separate Applicants for Television and Digital Media) 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 Envelopes, which are allocations 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 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 the Digital Media Component(s). Maximum Contribution and Development Fee Threshold amounts are calculated on the Eligible Costs of the Television Component and Digital Media Component(s) (see [section 2.3](#)).

2.A.2 Amount of Funding Contribution

Broadcasters may decide what proportion of their Broadcaster Development Envelope 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 projects is the lesser of:

For the Television Component of the project (or the Television Component with Digital Media Component Eligible Costs under \$5,000*):

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

For the Digital Media Component of the project:

- 75% of the Eligible Costs in development, up to \$50,000, for all phases combined.

**Note: for Digital Media Components with Eligible Costs under \$5,000, the Eligible Costs related to the development of this Component must be combined with the development Eligible Costs of the Television Component and be presented in one single application (including budget).*

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.

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. Development Fees must meet or exceed a minimum amount, expressed as a percentage of the Eligible Costs of the Television Component and the Digital Media Component of the project (Development Fee Threshold), to be eligible for CMF funding.

Development Fee Threshold amounts for this subprogram are:

For the Television Component (or the Television Component with Digital Media Eligible Costs under \$5,000):

- 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 the English and French Digital Media Component of the project, the Development Fee Threshold is 10% of the Eligible Costs in development. However, for Digital Media Components with Eligible Costs under \$5,000, the Development Fee Threshold will be calculated on the combined Eligible Costs (Television and Digital Media Components combined, and according to the Licence Fee Threshold for the Television Component, as described above).

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. If many projects are submitted on the same date, creating oversubscription, the CMF may distribute available funding on a proportional (pro-rated) basis to projects deemed eligible.

The CMF may contribute to Eligible Projects (see [section 3.2](#)) 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 an Eligible Project 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 this segment shall be the lesser of:

- For the Television Component (or the Television Component with Digital Media Eligible Costs under \$5,000) of the project, 75% of the Eligible Costs in development, up to \$200,000 for all phases combined and all eligible types of programming.
- For the Digital Media Component of the project, 75% of the Eligible Costs in development, up to \$50,000, for all phases combined.

However, for Digital Media Components with Eligible Costs under \$5,000, the Eligible Costs related to the development of this Component must be combined with the development Eligible Costs of the Television Component and be presented in one single application (including 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 the Digital Media Component of the project (Development Fee Threshold) to be eligible for CMF funding. Development Fee Threshold amounts for this segment are:

- For the Television Component (or the Television Component with Digital Media Eligible Costs under \$5,000), 10% of the Eligible Costs in development for all eligible genres
- For the Digital Media Component, 10% of the Eligible Costs in development

However, for Digital Media Components with Eligible Costs under \$5,000, the Development Fee Threshold will be calculated on the combined Eligible Costs (Television and Digital Media Components combined, and according to the Licence Fee Threshold for the Television Component, as described above).

2.C ENGLISH AND FRENCH REGIONAL PREDEVELOPMENT

2.C.1 Introduction

This subprogram aims to fund English regional and Quebec French regional projects in predevelopment which have not secured development funding from a broadcaster. In this subprogram, the CMF contributes to Eligible Projects (see [section 3.2](#)) on a first come, first served basis until resources are depleted. If many projects are submitted on the same date, creating oversubscription, the CMF may distribute available funding on a proportional (pro-rated) basis to projects considered eligible.

Eligible Projects in this subprogram must be Regional (see [section 2.1.1](#)), and meant to be produced in the language applied for in this subprogram. Eligible Costs must relate to writing a preliminary synopsis and/or treatment. The CMF may contribute to Eligible Projects at the requested level subject to specified Maximum Contribution amounts (see [section 2.C.2](#)) and other specified limitations.

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. 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 at the level requested by the Applicant up to a Maximum Contribution of:

- For English projects: up to 75% of the Eligible Costs, or \$15,000 per Eligible Project, whichever is less;
- For French projects: up to 75% of the Eligible Costs, or \$10,000 per Eligible Project, whichever is less.

2.C.3 Broadcaster Commitment

All applications for predevelopment financing must include a letter of interest from a Canadian broadcaster. 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 projects, 100% of the advance must be repaid on or before the earliest event of repayment as described here:

- a) For the Television Component (or the Television Component with Digital Media Eligible Costs under \$5,000):
 - 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
- b) For the Digital Media Component:
 - i) The first day of commencement of production of the Digital Media Component or any other use of the digital media concept
 - or
 - ii) The transfer, sale, assignment, or other disposition of the digital media concept.

2.3 ELIGIBLE COSTS

Eligible Costs are costs set out in the development or predevelopment budget for each component 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.

The Television Component and the Digital Media Component(s) must have separate budgets reflecting the distinct work done on each component, with the following exception: projects in which the Digital Media Component Eligible Costs are under \$5,000 must be combined with the development Eligible Costs of the Television Component and be presented in one single budget.

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 CMF Accounting and Reporting Requirements of April 2014

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 phase of development, the following costs may be Eligible Costs:

- 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
- Eligible Digital Media development costs (see [section 2.3.2.DM.1](#)) for Digital Media Components with Eligible Costs under \$5,000
- 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

The CMF development budget templates outline specific costs allowable at each phase of development, per genre.

2.3.2.TV.2 Eligible Costs in Television Predevelopment

The following costs may be Eligible Costs for a project in the predevelopment stage:

- Preliminary research
- Scriptwriting consultant
- Story editor
- Writing of preliminary synopsis and treatment
- Production of several drawings (animation)
- Printing and collating costs
- Travel expenses incurred to meet Canadian broadcasters and/or Canadian key creative personnel
- Travel costs to meet with national or international coproduction partners, or to meet with subjects for documentaries
- Creation of documents related to pitching projects to Canadian broadcasters
- Short, non-broadcast demos
- Production fees and management expenses

2.3.2.DM.1 Eligible Costs in Digital Media Development

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

- Research
- Development of production budget and financing
- Technology and content design
- Market research
- Prototype development
- Detailed production planning

If the Eligible Costs of the Digital Media Component are under \$5,000, these costs should be combined with the Eligible costs of the Television Component and be presented in one single budget.

3. ELIGIBILITY FOR FUNDING

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 parent companies as applicable.

3.2 ELIGIBLE PROJECTS

An Eligible Project in this Program is defined as a project that meets all [section 3.2](#) criteria and subsections applicable in the context of development. 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, Eligible Projects 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](#) and section [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.

Except in the English and French Regional Predevelopment subprogram, an Eligible Project is a convergent project. For the CMF's purposes, a convergent project must have:

- 1) A Television Component made available by:
 - a) One or more CRTC-licensed traditional, scheduled broadcasters; and/or b) One or more CRTC-licensed video-on-demand (VOD) services

and/or

- 2) Any or all of the following:

- a) One or more Digital Media Components (defined under [3.2 DM](#))
- b) The Television Component made available to Canadians by one or more CRTC-licensed VOD services
- c) The Television Component made available to Canadians by a Canadian entity through non-simulcast digital distribution

In 2)c) above, “Canadian” has the meaning ascribed in subsection 1106(1) of Canada’s Income Tax Act, “non-simulcast” means not made available simultaneously with the television broadcast, and “digital distribution” means any form of electronic distribution over a digital network to an end user, including internet-VOD, digital download, electronic sell-through, digital rental, and wireless/mobile distribution. It does not include distribution of physical media, such as mail-order DVD rentals/sales.

A Television Component made available via one or more CRTC-licensed VOD services cannot, by itself, satisfy the requirements of both 1) and 2) above for the same Eligible Project at the same time. Where VOD is relied on for the CMF’s “convergent project” requirements, Applicants must elect whether VOD is considered under 1) or 2) above.

Where there is a Digital Media Component, the Television and Digital Media Components must be associated with each other and must enhance the viewer/user’s experience of each.

Broadcasters are limited in the amount of the Development Envelope they can commit to projects that meet 2) above by relying only on 2)b) and/or 2)c). See [section 3.2.DM](#) below, and [section F.4](#) in the Development Envelope Manual, for more information. There is no such limitation in respect of the Quebec French Regional Development and English and French Regional Predevelopment subprograms (see at [section 2.B](#) and [section 2.C](#)).

Eligible Projects in the English and French Predevelopment subprogram must be a Television Component under 1) above, or a Digital Media Component under 2)a) above. Eligible Projects in the English and French Predevelopment subprogram may be convergent, but this is not required.

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 projects meant for Canadian audiovisual treaty coproductions, the active contribution of a Canadian scriptwriter is required.

The Applicant must have acquired all rights and options to the project, 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 project will be certified by the Canadian Audio-Visual Certification Office (CAVCO) and has achieved 10/10 points (or the maximum number of points appropriate to the project), as determined by the CMF using the CAVCO scale.
- 2) Underlying rights are owned, and significantly and meaningfully developed, by Canadians.
- 3) The project 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 eligibility of audiovisual treaty coproductions to access the CMF, 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.

Essential Requirement 1: 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 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 phases 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 project.

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) 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 project is a repackaging (e.g. some "best of," "making-of" and/or "catch-up" episodes may be permitted). Projects comprised mainly of stock footage may be new productions provided the footage is not merely repackaged in whole or large segments for the project.

3.2.DM Digital Media Components

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

- a) Is associated with the Television Component that is funded by the CMF
- b) Is made available to the Canadian public by way of a digital network, including internet and mobile.

The Digital Media Component must be sufficiently rich and substantial in relation to the Television Component. It cannot be an "afterthought" or just meant to minimally satisfy the CMF's Digital Media Component requirement.

A rich and substantial Digital Media Component provides a coherent and added-value digital or social media experience to the audience before, during or after the broadcast of the Television Component. It expands the television viewer's experience beyond simple fact-finding about the Television Component and aims to augment engagement towards the Television Component. It can be either one or a mix of the following:

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.

The development of the Digital Media Component must be meaningfully integrated with the development of the Television Component. For example, in early phases of development the Digital Media Component may be primarily a concept or strategy while later activities may involve prototyping, production planning, content and/or technology design, business and marketing planning, or research and testing. Work on, and/or CMF funding of, both the Television Component and Digital Component is not necessary for every phase of development, as long as both components exist and are meaningfully integrated.

Broadcasters must commit at least 60% of their Development Envelope to Eligible Projects that include a Digital Media Component (see [section F.4](#) of the Development Envelope Manual for more information). Total envelope commitments to projects that combine Eligible Costs of the Television and Digital Media Components into one single budget (see sections [2.3.2.TV.1](#) and [2.3.2.DM.1](#)) will be counted towards the 60% requirement. There is no such limitation with respect to the Quebec French Regional Development (see [section 2.B](#)) and English and French Regional Predevelopment subprograms (see [section 2.C](#)).

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, or primarily promotional projects, curriculum-based projects, and system software.

A project 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 digital media project in Canada and abroad (with appropriate case-by-case exceptions for a purchased format), and retains an ongoing financial interest in the project.

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) Must be made available to the Canadian public in a meaningful way. What is meaningful in a particular instance will depend on the nature of the project and its distribution plan. The CMF will decide case by case, but unless there is an acceptable distribution/exploitation plan to the contrary, the CMF considers that making the project available to the Canadian public for at least 3 months contemporaneously with the associated Television Component will be meaningful.
- 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.