

Versioning

ASSISTANCE

Guidelines

2007-2008



Canadian Television Fund
Fonds canadien de télévision

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Disclaimer:

These Guidelines are for the information and convenience of Applicants (as defined in Section 3.1) to the Canadian Television Fund (CTF). They provide an overview of the objectives of the Fund, the manner in which the Fund is administered, and information on typical administrative practices of the Fund. Compliance with these Guidelines is a prerequisite to eligibility for any CTF funding.

The CTF 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 meet its Spirit and Intent. In all questions of interpretation of either these Guidelines or the Spirit and Intent of the CTF, the interpretation by the CTF shall prevail.

All Applicants and broadcasters (where relevant) must abide by the Accounting and Reporting Requirements (ARR) of the CTF 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 CTF website at www.canadiantelevisionfund.ca. Information included in Appendices A and B is an integral part of these Guidelines.

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

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



1.1 ► History and General Information

The Canadian Television Fund was created in 1996 as a federal government/industry initiative. A private, not-for-profit corporation, the CTF is responsible for funding contributed by the Department of Canadian Heritage, the Canadian cable industry, and the direct-to-home satellite industry by way of broadcast distribution undertakings. The CTF is not an agent of the Department of Canadian Heritage nor of Her Majesty the Queen in right of Canada.

The Board of Directors of the CTF is composed of members representing the Canadian production and distribution communities, the Federal Government, Canadian broadcast distribution undertakings and Canadian broadcasters.

1.2 ► Spirit and Intent

The Spirit and Intent of the CTF is to support the production and broadcast of a specific type of culturally significant television production. These productions speak to Canadians about themselves, their culture, their issues, their concerns and their stories. The programs reflect the lives of Canadians across the country and reveal Canadians and their society to the viewer.

The CTF supports a high volume of distinctively and identifiably Canadian broadcast programming, reflecting Canadian culture, stories and themes. These productions are in English, French and Aboriginal languages, and include Documentary, Children's and Youth, Variety and Performing Arts, and particularly Dramatic programming in peak viewing hours.

The CTF focuses its support on currently licenced projects intended primarily for Canadian audiences and seeks to encourage Canadian viewing of these productions. These projects must be initiated by Canadian companies, under Canadian ownership, which exercise creative and financial control from development through production to distribution and exhibition.



The CTF is a cultural programming fund. It does not support “industrial” or “foreign service” productions or those that cede control to foreign entities.

The CTF is dedicated to all of the public policy objectives associated with its mandate, including support for regional production, Aboriginal-language productions and French-language production across Canada.

The administrative direction of the CTF is based on four guiding principles:

- ▶ Drive audience success for Canadian programming in the CTF’s traditional genres of Drama, Children’s and Youth, Documentary and Variety and Performing Arts;
- ▶ Allow for language market-specific approaches to CTF funding;
- ▶ Leverage funding to increase private-sector funding of television programming;
- ▶ Deliver effective and efficient administration of our services to our clients.

The goal of the Versioning Assistance Stream is to increase the availability of CTF-financed television programs to Canadians in English, French and Aboriginal languages.

In addition, key objectives have been established to guide the administration of this Stream:

- ▶ Increase the revenue earned by Canadian productions from national and international markets, thereby increasing the likelihood of returns to investors; and,
- ▶ Strengthen the Canadian versioning industry, thereby providing Canadian artistic talent and specialized technicians with significant employment opportunities.

The CTF interprets and applies these Guidelines in such a manner to ensure that its funding is provided to those projects meeting its Spirit and Intent.



2 ▶ How the Versioning Assistance Stream Works

2.1 ▶ Introduction

The CTF contributes to Eligible Projects (see [Section 3.2](#)) in the Versioning Assistance Stream on a first come, first served basis until resources are depleted. Consideration is given to ensure all parts of the country are able to participate. The CTF may contribute to Eligible Projects at the requested level subject to specified Maximum Contribution amounts and other specified limitations (see [Section 2.3.1](#)). Maximum Contribution amounts are calculated based upon a project's Eligible Costs (see [Section 2.3.2](#)).

CBC/SRC does not have guaranteed access to this Stream; however, projects with a broadcast licence commitment from CBC/SRC may apply to the Stream in the same manner as projects with a non-CBC/SRC broadcast licence commitment.

2.2 ▶ Nature of Funding Contribution

Assistance will be provided in the form of a grant.

2.3 ▶ Amount of Funding Contribution

2.3.1 ▶ CTF Contribution

For a television program, series or mini-series, the CTF may contribute to an Eligible Project at the level requested by the Applicant up to a Maximum Contribution, which is the lesser of 75% of Eligible Costs, and the applicable amounts stated in the following chart.



For a television pilot, or single episode of a series or mini-series, and for the purposes of previewing or marketing the pilot, series or mini-series, the CTF may financially contribute to an Eligible Project at the level requested by the Applicant up to a Maximum Contribution, which is the lesser of 100% of the Eligible Costs, and the applicable amounts stated in the chart below.

Television	Drama	Children's and Youth	Animation	Documentaries	Variety and Performing Arts
All Formats	\$380/min	\$380/min	\$340/min	\$265/min	\$265/min

2.3.2 ► Eligible Costs

“Eligible Costs” are the budgeted or final costs of the project, as applicable (including both related-party and non-related party costs), plus any costs the CTF considers necessary, minus any costs that the CTF considers excessive, inflated or unreasonable. Assessment of a project’s Eligible Costs shall be done at the CTF’s sole discretion. The CTF estimates Eligible Costs at the time of application, based upon the versioning budget for the project.

Eligible Costs in this Stream are versioning expenses and services carried out in Canada by qualified, Canadian private-sector companies (as defined in the *Investment Canada Act*), and which were **not** included in the original language production budget.

No work carried out without prior written confirmation of CTF funding shall constitute an Eligible Cost.

In some cases, the CTF may finance secondary activities (i.e., minimal re-editing, adaptation of songs, etc.) that are indirectly related to the versioning of an Eligible Project but are essential to the making of the production. The CTF will evaluate such requests on a case-by-case basis.

Eligible Costs in this Stream do not include items that are related to the production of the television project. These items should be included in the project’s original language production budget, and remain solely the responsibility of the producer.



The Applicant must provide a versioning budget in accordance with the Telefilm Canada standard format budget (see separate document entitled *Standard Budget for Versioning* on Telefilm Canada's website at www.telefilm.gc.ca). The versioning budget must:

- ▶ Define those activities that constitute an Eligible Cost through this Stream, including all tasks from the pre-production phase (receipt of material to be versioned) to the submission of the required version (final copy); and
- ▶ Identify the costs for each of the tasks required. The budget also allows for reasonable administrative expenses incurred by the versioning company, up to a maximum of 5% of the budget (with no pyramiding of fees allowed). In addition, the Applicant is allowed to include expenses incurred in coordinating the versioning process up to a maximum of the lesser of 5% of the budget, or \$5,000.

The CTF reserves the right to request that the Applicant obtain multiple quotes from service providers and to assess the reasonableness of proposed versioning costs.

If versioning assistance is received prior to the CTF Phase II drawdown, full disclosure of all assistance should be delivered, with closing documentation, to the CTF.

Additional CTF business policies relating to Eligible Costs are in [Appendix B](#) of this document.

2.3.2.1 ▶ **Related-Party Transactions**

All related-party fees, related-party allowances and any other related-party transactions must be:

- ▶ Disclosed to the CTF; and
- ▶ In accordance with the *CTF/Telefilm Canada Accounting and Reporting Requirements* of January 1, 2006, more specifically but not limited to Sections 3 and 4.



3 ▶ Eligibility for Funding

3.1 ▶ Eligible Applicants

An eligible Applicant* to the CTF must be a corporation that is Canadian-controlled, as determined for the purposes of sections 26 to 28 of the *Investment Canada Act*, with its head office based in Canada. In addition, when assessing an Applicant's eligibility, the CTF may choose to look at factors, including:

- ▶ If the Applicant's activities take place in Canada;
- ▶ The financial stability of the Applicant (with appropriate exceptions for new production or distribution companies without established parent companies); and
- ▶ Whether or not the Applicant operates principally as a television or film production or distribution entity.

Where the Applicant is a distribution entity, it must hold the distribution rights to the CTF project that is the subject of the application.

*For the purposes of these Guidelines the term "Applicant" is deemed to mean and includes all co-applicants and/or parent companies as applicable.

3.2 ▶ Eligible Projects

An "Eligible Project" in this Stream is a project that meets all of the criteria of Section 3.2 and all its subsections.



3.2.1 ► Basic Requirements

Eligible Projects are those that have received production financing support in any year through the CTF (for Feature Films financed by the CTF in previous years, please refer to the Versioning Assistance Guidelines for Feature Films on the Telefilm Canada website). The project must be completed in its original language before it will be considered eligible under the Versioning Assistance Stream.

The CTF will not usually contribute towards the versioning of a production where there already exists a similar version of that production in the same language for commercial release. In some cases, however, the CTF may agree to subsidize minor changes to versions if the production was versioned in Canada.

In addition, Eligible Projects must have either:

- a) A letter from a broadcaster committing to air the versioned production in Canada or abroad within one year of delivery. The letter must specify a broadcast licence fee, the market value of which must be fair and acceptable to the CTF and represent a minimum of 25% of the versioning budget; or
- b) A foreign sales contract, the market value of which is fair and acceptable to the CTF.

If one or more production financiers contractually require that the project be versioned into a second language, then the cost of versioning that television program must be included in the original language production budget. In such cases, the project is not eligible for versioning assistance.



3.2.2 ▶ Other Conditions and Requirements

Other Conditions and Requirements for Eligible Projects include:

- ▶ **Availability of the Dubbed or Subtitled Version:** In cases where an Applicant does not have exclusive distribution rights in all markets for a production, the Applicant must guarantee that the production versioned with the assistance of the CTF be made available either to the Canadian producer or to any distribution or foreign sales company appointed by the Canadian producer;
- ▶ **Distribution, Partnership and Sub-Distribution:** Any business association or sub-distribution agreement involving the marketing of the versioned production in any market sector and any media in Canada, must be made only with Canadian companies (as defined in the *Investment Canada Act*) with recognized expertise in these markets. The contractual agreement must be filed with the CTF, and the terms of the agreement must be acceptable to the CTF;
- ▶ **Companies Active in Specialized Markets:** The CTF may help finance the versioning of Eligible Projects to be distributed in specialized markets (i.e., other than commercial theatres or public or private commercial broadcasts). Companies applying for versioning assistance must have proven marketing expertise in these areas and a sufficient volume of business in this sector.
- ▶ **Versioning Subsequent Episodes of Television Series:** Applicants who have previously received Telefilm Canada or CTF assistance to version a television series and who wish to version subsequent episodes or cycles of that series for distribution in the Canadian market, must do so in Canada through a Canadian company (as defined in the *Investment Canada Act*), regardless of whether they are seeking CTF versioning assistance for those subsequent episodes or cycles. Failure to comply with this condition will result in the Applicant being required to reimburse the CTF for the total amount of versioning assistance previously received for that series.



4 **► Compliance and Representations**

4.1 **► Provision of Documentation**

It is the responsibility of the Applicant to ensure that the CTF is in receipt of all documentation relevant to its application, and to update such documentation and information after a material change. The CTF may request other documentation and information as required in order to conduct an assessment and evaluation of the project and, once assessed, as might be necessary to complete CTF file reviews. For the purposes of project assessment and evaluation, the CTF reserves the right to rely solely on the written and audiovisual materials initially submitted by the Applicant.

4.2 **► Failure to Comply**

If an Applicant fails to comply with these Guidelines, as determined by the CTF, then the CTF may refuse the application, revoke the eligibility status of the Applicant's project and may demand repayment of any sums advanced to the Applicant.

4.3 **► Misrepresentation**

If, at any time, an Applicant, as required by the Guidelines or as requested by the CTF, provides false information or omits material information in connection with an application, the Applicant may suffer serious consequences. These may include, among others:

- 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 CTF 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.

5 ‣ Application Submissions

APPLICATION DEADLINES		
Open for Submissions	First Closing Date	Final Closing Date
April 2, 2007	December 14, 2007	February 15, 2008

Deadline Definitions:

Open for Submissions

All Applicants to this Stream may submit applications beginning on the date indicated above.

First Closing Date

Applications seeking financing assistance from this Stream within the current fiscal year should submit a completed application by the first closing date.

The CTF shall assess the amount of funds remaining in this Stream, if any, after the first closing date. The CTF may then elect, at its sole discretion, to continue to make these funds available for versioning assistance in the current fiscal year, or to transfer them into the CTF's reserve fund and close funding in this Stream for the fiscal year. The CTF will continue to accept applications to this Stream after the first closing date, but access to funding by Applicants after that date is not guaranteed.



Final Closing Date

If the CTF elects to continue to make versioning assistance available in the current fiscal year after the first closing date, the final closing date is the deadline for submitting applications for the fiscal year.

Application Offices

As of the 2006-2007 fiscal year, the Television Business Unit at Telefilm Canada administers Versioning Assistance applications on behalf of the Canadian Television Fund.

Applicants may submit their CTF funding application through **eTelefilm** at www.telefilm.gc.ca.

Applicants may also submit their CTF funding application to any of the following Television Business Unit offices:

Montreal Telefilm Canada 360 Saint-Jacques Street, Suite 700 Montreal, Quebec H2Y 4A9 Toll Free: 1 800 567 0890 T: (514) 283 6363 F: (514) 283 8212	Halifax Telefilm Canada 1717 Barrington Street, Suite 300 Halifax, Nova Scotia B3J 2A4 Toll Free: 1 800 565 1773 T: (902) 426 8425 F: (902) 426 4445
Toronto Telefilm Canada 474 Bathurst Street, Suite 100 Toronto, Ontario M5T 2S6 Toll Free: 1 800 463 4607 T: (416) 973 6436 F: (416) 973 8606	Vancouver Telefilm Canada 609 Granville Street, Suite 410 Vancouver, British Columbia V7Y 1G5 Toll Free: 1 800 663 7771 T: (604) 666 1566 F: (604) 666 7754



For inquiries on the status of your CTF funding application, please contact the Television Business Unit at Telefilm Canada at 1 800 463 4607.

For inquiries regarding CTF policies, please contact the Canadian Television Fund at 1 877 975 0766 or at versioning@canadiantelevisionfund.ca.

To Contact the Canadian Television Fund:

Canadian Television Fund

111 Queen Street East, 5th Floor
Toronto, Ontario M5C 1S2
Toll Free: 1 877 975-0766
T: (416) 214-4400
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For additional information, updates and to learn more about CTF policies, please visit www.canadiantelevisionfund.ca.

