



**NORTHERN
INCENTIVE
GUIDELINES
2016-2017**

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 CMF 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 the 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.

1. INTRODUCTION TO THE CANADA MEDIA FUND

The Northern Incentive

The Canada Media Fund's mandate includes support for funding to production and development across the country. As such, the CMF is renewing its Northern Incentive. In addition to the television and digital media production support ("**Production Financing**"), the CMF is introducing support for development projects ("**Development Financing**" for 2016-2017 (see: [page 4](#) below).

Production Financing

For Production Financing, the Northern Incentive (the "**Incentive**") will take the form of:

- a) For a Television Component, a licence fee top-up contribution (see section 2.2 of the 2016-2017 [Performance Envelope Program Guidelines](#)). The Maximum Contribution for this Component shall be the lesser of 30% of the Eligible Costs (see section 2.3.2 and all its subsections of the 2016-2017 [Performance Envelope Program Guidelines](#)) or \$200,000.
- b) For a Digital Media Component, a non-repayable contribution (see section 2.2 of the [2016-2017 Performance Envelope Program Guidelines](#)). The Maximum Contribution for this Component shall be the lesser of 75% of the Eligible Costs (see section 2.3.2 of the 2016-2017 [Performance Envelope Program Guidelines](#)) or \$100,000.

For an eligible coproduction (i.e. a Canadian interprovincial coproduction as described below, or an audiovisual treaty coproduction), the amount of the Incentive will be calculated on the portion of the Eligible Costs associated with Nunavut, the Yukon Territory or the Northwest Territories, as applicable. 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. In the event that a large number of projects are submitted on the same date, creating oversubscription, the CMF may elect to distribute the available funding on a proportional (pro-rated) basis to projects deemed eligible.

Funding from the Production Financing allocation of the Northern 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. However, the total CMF contribution from all programs combined cannot exceed 84% of the Eligible Costs.

Projects with Eligible Licence Fees (for the Television Component - see section 3.2.TV.5 of the [2016-2017 Performance Envelope Program Guidelines](#)) or a cash contribution (for the Digital Media Component – see section 3.DM.4 of the [Performance Envelope Program Guidelines](#)) from Canadian broadcasters who do not have a CMF Performance Envelope are eligible for the Northern Production Incentive. Additionally, for the purposes of Production Financing through the Northern Incentive, "Canadian broadcaster", as defined in section 3.2.TV.5 b) of the [2016-2017 Performance Envelope Program Guidelines](#), includes community channels operating in Nunavut, the Yukon Territory or the Northwest Territories.

Eligibility for Production Financing through the Northern Incentive includes these criteria:

- a) The Applicant and project meet all of the applicable requirements of section 3 of the CMF's [2016-2017 Performance Envelope Guidelines](#). For projects with Eligible Licence Fees (for the Television Component) or cash contribution (for the Digital Media Component) solely from community channels operating in Nunavut, the Yukon Territory or the Northwest Territories, there is no minimum Licence Fee Threshold or cash contribution amount (see section 3.2.TV.5.1 and 3.2.DM.4 respectively of the [2016-2017 Performance Envelope Program Guidelines](#)). For clarity, the Northern Incentive Guidelines shall prevail if there is a conflict of provisions between the two Guidelines

- b) The Television Component and/or Digital Media Component has/have been submitted for CMF funding for the 2016-2017 CMF fiscal year. Projects that received CMF funding in previous fiscal years are not eligible for the 2016-2017 Northern Incentive.
- c) The Television and/or the Digital Media Component is/are 100% financed at application (including the Northern Incentive and any other CMF financing). For projects that have already applied for CMF funding for the 2016-2017 fiscal year, financing and/or the budget must be adjusted accordingly. The Northern Incentive cannot result in a project being more than 100% financed.
- d) The following geographical criteria are met:
 - i. The overwhelming majority of principal photography¹ for the Television Component occurs in Nunavut, the Yukon Territory or the Northwest Territories, with suitable exceptions for documentaries.
 - ii. The Digital Media Component work and expenses occur in Nunavut, the Yukon Territory or the Northwest Territories.
 - iii. The Applicant is based in Nunavut, the Yukon Territory or the Northwest Territories (with its head office in Nunavut, the Yukon Territory or the Northwest Territories) and:
 - Exercises full control of the creative, artistic, technical and financial aspects of the Television Component or, in the case of an eligible coproduction, has this control in proportion to its copyright ownership;
 - In the case of an interprovincial coproduction, owns at least 51% of the copyright of the Television and/or the Digital Media Component;
 - In the case of an eligible coproduction, shares equitably in fees payable to producers and corporate overhead;
 - Initially owns and controls the distribution rights to the Television and/or the Digital Media Component and retains an ongoing financial interest in the Television and/or the Digital Media Component or, in the case of an eligible coproduction, the markets and potential revenues are shared equitably in proportion to the financial participation of each coproducer;
 - Has meaningfully participated in the Television and/or Digital Media Component's development.

Where the control and central decision makers in the Television Component and/or Digital Media Component are located outside of Nunavut, the Yukon Territory or the Northwest Territories, the project is not eligible for the Northern Incentive.

Section 1 of the CMF's [2016-2017 Performance Envelope Guidelines](#) apply to applications for the Northern Incentive. For certainty, all applicable business policies also apply to this Incentive, except that, for the purposes of the Producer's Fees and Corporate Overhead (PFCO) Policy, those fees and overhead shall be a maximum of 30% of Sections B+C of the production budget for all projects, regardless of the budget amount.

¹In the case of animated productions, this requirement will be interpreted to mean key animation activities carried out in the region.

Development Financing

Beginning in 2016-2017, the CMF will set aside up to \$200,000 of the Incentive's total budget to provide financial support for development projects in the Northern Incentive ("**Development Financing**"). Development Financing will be disbursed on a first-come, first-served basis. If many projects are submitted on the same date, creating oversubscription, the CMF may distribute funds on a proportional (pro-rated) basis to projects deemed eligible.

For Development Financing, the Incentive will take the form of:

- a) For a Television Component, a non-interest bearing advance (see section 2.2 of the [2016-2017 Development Program Guidelines](#)). The Maximum Contribution for this Component shall be the lesser of 75% of the Eligible Costs (see section 2.3. and all its subsections of the [2016-2017 Development Program Guidelines](#)) or \$50,000.
- b) For a Digital Media Component, a non-interest bearing advance (see section 2.2 of the [2016-2017 Development Program Guidelines](#)). The Maximum Contribution for this Component shall be the lesser of 75% of the Eligible Costs (see section 2.3 of the [2016-2017 Development Program Guidelines](#)) or \$10,000.

For the Television Component, while Eligible Projects must include a commitment for financial participation by a Canadian broadcaster ("**Development Fee**") of at least 15% of the Component's Eligible Costs, for projects with Development Fees solely from community channels operating in Nunavut, the Yukon Territory or the Northwest Territories ("**Community Channels**"), there is no minimum Development Fee amount.

For the Digital Media Component, while Eligible Projects must include a Development Fee of at least 10% of the Component's Eligible Costs, for projects with Development Fees solely from Community Channels, there is no minimum Development Fee amount.

Additionally, for Digital Media Components which meet the definition of "value-added" (i.e., with Eligible Costs below \$10,000, discussed in greater detail in section 3.2.DM in the [Development Program Guidelines](#)) will be submitted through the Television Component's application budget. For these projects, the Development Fee Threshold (if applicable) will be calculated on the combined Eligible Costs (Television and Digital Media Components combined, and according to the Development Fee Threshold for the Television Component, as described above).

For clarity, rich and substantial DM Components (i.e., with Eligible Costs at or above \$10,000, discussed in greater detail in section 3.2 DM in the [Development Program Guidelines](#)) will continue to be required to be submitted through a separate DM application.

Applicants may apply to the Allocation with a maximum of two Eligible Projects in development.

Eligibility for Development Financing through the Northern Incentive includes these criteria:

- a) The Applicant and project meet all of the applicable requirements of section 3 of the CMF's [2016-2017 Development Program Guidelines](#). For clarity, the Northern Incentive Guidelines shall prevail if there is a conflict of provisions between the two Guidelines.
- b) The Television Component and/or Digital Media Component has/have been submitted for CMF funding for the 2016-2017 CMF fiscal year. Projects that received CMF funding in previous fiscal years are not eligible for the 2016-2017 Northern Incentive.
- c) The Television and/or the Digital Media Component is/are 100% financed at application (including the Northern Incentive and any other CMF financing). For projects that have already applied for CMF funding for the 2016-2017

fiscal year, financing and/or the budget must be adjusted accordingly. The Northern Incentive cannot result in a project being more than 100% financed.

- d) With the exception of the principal photography requirement, the geographical criteria enumerated in subsection d) of the Production Financing section of the Incentive (noted above) are met.

Where the control and central decision makers in the Television Component and/or Digital Media Component are located outside of Nunavut, the Yukon Territory or the Northwest Territories, the project is not eligible for the Northern Incentive.

For general information regarding development financing, please see the CMF's [Development Program Guidelines](#).