



SUMMARY OF CHANGES 2014-2015

TABLE OF CONTENTS

1.	EXPERIMENTAL STREAM.....	1
	Changes applicable to the Accelerator Partnership Pilot Program.....	1
2.	CONVERGENT STREAM.....	3
	Changes applicable to all Programs (Production and Development)	3
	Changes applicable to all Production Programs	3
	Changes applicable to all Programs with Digital Media Components	4
	Changes applicable to all Production Programs with Digital Media Components	4
	Changes applicable to the Performance Envelope Program.....	4
	Changes applicable to all Programs with funds distributed on a first-come, first-served basis	5
	Changes applicable to the English Production Incentive (now the English Regional Bonus)	5
	Changes applicable to the Anglophone Minority Incentive	6
	Changes applicable to the Northern Production Incentive.....	6
	Changes applicable to the Convergent Digital Media Incentive	7
	Changes applicable to the Digital Media Coproduction Incentive.....	7
	Changes applicable to all Production Programs that use a selective funding process (Aboriginal Program, Diverse Languages Program, Francophone Minority Program and English POV Program)	7
	Changes applicable to the Aboriginal Program.....	8
	Changes applicable to the Francophone Minority Program.....	9
	Changes applicable to the Diverse Languages Program	11
	Changes applicable to the English POV Program	11
	Changes applicable to the Development Program	12
	New International Codevelopment Incentive	14
	Changes applicable to the Versioning Program.....	14
	Changes applicable to Appendix A	14
	Changes applicable to Appendix B	15

1. EXPERIMENTAL STREAM

Decrease in the maximum contribution for development and marketing

- Previously, the Maximum Contribution to a project in Development and Marketing was 75% of the project's Eligible Costs or \$500,000, whichever is less.
- Now the Maximum Contribution is 75% of the project's Eligible Costs or \$400,000, whichever is less.
 - See section 2.3.1.

Evaluation grid changes

- Previously, the first assessment criteria section was the Production/Development Team.
- Now, three components of the Team are assessed in this section, being, Studio, Staff and Team Work.
- Previously, the "Distinctiveness of the business model" criterion was assessed as part of the Innovation and advancement section.
- Now, this criterion has been moved to the Business plan section.
- Previously, the marketing and promotion plan criterion was reviewed for all projects.
- Now, the marketing and promotion plan is a criterion only for production and marketing projects. For development projects, the criterion is a marketing and promotion strategy.
- Previously, for development projects, the weight of the assessment criteria was 20 (Team) / 60% (Innovation and advancement) / 10% (Business Plan) / 10% (Distribution Strategy).
- Now, for development projects, the weighting is 25% (Team) / 65 % (Innovation and advancement) / 10% (Distribution strategy). Business plans will be reviewed for development projects, but will no longer receive any points in the evaluation grid.
 - See section 2.4.

Change in required Canadian costs for marketing

- Previously, for all projects, at least 75% of the Eligible Costs were required to be Canadian costs.
- Now, for marketing projects, 50% of the Eligible Costs are required to be Canadian costs.
 - See section 3.2.1.

Clarification of what are considered to be Film and Television Convergent projects

- Previously, the Guidelines specified only that projects that were associated with a film or television production were considered to be ineligible for funding in the Experimental Stream.
- Now, the CMF has clarified that digital media projects with a television or film component may be considered eligible if: (i) the television or the film component is not the main component of the project, but is part of an overall integrated multiplatform experience; and (ii) the digital media project is presented/distributed on digital platform(s) at least 3 months before the broadcast/exploitation of the television or the film component.
 - See section 3.2.2.1.

Changes applicable to the Accelerator Partnership Pilot Program

Prior Experimental Stream recipients no longer to be invited to opt in for consideration

- Previously, the CMF invited prior Experimental Stream recipients to opt in for consideration by an accelerator.
- Now, as most prior recipients are aware of this Program, the CMF will no longer invite recipients to opt in for consideration. Applicants should contact their Experimental Stream analyst once they have found the business accelerator partner they wish to work with.

Revised list of approved business accelerators

- The list of business accelerators approved to provide acceleration services through this Program has been revised. Eligibility of other business accelerators will be evaluated on a case-by-case basis.
 - See paragraph 4.

2. CONVERGENT STREAM

Changes applicable to all Programs (Production and Development)

Removal of the requirement that projects speak to Canadian and be primarily intended for a Canadian audience (formerly Essential Requirement #1 for television components)

- Previously, this requirement applied to both television and digital media components of projects. This requirement has been removed and no longer needs to be met in order to be eligible for funding.
 - See applicable Guidelines, sections 3.2.TV.1 and 3.2.DM.1

Exception to Essential Requirement #1 (formerly, #2) expanded for animation

- Previously, the animation exception allowed 8/10 points according to the CAVCO scale, with one point going to non-Canadian in-betweening or camera operator.
- Now, up to two points may go to one of the following non-Canadians: in-betweening, camera operator or layout and background.
 - See Appendix A, Drama and Children's and Youth Programming, section B.

Changes applicable to all Production Programs

Change to minimum equity investment amount to be converted to licence fee top-up

- Previously, the CMF would automatically convert any equity investment request of less than \$10,000 to a licence fee top-up.
- Now that amount has been increased to \$100,000.
 - See applicable Guidelines, section 2.2

Requirement that a project cannot have been previously broadcast clarified

- Previously, the Guidelines indicated that a television component could not have been broadcast prior to its application for CMF funding.
- This has been clarified to indicate that the project, or any versions of it, cannot have been previously broadcast or presented on any platform prior to its application for CMF funding.
 - See section 3.2.TV.4 e)

Clarification on types of eligible marketing activities, budget allocation and re-allocation of marketing expenses

- Previously, digital media/viral marketing campaigns were eligible only if they were other than the type normally undertaken by Canadian broadcasters. This restriction has been removed so that any type of digital media/viral marketing campaign may be an eligible marketing expense as long as they are made by the Eligible Applicant.
- Non-eligible marketing costs have been clarified by adding examples: wrap parties; crew gifts; and basic websites.
- The inclusion of marketing expenses in production budgets has been clarified to require all such expenses to be allocated to budget line item #70 for television components and in budget line item GEN-23 for digital media components.
- Previously, the Guidelines specified that financing received for budgeted eligible marketing expenses had to be spent on marketing activities and could not be re-allocated to other expenses in the production. This prohibition has been removed.
 - See applicable Guidelines, sections 2.3.2.TV.2 and 2.3.2.DM.1

Changes applicable to all Programs with Digital Media Components

Definition of “rich and substantial” digital media component clarified

- Previously, the Guidelines provided that rich and substantial digital media content included “Web 2.0” and higher applications; highly immersive or highly interactive websites, mobile applications/content, or videogames; content or applications that meet or exceed current market standards for richness; or analogous content/applications.
- Now, the Guidelines clarify that 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 program and is aimed to augment engagement towards the television program.
 - See applicable Guidelines, section 3.2.DM

Changes applicable to all Production Programs with Digital Media Components

Addition of maximum allowable term for digital media component licences

- The Guidelines now specify that the maximum allowable term for digital media component licences with Canadian broadcasters is the length of the licence term acquired by the broadcaster for the television component.
 - See section 3.2.DM.4

Joint submission of application for television and digital media components no longer required

- Previously, the Guidelines required that the television and digital media components be the subject of the same application for CMF funding with all components being submitted at the same time. This requirement has been removed.
 - See applicable Guidelines, section 3.2

Changes applicable to the Performance Envelope Program

Removal of 25% maximum licence fee top-up contribution for big budget Drama

- Previously, the maximum licence fee top-up contribution for big budget Drama television components was 25% of the Eligible Costs.
- Now, the maximum licence fee top-up is 20% of Eligible Costs for all types of television components.
 - See section 2.2.

Declining licence fee top-up contribution over seasons for new series

- For series in their first season in 2014-2015, the first CMF contribution to the Television Component will be in the form of a licence fee top-up, to a maximum of 20% of the component’s Eligible Costs. From the second season of such series, the maximum CMF contribution in the form of a licence fee top-up will decrease by 2% per annum for English series and by 1% per annum for French series. The CMF maximum contribution in the form of a licence fee top-up will stop decreasing when a 10% threshold will be reached for English series or 15% for French series (i.e. from the 6th season of a series for which the 1st season was produced in 2014-2015).
- This rule will only apply to new series. Series for which the first season was produced before 2014-2015 will continue to be eligible to the maximum 20% licence fee top-up contribution for all their seasons.
 - See section 2.2

Expansion of definition of small envelope broadcasters to have 100% genre flex and no cap on in-house and/or affiliated programming

- Previously, only broadcasters with a combined corporate group performance envelope allocation of less than \$2.5 million were exempt from the rule limiting allocations to in-house and affiliated programming to 7.5% of their documentary allocation in that genre and 15% of their combined drama, children’s & youth, variety & performing arts and flex amounts in those three genres.

- The exemption has been expanded to apply to broadcasters with a combined corporate group performance envelope allocation of less than \$5 million and Educational Broadcasters.
 - See section 2.1.1

Clarification of applicable language category for double shoots

- Previously, the Guidelines provided that where a drama project is shot as a double shoot, the original language of production will be considered both languages (English and French). The reference to “drama” has been removed to clarify that this language categorization applies to projects of all genres.
 - See section 2.1.2

Change in name of Quebec French Production Incentive and financing requirements at application

- Previously, this incentive was named the Regional French-language Production Incentive and has been renamed to highlight that it is available to applicants in Quebec.
- Television components applying to this incentive are now required to be 100% financed at application, including the amount requested.
 - See section 2.3.1.1.TV

Special consideration added for principal photography/key animation commencement date

- A further example has been added to the types of projects for which special considerations may be made regarding the CMF’s general expectation that principal photography/key animation should commence within the fiscal year in which it is funded or within 3 months thereafter.
- The Guidelines now specify that special considerations may also be made for projects that are required to commence production during the period in which the CMF is closed to funding applications (e.g. December to March). However, if an applicant commences production before the CMF’s funding is confirmed, it does so at its own risk.
 - See section 3.2.TV.4 d)

Licence Fee Thresholds changed

Licence Fee Thresholds grid has been simplified, including:

- Categories of projects that used to have identical or similar parameters have been regrouped (e.g. series and returning series)
- Creation of a Licence Fee Threshold of 10% for all English language feature-length documentaries.
- Change to English language Movie of the Week Licence Fee Thresholds
 - See section 3.2.TV.5.1

Changes applicable to all Programs with funds distributed on a first-come, first-served basis

Right to distribute funding on a proportional, pro-rated basis, in the event of oversubscription

- Previously, Programs with funds distributed on a first-come, first-served basis, would close after all the funds had been allocated to Eligible Projects
- As some Programs have been extremely popular and oversubscribed, in an effort to be fair to all applicants, the CMF has now added the right to elect to distribute the available funding to all projects deemed eligible on a proportional, pro-rated basis.

Changes applicable to the English Production Incentive (now the English Regional Bonus)

Available for regional production across Canada (with exceptions) regardless of production activity level

- Previously, the incentive was implemented in specific provinces or territories in response to a significant drop in production activity.

- Now, the bonus is available to English projects produced in all regions, except that projects from the province of Quebec, the Northwest Territories, Nunavut and Yukon are not eligible to this bonus since they have their own dedicated incentives (i.e. Anglophone Minority Incentive for Quebec, and Northern Production Incentive for the Territories).

Limit on allocation of funds in each province

- Since the bonus is available across Canada (with the above exceptions), the CMF has limited access by each province to 30% of the funds available as of the bonus' first closing date. Any money left unspent after the first closing date will be made available to all eligible provinces from the second opening date to the final closing date.

Definition of "regions" added

- For the purposes of this bonus, "regions" is defined as any part of Canada more than 150 km by shortest reasonable roadway route from Toronto.

Changes applicable to the Anglophone Minority Incentive

Maximum contribution amount reduced to \$750,000

- Previously, the CMF's maximum contribution in this incentive was up to 15% of the television component's Eligible Costs up to a per-project maximum of \$1 million.
- Now, the per-project maximum has been reduced to \$750,000.

Changes applicable to the Northern Production Incentive

Continuation of Northern Production Incentive as separate incentive

- Previously, the Northern Production Incentive was part of the Performance Envelope Program. This incentive has been continued as its own separate incentive.
 - See Northern Production Incentive Guidelines.

Increase in per-project maximum contribution

- Previously, the incentive provided a licence fee top-up contribution of 10% of the Television Component's Eligible Costs up to a per-project maximum of \$100,000.
- Now, the incentive provides a licence fee top-up contribution of 20% of a Television Component's Eligible Costs up to a per-project maximum of \$200,000.

Community channels included in definition of "Canadian broadcaster"

- For this incentive only, as a pilot initiative, the CMF now considers "Canadian broadcaster" to include community channels operating in Nunavut, Yukon or the Northwest Territories. No minimum License Fee Threshold amount is required for projects with Eligible Licence Fees from community channels operating in Nunavut, the Yukon Territory or the Northwest Territories.

Producer's Fees & Corporate Overhead (PFCO) amount harmonized for all projects of this incentive

- Previously, the PFCO policy applied in its entirety to projects in this incentive so that for projects with production budgets of \$500,000 or more, the amount of PFCO that could be included in the production budget was a maximum of 20% of Sections B+C of the production budget.
- Now, in this incentive, the PFCO included within the production budget can be a maximum of 30% of Sections B+C of the production budget for all projects, regardless of the budget amount.

Changes applicable to the Convergent Digital Media Incentive

Limit on number of financing applications

- Previously, there was no limit on the number of financing applications that could be submitted in this incentive.
- Now, in the English market, any individual broadcaster or broadcaster corporate group is limited in the number of projects it can trigger, to a maximum of 5 projects per fiscal year. Each Digital Media Component of a given convergent project counts for one project. In addition, no individual broadcaster or broadcaster corporate group can trigger more than 20% of the English allocation.

In the French market, there is no limit on the number of projects that can be triggered by an individual broadcaster or a broadcaster corporate group. However, no individual broadcaster or broadcaster corporate group can trigger more than 40% of the French allocation.

Cap on funding available to Affiliated Programming and In-house Programming

- Previously, there was no cap on funds allocated from this incentive to Affiliated Programming and In-house Programming.
- Now, the CMF has introduced a change with the effect that a maximum of 50% of funds available in the incentive will be made available for Affiliated Programming and In-house Programming. However, broadcasters or broadcaster corporate groups with a Performance Envelope allocation of \$ 5 million or less and educational broadcasters are not subject to the 50% cap.

Changes applicable to the Digital Media Coproduction Incentive

Expansion to include digital media codevelopment

- Previously, this incentive was only available for coproduction projects.
- Now, this incentive is also available for codevelopment projects.
- For codevelopment projects, this incentive will take the form of a non-repayable contribution of 75% of the Canadian portion of a project's Eligible Costs, up to a per-project maximum of \$50,000. Projects must have total Eligible Costs of not less than \$25,000 Canadian dollars for development.

Broadcaster participation is now required for codevelopment and coproduction

- Previously, this incentive did not require a broadcaster to provide financing to the project.
- Now, for both codevelopment and coproduction, to be eligible for this incentive, the project must receive financing from a Canadian broadcaster but there is no minimum financing amount required.

Changes applicable to all Production Programs that use a selective funding process (Aboriginal Program, Diverse Languages Program, Francophone Minority Program and English POV Program)

Change in calculation of Licence Fee Threshold and Maximum Contribution Amounts where funds are being received from more than one funding program

- Previously, if a project received funds from the Performance Envelope Program and a selective program, a double calculation was done for the purposes of determining Licence Fee Threshold and Maximum Contribution amounts, by determining the ratio of the Eligible Costs for each component in proportion to the CMF Performance Envelope contribution to each component, compared with the total CMF contribution to the project, and then applying the requirement of the Performance Envelopes and the other funding program to each related portion.
- Now, the calculation has been simplified and if a project receives funds from the Performance Envelope Program and a selective program, the selective program's Licence Fee Threshold amount will apply to the total Eligible Costs. Projects may receive up to the Maximum Contribution specified for the selective program; any additional funds will be taken from the broadcaster's Performance Envelope. The total CMF contribution from both the Performance Envelope and other CMF programs combined cannot exceed 84% of the Eligible Costs
 - See applicable Guidelines, section 2.3.1.1

Language requirements and commitments clarified for broadcasters providing Eligible Licence Fees

- Previously, the Guidelines did not always clearly specify in which language the television component had to be broadcast.
- Now, the Guidelines clarify that the television component must be broadcast in its original language of production by at least the broadcaster providing the highest Eligible Licence Fees, as the first window broadcaster, in peak viewing hours.
- Second and subsequent window broadcasters in other languages than the original language of production can provide Eligible Licence Fees contributing to Licence Fee Threshold and broadcast in their language, in peak viewing hours.
 - See applicable Guidelines, section 3.2.TV.5 e) i).

Evaluation Grid Changes

For all assessment criteria, the maximum number of points available for each criterion is now specified.

Market Interest Assessment criteria changes

- Previously, the maximum number of points to be awarded for the Market Interest assessment criteria was 30.
- Now, this has been reduced to a maximum of 25 points.
- Marquee benefits has been removed as a criterion under Market Interest.

Creative elements assessment criteria changes

- Previously, the maximum number of points to be awarded for the Creative Elements assessment criteria was 30 points.
- Now, this has been increased to a maximum of 35 points.

Changes applicable to the Aboriginal Program

Development and predevelopment financing rules clarified

- Previously, the development section of the Guidelines referred to the Development Program. Rules have now been specified in the development section of the Aboriginal Language Guidelines. For the television component, the CMF may contribute up to a Maximum Contribution of 50% (or 75% for a Regional Development Project) of the Eligible Costs, up to a maximum of \$200,000 for all phases combined and all eligible types of programming. For the digital media component, the CMF may contribute up to a Maximum Contribution of 75% of the Eligible Costs, up to a maximum of \$50,000.
- Applications for predevelopment financing must include a letter of interest from a Canadian broadcaster but the broadcaster is not required to commit a Development Fee. The CMF may contribute up to a Maximum Contribution of 75% of the Eligible costs, or \$15,000, whichever is less. Returning series, affiliated and in-house programming are not eligible in predevelopment.
 - See section 2.1.2
- Previously, Television and Digital Media Components were required to be presented separately, with two distinct applications and budgets..
- Now, in development, if the Eligible Costs of the Digital Media Component are less than \$5,000, the costs of the Digital Media Component must be combined within the Television budget and be submitted in one single application. Such Digital Media costs will now be considered as Eligible Costs of the Television Component.

Digital distributors may be considered Canadian broadcasters for development and predevelopment

- As a pilot initiative, for development and predevelopment only, the CMF may consider a digital distributor to be a Canadian broadcaster for the purposes of providing a commitment for financial participation (development) or a letter of interest (predevelopment), if the CMF determines that the digital distributor is a company that is Canadian-controlled. The CMF will determine whether a digital distributor qualifies for this pilot initiative on a case-by-case basis.
 - See section 2.1.2.

Limit on number of development and predevelopment financing applications

- Previously, there was no limit on the number of financing applications that could be submitted in this Program.
- Now, Applicants may apply for a maximum of two Eligible Projects in development and two Eligible Projects in predevelopment per year.
 - See section 2.1.2

Minimum commitment by broadcaster required at first phase for development financing

- Previously, a commitment for financial participation by a Canadian broadcaster was required only beyond the first phase of development.
- Now, a commitment by a Canadian broadcaster for financial participation will be required for all phases of development, including the first phase. There remains no pre-set minimum amount for the broadcaster's financial contribution.
 - See section 2.1.2

Change in licence fee top-up – equity investment split and change in Maximum Contribution percentage

- Previously, the first CMF contribution to the television component was in the form of a licence fee top-up to a maximum of 70% of the total CMF contribution to the television component, with the balance being in the form of an equity investment, up to a combined Maximum Contribution of 70% of the Eligible Costs.
- Now, the first CMF contribution to the television component will be in a licence fee top-up up to a maximum of 40% of the component's Eligible Costs. Amounts in excess of this will be in the form of an equity investment up to a maximum of 60% of Eligible Costs, licence fee top-up and equity investments combined.
 - See sections 2.2 and 2.3.1

Minimum amount of television component to be shot in an Aboriginal language

- Previously, no minimum was specified for the amount of the television component that would include footage shot in an Aboriginal language.
- Now, the CMF has specified that at least 20% of the final version of the television component's on-screen dialogue and/or narration must have been shot in an Aboriginal language.
 - See section 3.2.TV.4

Minimum financing from a Canadian broadcaster required for digital media components

- Previously, there was no minimum financing amount required from a Canadian broadcaster.
- Now, a digital media component must receive minimum financing from a Canadian broadcaster of 10% of the component's Eligible Costs.
 - See section 3.2.DM.4

Only one deadline for production

- Previously, there were two deadlines for the program, one in the Spring and one in the Fall.
- Now, there will be only one deadline for the program, in the Spring.
 - See Program Deadlines on the CMF website.

Changes applicable to the Francophone Minority Program

Development and predevelopment financing rules clarified

- Previously, funds were set aside for development financing in this Program, in the amount of \$300,000.
- Now, the total funds in this Program set aside for development and predevelopment has been increased to \$500,000.
- Previously, the development section of the Guidelines referred to the Development Program. Rules have now been specified in the development section of the Francophone Minority Program Guidelines.
- For the television component, the CMF may contribute up to a Maximum Contribution of 75% of the Eligible Costs of an Eligible Project, up to a maximum of \$200,000 for all phases combined and all eligible types of

programming. For the digital media component, the CMF may contribute up to a Maximum Contribution of 75% of the Eligible Costs, up to a maximum of \$50,000.

- Applications for predevelopment financing must include a letter of interest from a Canadian broadcaster but is not required to commit a Development Fee. The CMF may contribute up to a Maximum Contribution of 75% of the Eligible costs, or \$15,000, whichever is less. Returning series, affiliated and in-house programming are not eligible in predevelopment.
 - See section 2.1.2
- Previously, Television and Digital Media Components in Development were required to be presented separately, with two distinct applications and budgets.
- Now, in development, if the Eligible Costs of the Digital Media Component are less than \$5,000, the costs of the Digital Media Component must be combined within the Television budget and be submitted in one single application. Such Digital Media costs will now be considered as Eligible Costs of the Television Component.

Change in required repayment amount

- Previously, only 75% of the advance was required to be repaid.
- Now, 100% of the advance must be repaid on the earliest event of repayment described in section 2.2. of the French Regional Project Development sub-program section of the Development Guidelines.
 - See Development Guidelines, section 2.2.

Limit on number of development and predevelopment financing applications

- Previously, there was no limit on the number of financing applications that could be submitted in this Program.
- Now, Applicants may apply for a maximum of two Eligible Projects in development and two Eligible Projects in predevelopment per year.
 - See section 2.1.2

Change in licence fee top-up – equity investment split and change in Maximum Contribution percentage

- Previously, the first CMF contribution to the television component was in the form of a licence fee top-up to a maximum of 35% of the total Eligible Costs to the television component, with the balance being in the form of an equity investment up to a combined Maximum Contribution of 84% of the Eligible Costs..
- Now, the first CMF contribution to the television component will be in a licence fee top-up up to a maximum of 30% of the component's Eligible Costs. Amounts in excess of this will be in the form of an equity investment up to a maximum of 60% of Eligible Costs, licence fee top-up and equity investments combined.
 - See sections 2.2 and 2.3.1

Removal of requirement to match excess drama contributions with broadcaster Performance Envelope contributions to documentaries

- Previously, if broadcasters contributed more than \$1.2 million to a single drama project in the Francophone Minority Program, they were required to contribute an amount equal to the amount in excess of \$1.2 million from their Performance Envelope to one or more documentaries that met all of the requirements of section 3 of the Francophone Minority Guidelines.
- Now, this requirement has been removed.
 - See section 2.3.1

Removal of requirement of a minimum of past French language productions to confirm eligibility

- Previously, in order to be eligible as an Applicant in this Program, Applicants were required to have produced 3 programs originally in the French language. Now, this requirement has been removed to facilitate the eligibility of applicants new to production, if the other requirements of the Program are met.
 - See section 3.1

Change in calculation of CMF contribution for coproductions

- Previously, in the case of coproductions, if the Applicant owned 50% to 74% of the copyright in the project, the CMF contribution was calculated on the Applicant's share of the Eligible Costs. If the Applicant owned 75% or more of the copyright in the project, the CMF contribution was calculated on the Eligible Costs of the entire project.
- Now, for all eligible projects, the CMF contribution will be calculated on the Applicant's share of the Eligible Costs.
 - See section 3.1

Licence Fee Thresholds and CMF Maximum Contribution harmonized for all Drama projects, new Maximum Contribution and Licence Fee Threshold added for Animation and Maximum Contribution increased for Variety and Performing Arts and Digital Media Components

- Previously, the Licence Fee Threshold for Drama projects differed depending on the amount of the CMF contribution from the Program (being 20% of Eligible Costs if the contribution was \$1.2 million or less, and 23% of Eligible Costs if the contribution was more than \$1.2 million).
- Now, the Licence Fee Threshold is 20% of Eligible Costs for all Drama projects.
- A separate Licence Fee Threshold for Animation projects has been added of 10% of Eligible Costs.
- The Maximum Contribution to animation projects has been added as being \$550,000.
- The Maximum Contribution amount for Variety and Performing Arts television components has been increased from \$400,000 to \$500,000.
- The Maximum Contribution amount for digital media components has been increased from \$200,000 to \$500,000, or 75% of Eligible Costs, whichever is less.
 - See sections 2.3.1 and 3.2.TV.5.1

Changes applicable to the Diverse Languages Program

Licence Fee Threshold added for television component

- Previously, there were no Licence Fee Thresholds for this Program.
- Now, the Licence Fee Threshold is 10% of the Television Component's Eligible Costs.
 - See section 3.2.TV.5.1

Minimum financing from a Canadian broadcaster required for digital media components

- Previously, there was no minimum financing amount required from a Canadian broadcaster.
- Now, a digital media component must receive minimum financing from a Canadian broadcaster of 10% of the component's Eligible Costs
 - See section 3.2.DM.4

Changes applicable to the English POV Program

Licence Fee Threshold reduced for feature-length documentaries with Eligible Costs over \$750,000

- Previously, the Licence Fee Threshold for all projects in this Program was 15% of the television component's Eligible Costs.
- Now, a specific Licence Fee Threshold of 10% has been added for feature-length documentaries with Eligible Costs over \$750,000.
 - See section 3.2.TV.5.1

Licence fees from foreign broadcasters may be considered Eligible Licence Fees

- In all other programs, and previously in this Program, Eligible Licence Fees were only provided by Canadian broadcasters.
- In this Program only, as a pilot initiative, licence fees from foreign, scheduled broadcasters may be considered Eligible Licence Fees for the purposes of meeting the Licence Fee Threshold, as long as a Canadian broadcaster

provides the larger share of the Eligible Licence Fee. Eligibility of foreign broadcasters will be evaluated by the CMF on a case-by-case basis.

- See section 3.2.TV.5.1

Crowdfunding added as an example of a possible third party to provide minimum financing for the television component at application

- Previously, examples provided of Canadian third parties that could provide a minimum financing commitment of 15% of the television component's Eligible Costs at application were digital or traditional distributors, provincial agencies, public and private funding agencies, broadcasters, and tax credits where there are Eligible Licence Fees confirmed in relation to the project.
- Now, successful crowdfunding campaigns has been added to the list of examples.
 - See section 3.2.TV.6

Changes applicable to the Development Program

The Development Program has been restructured under 3 sub-programs: 1) Development Envelopes – English and French; 2) Quebec French Regional Incentive; and 3) English and French Predevelopment.

Change to application process for small budget Digital Media Components

- Previously, Television and Digital Media Components were required to be presented separately, with two distinct applications and budgets..
- Now, in development, if the Eligible Costs of the Digital Media Component are less than \$5,000, the costs of the Digital Media Component must be combined within the Television budget and be submitted in one single application. Such Digital Media costs will now be considered as Eligible Costs of the Television Component.

Changes applicable to the Development Envelopes sub-program

Expansion of definition of small envelope broadcasters to have no cap on in-house and/or affiliated programming

- Previously, only corporate groups and independent broadcasters with a combined performance envelope allocation of less than \$2.5 million were exempt from the rule limiting allocations to in-house and affiliated programming to 15% of their Development Envelope.
- The exemption has been expanded to apply to corporate groups and independent broadcasters with a combined performance envelope allocation (in both languages) of less than \$5 million and Educational Broadcasters.
 - See section 2.1.1

Harmonization and simplification of Maximum Contribution amounts for English and French language projects

- Previously, different Maximum Contribution amounts applied depending on whether the project was English language or French language. Maximum Contribution amounts were specified by phase for French language projects. Also, the Maximum Contribution for the Digital Media Components was limited to 50% of the Eligible Costs.
- Now, the same Maximum Contribution amounts apply to projects in both languages and the Maximum Contribution by phase approach no longer applies to French language projects. For the television component of the project, the Maximum Contribution is 50% (or 75% for an English Regional Development Project) of the Eligible Costs in development, up to a maximum of \$200,000 for all phases combined and all eligible types of programming. For the digital media component of the project, the Maximum Contribution is 75% of the Eligible Costs in development, up to a maximum of \$50,000, all phases combined.
 - See section 2.A.2

Clarification on reduction to CMF contribution amount and Broadcaster Development Fee Threshold if there is third party financing

- Previously, if there was a third party financier (other than the CMF, the Applicant and the broadcaster), the Guidelines indicated that the Development Fee Threshold and such financing would reduce, pro rata, the CMF contribution and the Development Fee in proportion to that financing.
- Now, the Guidelines clarify that, if there is third party financing, then the Development Fee Threshold and the CMF contribution will be calculated on the total financing of the Eligible Costs minus third party financing.
 - See section 2.A.3

12 month window prior to signing development agreement with broadcaster for incurring Eligible Costs added

- Previously, the Guidelines did not allow any costs incurred prior to the Applicant entering into an eligible development agreement with a broadcaster to be considered Eligible Costs, with some exceptions.
- Now, recognizing that some costs are often required to be incurred prior to the signing of the eligible development agreement (e.g. predevelopment costs), the CMF has introduced a 12 month window prior to signing during which costs incurred may be considered to be Eligible Costs.
 - See section 2.3.

Changes in Eligible Costs in Television Development

- Previously, preproduction costs were not limited by type of project.
- Now, listed preproduction costs are allowed only for returning series and are limited to 10% of the Development Eligible Costs.
 - See section 2.3.2.TV.1

Changes applicable to the Quebec French Regional Development sub-program

Change in Maximum Contribution amounts

- Previously, the Maximum Contribution amounts were for television components, 65% of the Eligible Costs in development, all phases combined, up to a maximum amount that varied depending on the genre or type of project, and were for digital media components 50% of the Eligible Costs in development, all phases combined, up to a maximum of \$50,000.
- Now, the Maximum Contribution amounts are: for the television component, 75% of the Eligible Costs in development, up to a maximum of \$200,000 for all phases combined and for all eligible types of programming and for the digital media component, 75% of the Eligible Costs in development, up to a maximum of \$50,000, all phases combined.
 - See section 2.B.2

Harmonization of Broadcaster Development Fee Threshold for television component

- Previously, the Development Fee Threshold for television components was 15% of the Eligible Costs for Drama and pilots of all genres and 10% for documentary, children's & youth, variety & performing arts.
- Now, the Development Fee Threshold is 10% of the Eligible Costs for all television components in all eligible genres.
 - See section 2.B.3

Change in required repayment amount

- Previously, only 75% of the advance was required to be repaid.
- Now, 100% of the advance must be repaid on the earliest event of repayment described in section 2.2.

Changes applicable to the English and French Regional Predevelopment sub-program

Rules combined in one sub-program

- Previously, the predevelopment segments for English and French regions were separate and set out in different sections of the Guidelines.
- Now, they have been combined into one sub-program and set out in the same Guidelines section.
 - See section 2.C.1

Maximum Contribution amount to French projects increased

- Previously, the Maximum Contribution amount to French projects was \$5,000 per Eligible Project.
- Now, the Maximum Contribution amount is up to 75% of the Eligible costs, or \$10,000 per Eligible Project, whichever is less.
 - See section 2.C.2.

New International Codevelopment Incentive

- To encourage the development (and eventual production), by Canadian producers with international coproducers of convergent content the CMF is introducing this incentive. Eligibility to this incentive is limited to projects codeveloped with coproducers in countries with which the CMF has reached an agreement with a codevelopment funding partner.
- This incentive will take the form of a non-repayable contribution of up to 75% of the Canadian portion of a project's Eligible Costs, up to a specified per-project maximum for each partner agreement. The incentive will be awarded to eligible projects on a first-come, first-served basis.
- The list of codevelopment partners is set out in the Appendix A to the incentive and will be updated from time to time.
- Information on this program, including program guidelines, will be available on April 7, 2014 and published on the CMF website.

Changes applicable to the Versioning Program

Condition related to distribution companies removed

- Previously, the Guidelines required that any business association or sub-distribution agreement involving the marketing of the versioned production in Canada could be made only with Canadian companies with recognized expertise in these markets.
- Now, this requirement has been removed.

Condition related to companies active in specialized markets removed

- Previously, the Guidelines provided that the CMF may help finance the versioning of Eligible Projects to be distributed in specialized markets and that companies applying for versioning assistance must have proven marketing expertise in these areas and a sufficient volume of business in this sector.
- Now, this funding possibility has been removed.

Changes applicable to Appendix A

Removal of requirement that projects speak to Canadian and be primarily intended for a Canadian audience (formerly Essential Requirement #1 for television components)

- Previously, this requirement applied to television components of projects. This requirement has been removed and no longer needs to be met in order to be eligible for funding.
 - See applicable Guidelines, sections 3.2.TV.1

Removal of 2ER Documentary definition

- As the former Essential Requirement that a project speak to Canadians and be primarily intended for a Canadian audience has been removed, the definition of 2ER documentaries has been removed. The concept of 2ER/4ER is no longer relevant, and all documentaries should respect the 3 remaining ERs, with the suitable exceptions described in Appendix A.

Changes applicable to Appendix B

Producer's Fees & Corporate Overhead (PFCO) Policy

Addition of Northern Production Incentive projects to 30% cap

- The policy now provides that for all projects funded through the Northern Production Incentive, the cap on PFCO is 30%, regardless of budget.

Standard Recoupment Policy – Convergent Stream

Removal of 5% administration fee / collection cost for production companies

- Previously, production companies were permitted to take 5% of Net Distribution Revenue payable to the CMF after allowable fees and expenses were deducted to compensate them for administrative costs related to collection, payment and reporting to the CMF.
- The retention of a 5% administration fee or collection cost by production companies is no longer allowed.

Removal of requirement to offer international distribution rights to qualified Canadian international sales companies

- Previously, the policy required that qualified Canadian international sales companies be offered first international distribution rights.
- This requirement has now been removed.

Removal of protections for private sector distributors from publicly funded Eligible Distributors

- Previously, the policy provided that the CMF could apply a less favourable recoupment standard to publicly funded Eligible Distributors.
- This has now been removed from the policy.

Clarification of the rules regarding cross-collateralization

- Previously, the policy only stated that cross-collateralization was not allowed between titles carried by distributor.
- Now, the policy defines the meaning of “title” and specifies that cross-collateralization between seasons of a series is not permitted.

*Please note that the **Accounting and Reporting Requirements policy** will be completely updated and should be published later in April.*