



**COVID-19 EMERGENCY  
RELIEF FUNDS –  
INTERACTIVE DIGITAL MEDIA  
ALLOCATION  
CRITERIA**

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# 1. GENERAL INFORMATION

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## **Interpretation, Application, Disclaimer, and other Important Information**

These Criteria for the Emergency Relief Funds 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 Emergency Relief Funds, eligibility to receive the IDM Allocation of the Emergency Relief Funds and information on typical administrative practices of the CMF. Compliance with these Criteria is a prerequisite to eligibility for the IDM Allocation of the Emergency Relief Funds.

The CMF has full discretion in the application of these Criteria, to ensure funds are provided to those Applicants that meet the objectives established by the Government of Canada. In all questions of interpretation of these Criteria, the CMF interpretation shall prevail.

All Applicants must abide by the applicable business, administrative and reporting requirements established by the CMF in the distribution of the IDM Allocation of the Emergency Relief Funds.

*Please note: These Criteria may be changed or modified as required, without notice. Please consult the CMF website at [www.cmf-fmc.ca](http://www.cmf-fmc.ca) for the latest Emergency Support Funds 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 Applicant and, once assessed, to complete CMF file reviews.

## **Failure to Comply**

If an Applicant fails to comply with these Criteria, as determined by the CMF, then the CMF may refuse the application, revoke the eligibility status of the Applicant and may demand repayment of any sums paid to the Applicant.

## **Misrepresentation**

If, at any time, an Applicant, as required by the Criteria 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 other outcomes:

- Loss of eligibility for funding
- 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. COVID-19 EMERGENCY RELIEF FUNDS – INTERACTIVE DIGITAL MEDIA ALLOCATION CRITERIA

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### 2.1 INTRODUCTION

On April 17, 2020, the Government of Canada announced it would provide \$500M to Canada's cultural and sporting sectors in a bid to help artists, athletes and their organizations during the COVID-19 pandemic ("**Emergency Relief Funds**").

On July 7, 2020, the Government of Canada announced the final components of Phase 2 of the Emergency Relief Funds which includes \$10M for interactive digital media companies to be distributed by the CMF ("**IDM Allocation**").

Please go [HERE](#) on the Canada.ca website for more detailed information on the Government of Canada's announcement.

The Criteria below outline the parameters for how the IDM Allocation will be distributed including relevant eligibility criteria and the responsibilities and requirements for each Applicant.

In the event that a large number of Applicants apply for Emergency Relief Funds through the IDM Allocation, the CMF may distribute funds to eligible Applicants on a proportional (pro-rated) basis or elect to distribute funding in some other equitable manner, to be determined in the CMF's sole discretion.

### 3. ELIGIBILITY FOR FUNDING

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#### 3.1 ELIGIBLE APPLICANTS

An Applicant for the IDM Allocation must meet the following eligibility criteria:

- is a Canadian-controlled (as determined under sections 26 to 28 of the *Investment Canada Act*) active parent corporation (including all of the corporation's affiliates, subsidiaries and Related Parties<sup>1</sup>);
- Is a for-profit (i.e. a taxable Canadian corporation, within the meaning of Canada's *Income Tax Act*) production company;
- has its head office in Canada and carries out its activities in Canada;
- is not insolvent or bankrupt, or in the course of the reorganization of its business within the meaning of the *Bankruptcy and Insolvency Act* (Canada);
- has not received any previous Emergency Relief Funds (as defined above in section 2.1) from the Government of Canada, including but not limited to the CMF Allocation that was available between May 20 and June 12, 2020;
- can **affirm and attest**<sup>2</sup> to the following:
  - **"Pool A"** Applicants: within the last 3 years<sup>3</sup>, (**"Eligible Time Period"**) the Applicant has produced<sup>4</sup> and commercially exploited in Canada, a Canadian owned interactive<sup>5</sup> digital media product (e.g., videogames, virtual/augmented/extended reality experiences, etc.) for entertainment or culturally enriching purposes (i.e., in the areas of performing arts, literary arts, visual arts, etc.)<sup>6</sup> (**"Eligible IDM Product"**) and will confirm the gross revenue related to the Eligible IDM Product(s) according to its 2019 Income Tax Return;

OR

- **"Pool B"** Applicants: within the Eligible Time Period (defined above), the Applicant has conceptualized and/or developed a prototype of an Eligible IDM Product(s) (defined above) intended to be commercially exploited in Canada, did not otherwise produce and commercially exploit an Eligible IDM Product in the Eligible Time Period and will confirm the number of Full Time Equivalent (**"FTE"**)<sup>7</sup> positions employed by the Applicant related to the Eligible IDM Product(s) as of February 28, 2020;

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<sup>1</sup>Defined in accordance with the *CMF's Accounting and Reporting Requirements*, Related Parties exist when one party has the ability to exercise, directly or indirectly, control, joint control or significant influence over the other. Two or more parties are related when they are subject to common control, joint control or common significant influence.

<sup>2</sup>Along with their application, Eligible Applicants will need to submit a signed attestation.

<sup>3</sup>2018, 2019, 2020.

<sup>4</sup>Provided at least some production work occurred during the Eligible Time Period, even if the majority of production occurred before this window, the IDM product would be considered eligible.

<sup>5</sup>Interactivity is defined as a meaningful participatory experience between the user and a product/technology (including but not limited to immersive technologies that engage and stimulate the user's senses to create perceptually-real sensations), or the user and other users as enabled by the product/technology. Projects that use the internet or mobile platforms to distribute linear content without significant interactive feature(s) are not eligible.

<sup>6</sup>Interactive **non-cultural** products (i.e., products which – regardless of peripheral format/packaging/presentation – have a primary purpose that is scientific, educational, research, medical, etc.) are ineligible for IDM Allocation support.

<sup>7</sup>FTE shall be defined as an individual hired by the Applicant to work the equivalent of 1920 hours per year (i.e., 40 hours per week for 48 weeks/year [52 weeks – minimum 2 weeks holidays and 2 weeks of statutory holidays]). Both individuals directly employed by the Applicant and independent contractors or freelancers retained by the Applicant can be taken into consideration in the FTE calculation. The FTE number can also be made up of whole full-time worker hours or part-time worker hours added together. In addition, even if the Applicant owner does not pay himself or herself a traditional salary, the amount he or she should have received could be considered an amount payable to him/her by the business, and his/her time could then be considered in the FTE calculation.

- Both “**Pool A**” and “**Pool B**” Applicants:
  - it has been negatively impacted by COVID-19, which has resulted in financial hardship and is therefore in need of Emergency Relief Funds to ensure a continuity of operations and to safeguard jobs;
  - it can demonstrate a projected negative financial impact of at least 25% of its activities;
  - it remains in operation at the time of application and plans to continue contributing to its sector in the future;
  - it will maintain its Canadian-controlled status for at least 12-months following receipt of any funds in the IDM Allocation;
  - it is not receiving funding from multiple Government of Canada initiatives (e.g., Canada Emergency Response Benefit, Canada Emergency Wage Subsidy, Canada Emergency Business Account, and Canada Emergency Commercial Rent Assistance for Small Businesses and any other Government of Canada COVID-19 response initiatives) to cover the same costs as those applied for through the IDM Allocation. Further, if the Applicant *subsequently* receives any funding related to a Government of Canada COVID-19 response initiative, it will not use that funding to cover the same costs as those applied for through the IDM Allocation;
  - where relevant, funds will be used to support workers such as the self-employed and freelance workers, artists, and creators; and
  - it will use the money according to the objectives of the Government of Canada and the spirit and intent of these Criteria.

For clarity, Eligible Applicants may only apply once to the IDM Allocation.

## 4. FUNDING

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### 4.1 NATURE OF FUNDING CONTRIBUTION

The IDM Allocation will be in the form of a non-repayable contribution.

### 4.2 AMOUNT OF FUNDING CONTRIBUTION

Funding through the IDM Allocation will be broken down into the two distinct Pools noted above in section 3.1.

Once the IDM Allocation deadline has closed, the CMF will evaluate and assess Applicants' submitted information and distribute between \$5,000 and \$100,000<sup>8</sup> to each Eligible Applicant through a formula-based approach using the following factors:

For Pool A:

- the amount of 2019 gross revenue connected to the Applicant's Eligible IDM Product(s); and
- the total gross revenues declared by all the Eligible Applicants; and
- the number of other Eligible Applicants who apply to Pool A of the IDM Allocation.

For Pool B:

- the number of FTE positions connected to Eligible IDM Product that were employed by the Applicant as of February 28, 2020; and
- the total number of FTE positions declared by all the Eligible Applicants; and
- the number of other Eligible Applicants who apply to Pool B of the IDM Allocation.

For clarity, Pool A Applicants will be evaluated separately from Pool B Applicants and **Eligible Applicants may not apply to more than one Pool in the IDM Allocation.**

#### 4.2.1 Eligible Costs

IDM Allocation amounts are to be used by Applicants exclusively for costs related to business continuity, operations and safeguarding jobs.

While Applicants will still be eligible for the IDM Allocation if they applied to other Government of Canada COVID-19 financial relief initiatives (including the Canada Emergency Wage Subsidy, Temporary 10% Wage Subsidy and the Canada Emergency Business Account, amongst others) they will be prohibited from using funding from multiple Government of Canada financial relief initiatives on the same expenses.

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<sup>8</sup> Regarding the minimum and maximum contributions of the formula:

- in the event that an Eligible Applicant qualifies for a contribution of less than the minimum amount (\$5,000), the Eligible Applicant will not receive a contribution;
- in the event of oversubscription, the maximum amount (\$100,000) distributed to Eligible Applicants may be lower.



## 5. APPLICATION PROCESS

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### 5.1 HOW TO APPLY

**All new Applicants must create an account in Dialogue before applying. For any questions, please consult the Dialogue Guide: <https://telefilm.ca/wp-content/uploads/userguidehowtonavigatedialoguefinaldraft.pdf>.**

**All Applicants must apply online using [Dialogue](#).**

Applicants must submit the appropriate application form, duly completed and signed, together with all required documentation, including the Applicant attestation form, via Dialogue.

Documents required at the time an application is submitted is available on the Emergency Relief Funds – IDM Allocation page on the CMF's website. All subsequent documentation must be submitted online through Dialogue. If you have technical difficulties, please contact [Services@telefilm.ca](mailto:Services@telefilm.ca).