



**EXPERIMENTAL STREAM-
WEB SERIES
PILOT PROGRAM
GUIDELINES
2016-2017**

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 herein). They provide an overview of the objectives of the CMF, the manner in which the CMF is administered, and information on typical administrative practices of the CMF. Compliance with these Guidelines is a prerequisite to eligibility for any CMF funding.

The CMF has full discretion in the administration of its programs, and in the application of these Guidelines, to ensure funding is provided to those projects that contribute to the fulfillment of its mandate. In all questions of interpretation of these Guidelines, the interpretation by the CMF shall prevail.

All Applicants and broadcasters (where relevant) must abide by the Accounting and Reporting Requirements (ARR) of the CMF and follow applicable business policies as created and amended from time to time. Business policies, including the ARR, may be found in Appendix B of these Guidelines and are also available from the CMF website at www.cmf-fmc.ca. Information included in Appendices A and B is an integral part of these Guidelines.

Projects that receive CMF funding in a given year are subject to the Guidelines and the CMF policies that are in effect for that fiscal year. For greater clarity, changes to CMF Guidelines and/or policies made in a subsequent fiscal year will not be applied retroactively, unless specifically stated. The CMF fiscal year is April 1 to March 31.

Please note: These Guidelines may be changed, or modified as required, without notice. Please consult the CMF website at www.cmf-fmc.ca to receive the latest Guideline news and documentation.

Provision of Documentation

It is the responsibility of the Applicant to ensure 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 WEB SERIES PILOT PROGRAM WORKS

2.1 INTRODUCTION

Beginning in 2016-2017, Applicants will have more options when applying for funding in the CMF's Experimental Stream. In addition to the Experimental Stream's Innovation Program ("Innovation Program") and the Commercial Projects Pilot Program ("C3P"), the CMF is introducing its Web Series Pilot Program.

An Eligible Project under this Program must be an original, linear series in the CMF-supported genres of Drama or Children's and Youth, created initially for the web¹, and in its second (or subsequent) season (see **section 3.2.2**). Eligible Projects will be administered under a selective process and assessed according to an evaluation grid (see **section 2.4**). Further, Eligible Projects selected under this Program may receive funds subject to a per-project Maximum Contribution amount (see **section 2.3**) and other specified limitation.

2.2 NATURE OF FUNDING CONTRIBUTION

Successful applicants shall receive production funding in the form of a recoupable investment. Please see the Web Series Pilot Program's Recoupment Policy (attached hereto) for additional information, terms and conditions in connection with recoupment and profit participation for this Program.

2.3 AMOUNT OF FUNDING CONTRIBUTION

2.3.1 CMF Contribution

Successful applicants shall receive funding in an amount appropriate to the needs of the project and subject to a Maximum Contribution of the lesser of 60% of the project's Eligible Costs or \$250,000.

For international coproductions, the Maximum Contribution will be calculated on the lesser of the Eligible Costs of the Canadian portion of the project's global budget and the Eligible Costs of the Canadian portion of the global final costs. Coproductions are eligible if they comply with the Framework for international digital media coproduction.

2.3.2 Eligible Costs

Eligible Costs are costs set out in the production budget for the 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 that the CMF considers excessive, inflated or unreasonable. Assessment of a project's Eligible Costs is at the CMF's sole discretion.

Core business operations or capital expenditures of the applicants, such as rent, purchase of real estate, and maintenance costs, are not Eligible Costs.

All related-party fees and transactions must be established in accordance with generally accepted accounting principles and CMF Accounting and Reporting Requirements, and disclosed to the CMF.

¹While eligible productions must *initially* be created for online distribution on platforms available to Canadian audiences, projects may subsequently be exploited on other platforms such as television, either in their original format or through the exploitation of derivative rights.

2.4 EVALUATION GRID

The CMF chooses successful projects in the Web Series Pilot Program according to the following evaluation grid.

Assessment Criteria	Overall Points	Points details	Notes
Market Interest	40	<p>Past (20)</p> <ul style="list-style-type: none"> Audience metrics for previous season(s) Third-party support for previous season(s) Critical acclaim for previous season(s) <p>Present (20)</p> <ul style="list-style-type: none"> Third-party support 	<p>Audience metrics: will include data from recognized measurement services such as Google Analytics and Adobe Analytics and metrics such as YouTube views.</p> <p>Third-party support: will include a financial commitment from funding agencies, distributors, crowdfunding campaigns and other participants in the financial structure of the project (exclusive of tax credits).</p> <p>Critical acclaim: will include positive reviews in recognized print and online publications², festival selections, wins/nominations of any awards or prizes.</p>
Production Team	20	Track record, experience and achievements of the production team (20)	
Creative Elements	40	<p>Originality & creativity (20)</p> <p>Creative Team (20)</p>	<p>Originality & creativity: Creative elements include the subject matter, scripts, themes, issues and narrative, which are assessed on originality and creativity. The appropriateness of the production budget size to the creative material is also considered.</p> <p>Creative Team: includes the track record, experience and achievements of the director(s), screenwriter(s), actor(s), and any key creative roles that play a significant role in the project.</p>
TOTAL	100		

²Does not include reviews via social media.

3. ELIGIBILITY FOR FUNDING

3.1 ELIGIBLE APPLICANTS

An eligible Applicant to the CMF is either:

- 1) A company that
 - a) Is for-profit: i.e. a taxable Canadian corporation, within the meaning of the Income Tax Act (Canada);
Note: Not-for-profit corporations are not eligible Applicants to the CMF, however coproductions or partnerships between for-profit and not-for-profit corporations may be allowed where the not-for-profit corporation holds a minority interest in the project; in such a case the CMF will only contribute to the Eligible Costs related to the for-profit corporation.
 - b) Is Canadian-controlled as determined for the purposes of sections 26 to 28 of the Investment Canada Act;

and

- c) Has its head office based in Canada.

or

- 2) A Canadian broadcaster, public or private, that is licensed to operate as such by the Canadian Radio-television and Telecommunications Commission (CRTC).

An eligible Applicant must own and control all the rights necessary to produce and exploit the project that is the subject of the application at every stage of the project's life-cycle, including Development; entities that provide services but do not own the applicable rights are not eligible to be applicants to the CMF.

Note: For the purposes of these Guidelines, the term Applicant includes all coapplicants, and/or all related, associated, affiliated or parent companies and/or individuals (as determined by the CMF at its sole discretion), as applicable.

3.2 ELIGIBLE PROJECTS

3.2.1 Canadian Elements

An Eligible Project must meet the following criteria:

- a) Its underlying rights are owned, and significantly and meaningfully developed, by Canadians.
- b) It is produced in Canada, with at least 75% of its Eligible Costs being Canadian costs.
- c) It is, and remains throughout its production, under Canadian ownership and Canadian executive, creative, and financial control.

Coproductions are eligible if they comply with the Framework for international digital media coproduction.

3.2.2 Types of Content

An Eligible Project must be an original series in the CMF-supported genres of Drama or Children's and Youth programming, created initially for online distribution on a platform available to Canadian audiences, in its second (or subsequent) season.

For the purposes of the Web Series Pilot Program,

- a "series" shall be defined as at least three related episodes of linear video content (of at least two minutes in duration per episode).
- a "season" shall be defined as at least three related episodes of linear video content (of at least two minutes in duration per episode) that have been produced and distributed online on a platform available to Canadian audiences *prior to the Applicant's submission* to the Web Series Pilot Program.

3.2.3 Ineligible Content

The following are types of projects that are ineligible for the Web Series Pilot Program:

- Film and Television-Convergent projects (i.e., projects that are associated with a film or television production*).
- Projects with a specific corporate, industrial or mainly promotional focus.
- Projects which 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.

**Note: Projects using character(s) or brand(s) that are associated, or have been associated, with a film or TV production are not ineligible merely because of the character/brand's association.*

3.2.4 Miscellaneous Requirements

An Eligible Project must meet these criteria:

- (a) It must be protected by all industry-standard insurance policies. The CMF requires that it be named as a party to production insurance policies.
- (b) It must be a new production and has not been broadcast/distributed/presented on any platform prior to its application for CMF funding.

**RECOUPMENT POLICY:
EXPERIMENTAL STREAM –
WEB SERIES
PILOT PROGRAM
2016-2017**

1. INTRODUCTION

This recoupment policy (the “Policy”) applies to all projects funded through the CMF’s Web Series Pilot Program in the Experimental Stream. The Policy describes:

- The nature of the CMF’s contribution in the Web Series Pilot Program; and
- Details related to the recoupment of the CMF’s contribution and, where applicable, its level of participation in profits.

Details of project recoupment not covered in the Policy will be negotiated between successful applicants and the CMF.

2. PRODUCTION

2.1 NATURE OF FUNDING CONTRIBUTION: RECOUPABLE INVESTMENTS

Successful applicants for production funding shall receive funding in the form of a recoupable investment.

2.2 LEVEL OF RECOUPMENT AND PROFIT PARTICIPATION

After the deduction of applicable exploitation fees and expenses (discussed in greater detail in [subsection 2.3](#) below), the CMF will recoup its investment from revenue generated by exploitation of the project in a manner no less favourable than pro rata on the total Eligible Costs of the project, until the full amount of the CMF’s investment is recouped or seven (7) years from the submission to the CMF of the project’s first exploitation report, whichever comes first.

For greater clarity, “pro rata” includes the concept that the recoupment of the CMF will be proportional to its share of project financing.

2.2.1 Profit Participation

Once the CMF has recouped 100% of its investment, the CMF will participate in profits generated by exploitation of the project in the same manner in which it recouped its investment and for no longer than (7) seven years from the submission to the CMF of the project’s first exploitation report.

2.3 EXPLOITATION FEES AND EXPENSES

Before the CMF recoups its share of revenues, the Applicant is allowed to deduct the following reasonable, actual and verifiable expenses and fees from the project’s gross exploitation revenues:

- distribution expenses up to a maximum of 10%
- distribution fees of:
 - 15% for distributors that meet the definition of a “Related Party” pursuant to the CMF’s Accounting and Reporting Requirements (“ARR”); and
 - 20% for distributors that are not considered a “Related Party”.

The CMF will determine appropriate deductions on a case-by-case basis.