

# Development Financing

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## Guidelines

2009-2010



Canadian Television Fund  
Fonds canadien de télévision

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

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 contribute to the fulfillment of its mandate. In all questions of interpretation of these Guidelines 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.ctf-fct.ca](http://www.ctf-fct.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.ctf-fct.ca](http://www.ctf-fct.ca) to receive the latest Guideline news and documentation.

# 1. INTRODUCTION TO THE CANADIAN TELEVISION FUND

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The CTF supports a high volume of distinctively and identifiably Canadian broadcast programming, reflecting Canadian culture, stories and themes. The CTF provides support to the development, production and broadcast in peak viewing hours of such television projects. This programming will be certified by the Canadian Audio-Visual Certification Office (CAVCO) and have achieved 10/10 points (or the maximum number of points appropriate to the project), as determined by the CTF using the CAVCO scale, and it is shot and set primarily in Canada.

These projects must be initiated by Canadian companies, under Canadian ownership, that exercise creative and financial control from development through production to distribution and exhibition. Their underlying rights are owned, and significantly and meaningfully developed by Canadians.

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 provides support to projects in the under-represented genres of Children’s and Youth, Documentary, Drama and Variety and Performing Arts, in English, French and Aboriginal-Canadian languages.

The CTF focuses its support on currently licensed projects intended primarily for Canadian audiences and seeks to build audiences for this programming.

The CTF is dedicated to all of the public policy objectives associated with its mandate and aims to encourage diversity of Canadian voices in programming the CTF supports, in particular with regard to: programming in English, French and Aboriginal-Canadian languages; projects in both majority and minority official-languages settings (i.e. French-language production outside Quebec and English-language production inside Quebec); and regionally based projects.

The CTF also seeks to foster a productive working relationship between the CTF and the production and broadcast industries, and to maximize the effective and efficient administration of CTF services.

## 2. HOW THE DEVELOPMENT FINANCING STREAM WORKS

### 2.1 Introduction

The CTF supports the development of Canadian television through a range of programs. In this Stream, the CTF seeks to encourage production from a variety of regions and in both official languages.

As such, the Development Financing Stream operates through four Sub-Streams:

- ▶ English-language Broadcaster Development Envelopes;
- ▶ French-language Selective Process Development;
- ▶ French-language SRC/RDI Broadcaster Development Envelope;
- ▶ French-language Quebec Regional Development.

Some of these Sub-Streams have various components. Details can be found in the relevant section for each Sub-Stream in these Guidelines.

The CTF also provides development financing through the French-Language Projects Outside Quebec and Aboriginal-Language Projects Streams. See those Guidelines for more information.

### 2.A English-language Broadcaster Development Envelopes

#### 2.A.1 Introduction

In the English-language Broadcaster Development Envelope Sub-Stream, the CTF contributes to English Eligible Projects through English-language Broadcaster Development Envelopes (see [Section 3.2](#)), which are allocations of CTF program funds made to English-language Canadian broadcasters. Broadcasters may then choose which development projects they wish to allot a portion of their English-language Broadcaster Development Envelope, subject to specified Maximum Contribution amounts (see [Section 2.A.2](#)) and other specified limitations. To be eligible, projects must have received a financial commitment from the broadcaster in question (Development Fee) that meets or exceeds a specified minimum amount (Development Fee Threshold, see [Section 2.A.3](#)). Maximum Contribution and Development Fee Threshold amounts are calculated based upon a project's Eligible Costs (see [Section 2.3](#)).

Broadcasters may not transfer funds between Broadcaster Performance Envelopes and English-language Broadcaster Development Envelopes.

##### 2.A.1.1 Definition of Regional Development Project

For the purposes of the regional incentive, described at [Sections 2.A.2](#) and [2.A.3](#) below, a Regional Development Project is a project in which:

- ▶ The Applicant is based in a region with its head office situated in a region; and
- ▶ The regional Applicant initiates and continues to meaningfully participate in the project's development, and must retain at least 51% ownership of the copyright interest in the project.

In this Section, "region" or "regional" is defined as any part of Canada more than 150 km by shortest reasonable roadway route from Montreal, Toronto or Vancouver. "Region" or "regional" also includes any part of Vancouver Island.

## 2.A.2 Amount of Funding Contribution

Broadcasters may decide what proportion of their Broadcaster Development Envelope to allot to an Eligible Project, up to a specified Maximum Contribution amount. The Maximum Contribution by the CTF for the English-language Development Sub-Stream shall be the lesser of:

- ▶ 50% (or 75% for a Regional Development Project) of the project's Eligible Costs in development, all phases combined; and
- ▶ \$200,000 per project, all phases combined, for big-budget series development (more than seven episodes) in all genres, \$125,000 per project, all phases combined, for dramatic mini-series (generally six episodes or less, which handle a subject matter in its entirety and in a manner which results in a conclusion; the intention is that the mini-series will not be renewed), or \$100,000 per project, all phases combined, for all other eligible types of programming.

The CTF and the broadcaster will advance funds to an Eligible Project using the following drawdown schedule.

### Drawdown Schedule

1. 50% of the CTF contribution upon satisfaction of the following items:
  - ▶ The executed letter of agreement;
  - ▶ The writer's contract;
2. 50% of the CTF contribution upon satisfaction of the following items:
  - ▶ The treatment, if applicable;
  - ▶ The first draft script, if applicable;
  - ▶ The second draft script or rewrite, if applicable;
  - ▶ Cost reporting elements specified in Section 4 of the General Terms and Conditions of the CTF Development Agreement;
  - ▶ Confirmation of the broadcaster agreement

The broadcaster's entire Development Fee and any other confirmed sources of development financing must be included within the financial structure prior to confirmation of the CTF contribution amount, up to the Maximum Contribution level. An Eligible Project may access this per project Maximum Contribution amount over one or more phases. Multiple phases at the time of application will be eligible if ordered by the broadcaster, subject to phase triggering deliverables as outlined within the CTF contract. The broadcaster agreement must clearly indicate the deliverables being commissioned for each phase of a multi-phase application.

## 2.A.3 Broadcaster Development Fee Thresholds

All applications for development financing in this Sub-Stream must include a commitment for a Development Fee by a Canadian broadcaster or broadcasters who has/have access to a CTF Broadcaster Development Envelope. Development Fees must meet or exceed a minimum amount, expressed as a percentage of the project's Eligible Costs (Development Fee Threshold), to be eligible for CTF funding. Development Fee Threshold amounts for this Sub-Stream are the following:

- ▶ For Regional Development Projects, the Development Fee Threshold is 25% of the Eligible Costs in development.

- ▶ For all other projects, the Development Fee Threshold is 50% of the Eligible Costs in development.
- ▶ If there is a third-party financier who is not a Canadian broadcaster, the Development Fee Threshold may be reduced. Such a contribution will reduce, pro rata, the CTF contribution and the broadcaster Development Fee(s) in proportion to the third-party contribution.

Development Fees contributing to meeting the Development Fee Threshold:

- ▶ May be provided by an unlimited number of broadcasters who are members of the Association for Tele-Education in Canada (ATEC); and
- ▶ May be provided by no more than two broadcasters who are not members of ATEC.

The Applicant is not permitted to financially contribute to the project's Eligible Costs.

## 2.A.4 Application Process

All English-language Broadcaster Development Envelopes	<b>Open for submissions</b>	<b>Final closing date</b>
	March 2, 2009	November 23, 2009

### Deadline Definitions:

#### *Open for Submissions*

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

#### *Final Closing Date*

The final closing date is the final application deadline for submitting applications for the fiscal year. Any amount remaining in a Broadcasters Development Envelope for which the CTF has not received a complete, eligible application by the final closing date will be transferred into the CTF's reserve fund.

## 2.B French-language Development

### 2.B.1 French-language Selective Process Development

#### 2.B.1.1 Introduction

In the French-language Selective Process Development Sub-Stream, the CTF contributes to French Eligible Projects (see [Section 3.2](#)) through a selective process in which projects from across Canada are evaluated and comparatively assessed within the same genre and development phases. The CTF may choose which development projects it wishes to contribute funding and how much to contribute subject to specified Maximum Contribution amounts (see [Section 2.B.1.2](#)) and other specified limitations. To be eligible, projects must have received a financial commitment from a Canadian broadcaster (Development Fee) that meets or exceeds a specified minimum amount (Development Fee Threshold, see [Section 2.B.1.3](#)). Maximum Contribution and Development Fee Threshold amounts are calculated based upon a project's Eligible Costs (see [Section 2.3](#)).



The decision-making in the evaluation process will be based on the following criteria, while ensuring that the overall portfolio reflects a diversity of voices (including diversity of genres and sub-formats, talent development, underrepresented communities and regions):

1. Originality and marquee elements;
2. Quality of the creative package (production value);
3. Track record of the producer and creative team; and
4. Level of broadcaster's financial contribution.

SRC/RDI projects are not eligible for French-language Selective Process Development (see [Section 2.B.2](#)).

### 2.B.1.2 Amount of Funding Contribution

The CTF may decide, at its discretion, the amount of its financial contribution to an Eligible Project, up to a specified Maximum Contribution amount. The CTF's Maximum Contribution for this Sub-Stream shall be the lesser of:

- ▶ 60% of the project's Eligible Costs in development, all phases combined; and
- ▶ \$200,000 per project, all phases combined, for big-budget series development (more than 7 episodes) in all genres, or \$125,000, all phases combined, for dramatic mini-series (generally six episodes or less, which handle a subject matter in its entirety and in a manner which results in a conclusion, with the intention that a mini-series will not be renewed), or \$100,000 per project, all phases combined, for all other eligible types of programming; and
- ▶ Per phase, the applicable amounts, as stated in the following chart:

	Documentaries	Dramas
1 x 60 min.	\$25,000	\$30,000
1 x 90 min.	\$30,000	\$35,000
Miniseries (6 episodes or fewer)	\$35,000	\$40,000
Series (7 episodes or more)	\$45,000	\$50,000

### 2.B.1.3 Broadcaster Development Fee Thresholds

All applications for development financing in this Sub-Stream must include a commitment for a Development Fee by a Canadian broadcaster or broadcasters. Development Fees must meet or exceed a minimum amount, expressed as a percentage of the project's Eligible Costs (Development Fee Threshold), to be eligible for CTF funding. Development Fee Threshold amounts for this Sub-Stream are the following:

Genre	Development Fee Threshold
Drama and Pilots of all genres	25%
Documentary, Children's and Youth, Variety and Performing Arts	15%

#### 2.B.1.4 Application Process

Dates	Open for submissions	First Closing Date	Second Closing Date	Final closing date
Allocation of Sub-Stream Funds	March 2, 2009	April 6, 2009	September 8, 2009	November 23, 2009
		Up to 50%	Up to 35%	Up to 15%

##### Deadline Definitions:

###### *Open for Submissions*

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

###### *Closing Dates*

French-language Selective Process development funding is allocated across three closing dates. Development funds will be reserved for each application closing date, subject to demand, as detailed above. For each application closing date, the allocation of funds will be adjusted according to demand by genre.

Projects that are unsuccessful at one closing date may not re-apply for the same development phase at a later closing date within the same fiscal year. Re-applications for the same project within the fiscal year will be considered only if there are significant changes to the project, to be determined at the sole discretion of the CTF, including changes to the writer, producer, broadcaster, format, or more fully developed creative material.

###### *Final Closing Date*

The final closing date is the deadline for submitting all applications for the fiscal year.

#### 2.B.2 French-language SRC/RDI Broadcaster Development Envelope

##### 2.B.2.1 Introduction

In this Sub-Stream, the CTF contributes to French Eligible Projects (see [Section 3.2](#)) through a Broadcaster Development Envelope, which is an allocation of CTF program funds made to the SRC/RDI. The SRC/RDI may then choose which development projects it wishes to allot a portion of its Broadcaster Development Envelope, subject to specified Maximum Contribution amounts (see [Section 2.B.2.2](#)) and other specified limitations. To be eligible, projects must have received a financial commitment from the SRC/RDI (Development Fee), which meets or exceeds a specified minimum amount (Development Fee Threshold, see [Section 2.B.2.3](#)). Maximum Contribution and Development Fee Threshold amounts are calculated based upon a project's Eligible Costs (see [Section 2.3](#)).

##### 2.B.2.2 Amount of Funding Contribution

The SRC/RDI may decide what proportion of its Broadcaster Development Envelope to allot to an Eligible Project, up to a specified Maximum Contribution amount. The CTF's Maximum Contribution for this Sub-Stream shall be the lesser of:

- ▶ 60% of the project's Eligible Costs in development, all phases combined; and
- ▶ \$200,000 per project, all phases combined, for big-budget series development (more than 7 episodes) in all genres, or \$125,000, all phases combined, for dramatic mini-series (generally six episodes or less, which handle a subject matter in its entirety and in a manner which results in a conclusion, with the intention that the mini-series will not be renewed), or \$100,000 per project, all phases combined, for all other eligible types of programming; and

- Per phase, the applicable amounts as stated in the following chart:

	Documentaries	Dramas
1 x 60 min.	\$25,000	\$30,000
1 x 90 min.	\$30,000	\$35,000
Miniseries (6 episodes or fewer)	\$35,000	\$40,000
Series (7 episodes or more)	\$45,000	\$50,000

### 2.B.2.3 SRC/RDI Development Fee Thresholds

All applications for development financing in this Sub-Stream must include a commitment for a Development Fee by the SRC/RDI. Development Fees must meet or exceed a minimum amount, expressed as a percentage of the project's Eligible Costs (Development Fee Threshold), to be eligible for CTF funding. Development Fee Threshold amounts for this Sub-Stream are the following:

Genre	Development Fee Threshold
Drama and Pilots of all genres	25%
Documentary, Children's and Youth, Variety and Performing Arts	15%

### 2.B.2.4 Application Process

Open for submissions	Final closing date
March 2, 2009	November 23, 2009

#### Deadline Definitions:

##### *Open for Submissions*

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

##### *Final Closing Date*

Applications will be accepted until the final closing date, or until funds for this Sub-Stream are depleted, whichever comes first. The final closing date is the final deadline for submitting applications for the fiscal year.

## 2.B.3 French-language Quebec Regional Development

Eligible Applicants to the French-language Quebec Regional Development Sub-Stream must have their head office in the province of Quebec and be more than 150 km by shortest reasonable roadway route from Montreal. This Sub-Stream has two components:

- French-language Quebec Regional Project Development
- French-language Quebec Regional Project Pre-Development

## 2.B.3.1 French-language Quebec Regional Project Development

### 2.B.3.1.1 Introduction

In this component, the CTF contributes to French Eligible Projects (see [Section 3.2](#)) on a first come, first served basis until resources are depleted. The CTF may contribute to Eligible Projects at the requested level subject to specified Maximum Contribution amounts (see [Section 2.B.3.1.2](#)) and other specified limitations. To be eligible, projects must have received a financial commitment from a Canadian broadcaster (a Development Fee) that meets or exceeds a specified minimum amount (Development Fee Threshold, see [Section 2.B.3.1.3](#)). Projects with a financial commitment from SRC/RDI are eligible for consideration in this component. Maximum Contribution and Development Fee Threshold amounts are calculated based upon a project's Eligible Costs (see [Section 2.3](#)).

Eligible Applicants may apply with a maximum of two Eligible Projects per fiscal year. Where an Applicant receives funding for two projects in a fiscal year, only one may be a returning series.

In the event that several projects are competing for limited resources, the CTF reserves the right to select projects based on the following criteria:

1. Originality and marquee elements;
2. Quality of the creative package (production value);
3. Track record of the producer and creative team;
4. Level of broadcaster financial contribution.

### 2.B.3.1.2 Amount of Funding Contribution

The CTF may contribute financially to an Eligible Project in this component at the level requested by the Applicant, up to the Maximum Contribution. The broadcaster's full Development Fees and any other confirmed sources of development financing must be included within the financial structure prior to the CTF reaching the Maximum Contribution level. The CTF's Maximum Contribution for this component shall be the lesser of:

- ▶ 65% of the project's Eligible Costs in development, all phases combined; and
- ▶ Per phase, the applicable amounts, as stated in the following chart:

	Documentaries	Dramas
1 x 60 min.	\$25,000	\$30,000
1 x 90 min.	\$30,000	\$35,000
Miniseries (6 episodes or fewer)	\$35,000	\$40,000
Series (7 episodes or more)	\$45,000	\$50,000

### 2.B.3.1.3 Broadcaster Development Fee Thresholds

All applications for development financing in this component must include a commitment for a Development Fee by a Canadian broadcaster or broadcasters. Development Fees must meet or exceed a minimum amount, expressed as a percentage of the project's Eligible Costs (Development Fee Threshold) to be eligible for CTF funding. Development Fee Threshold amounts for this Sub-Stream are the following:

Genre	Development Fee Threshold
Drama and Pilots of all genres	15%
Documentary, Children's and Youth, Variety and Performing Arts	10%

### 2.B.3.1.4 Application Process

Open for submissions	Final closing date
March 2, 2009	November 23, 2009

#### Deadline Definitions:

##### *Open for Submissions*

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

##### *Final Closing Date*

Applications will be accepted until the final closing date, or until funds for this Sub-Stream are depleted, whichever comes first. The final closing date is the deadline for submitting all applications for the fiscal year.

### 2.B.3.2 French-language Quebec Regional Project Pre-development

#### 2.B.3.2.1 Introduction

This component seeks to fund French-Language Quebec regional programming in pre-development that has not secured development funding from a broadcaster. In this component, the CTF contributes to Eligible Projects (see [Section 3.2](#)) on a first come, first served basis until resources are depleted. The CTF may contribute to Eligible Projects at the requested level subject to specified Maximum Contribution amounts (see [Section 2.B.3.2.2](#)) and other specified limitations.

Eligible Applicants may apply with a maximum of two Eligible Projects per fiscal year, neither of which may be a returning series.

In the event that several projects are competing for limited resources, the CTF reserves the right to select projects based on the following criteria:

1. Originality and marquee elements;
2. Quality of the creative package (production value);
3. Track record of the producer and creative team.

### 2.B.3.2.2 Amount of Funding Contribution

The CTF may contribute financially to an Eligible Project in this component at the level requested by the Applicant up to a Maximum Contribution of \$5,000 per project.

### 2.B.3.2.3 Broadcaster Commitment

All applications for pre-development financing must include a letter of interest from a Canadian broadcaster. There is no requirement for a broadcaster to commit a Development Fee under this component.

### 2.B.3.2.4 Application Process

Open for submissions	Final closing date
March 2, 2009	November 23, 2009

#### Deadline Definitions:

##### *Open for Submissions*

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

##### *Final Closing Date*

Applications will be accepted until the final closing date, or until funds for this Sub-Stream are depleted, whichever comes first. The final closing date is the deadline for submitting all applications for the fiscal year.

## 2.2 Nature of Funding Contribution

Successful Applicants to all Development Sub-Streams receive non-interest bearing advances. In the French-language Quebec Regional Development Sub-Stream, Project Development component ([Section 2.B.3.1](#)), 75% of the advance must be repaid by the first day of principal photography or upon other use of the script, or the transfer, sale assignment or other disposition of the script. In all other Development Sub-Streams, 100% of the advance must be repaid by the first day of principal photography or upon other use of the script, or the transfer, sale assignment or other disposition of the script.

## 2.3 Eligible Costs

Eligible Costs are the costs set out in the development budget for the project or the final cost report, 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 participation of the CTF is calculated based on an Eligible Project's Eligible Costs. The CTF estimates Eligible Costs at the time of application, based upon the development budget for the project.

In this Stream, only Canadian costs are Eligible Costs. Costs incurred prior to the Applicant entering into an eligible development agreement\* are not Eligible Costs, with the exception of the option or acquisition of rights and the expenses associated with acquiring those rights, as long as they are not paid to a person with ownership interest.

Unless more than one phase is ordered by a broadcaster at the time of application, the CTF generally apportions development assistance in phases, with each phase subject to a separate application and decision. These phases typically correspond with the writing of individual drafts of the screenplay.

See [Sections 2.3.2](#) and [2.3.3](#) for information on Eligible Costs in development and pre-development respectively.

Additional CTF business policies relating to Eligible Costs are in Appendix B of this document.

\*An eligible development agreement is the current, legally binding agreement between the Applicant and a Canadian broadcaster that triggers the CTF development funding that is the subject of the application, and includes, where applicable, a Development Fee that meets the applicable Development Fee Threshold.

### 2.3.1 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](#).

### 2.3.2 Eligible Costs in Development

The CTF supports scriptwriting and other activities normally associated with television project development, including those related to audience research.

Depending on the phase of development, the following costs may be Eligible Costs:

- ▶ Research;
- ▶ Third Party Optioning or acquisition of rights;
- ▶ Scriptwriting;
- ▶ Script workshops;
- ▶ Development of production budget and financing;
- ▶ Audience research;
- ▶ Focus groups;
- ▶ For Children's and Youth programming only, new media components where the storytelling and/or narrative of the television and new media components are inextricably linked and interdependent. The CTF will not support any new media component that primarily focuses on promotion, marketing, administrative processing, or other aspects of the project unrelated to the storytelling and/or narrative element that enhances the experience for the viewer.;
- ▶ Short non-broadcast demos;
- ▶ Producer fees and corporate overhead;
- ▶ Arms length legal costs.
- ▶ The following pre-production costs (the CTF anticipates that these costs will generally not exceed 10% of the total development costs per project; the CTF reserves the right to disallow these costs, or a portion thereof, if deemed excessive):

- ▶ Cast retention;
- ▶ Set retention;
- ▶ Travel costs related to procuring international pre-sales;
- ▶ Showrunner fees.

The CTF development budget templates outline specific costs allowable at each phase of development, per genre.

### 2.3.3 **Eligible Costs in Pre-Development**

This Section refers to the French-language Quebec Regional Project Pre-Development component of [Section 2.B.3.2](#) only.

The following costs may be Eligible Costs for a project in the pre-development stage which does not have a financial contribution from a broadcaster:

- ▶ Preliminary research;
- ▶ Scriptwriting consultant;
- ▶ Story editor;
- ▶ Writing of preliminary synopsis and treatment;
- ▶ Production of several drawings (animation);
- ▶ Printing and collating costs;
- ▶ Travel expenses incurred to meet broadcasters;
- ▶ Production fees and management expenses.



## 3. ELIGIBILITY FOR FUNDING

### 3.1 Eligible Applications

#### 3.1.1 Production Companies

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 companies without established parent companies); and
- ▶ Whether or not the Applicant operates principally as a television or film production entity.

Applicants who are unincorporated, but meet all other requirements above, may apply for development financing if they have never received CTF funding before. Applicants, however, will be required to incorporate prior to the signing of a development agreement with the CTF.

Eligible Applicants to the Quebec Regional French-language Development Sub-Stream (see [Section 2.B.3](#)) must have their head office in Quebec and be more than 150 km by shortest reasonable roadway route from Montréal.

Broadcaster-affiliated production companies are not eligible for development financing. The CTF will use the definition of affiliate set out in the *Canada Business Corporations Act*.

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

### 3.2 Eligible Projects

An Eligible Project in this Stream is defined as a project that meets all of the criteria of [Section 3.2](#), and all subsections that may be applicable in the context of development.

Eligible projects must be developed as a Canadian production or intended as an official treaty co-production. A Canadian scriptwriter must be involved in all stages of development. For projects intended to be Canadian official treaty co-productions, the active contribution of a Canadian scriptwriter is required.

Eligibility for development funding does not guarantee Applicant or project eligibility for CTF production financing.

The Applicant must have acquired all rights and options to the project, exclusive for at least 24 months, which are necessary for the adaptation of the original work or concept, the scriptwriting, the production and worldwide distribution.

Eligible Projects must have completed all previous phases of development before applying for a new phase.

The CTF recognizes that projects at the development stage are necessarily nascent, evolving works that may be unable to strictly comply at application with all of the requirements of [Section 3.2](#) and all its subsections. As such, Eligible Projects must be reasonably intended to comply with the four Essential Requirements (see [Section 3.2.1](#)), as appropriate to each category of production and programming genre, as set out in Appendix A plus all other requirements of [Sections 3.2.1](#) through [3.2.4](#) as may be applicable to development. The CTF shall determine, at its sole discretion, whether a development project is reasonably intended to comply with [Sections 3.2.1](#) through [3.2.4](#).

### 3.2.1 Essential Requirements

A production must meet all of the Essential Requirements listed below. In the case of a series, the Essential Requirements are applicable to every episode of the cycle, whether or not all such episodes are submitted for CTF funding. The CTF has full discretion to decide whether or not a project meets the Essential Requirements; the interpretation of the CTF shall prevail.

1. The project speaks to Canadians about, and reflects, Canadian themes and subject matter.
2. The project will be certified by the Canadian Audio-Visual Certification Office (CAVCO) and has achieved 10/10 points (or the maximum number of points appropriate to the project), as determined by the CTF using the CAVCO scale.
3. Underlying rights are owned, and significantly and meaningfully developed, by Canadians.
4. The project is shot and set primarily in Canada.

Further details on these Essential Requirements and permissible genre-specific exceptions are provided in Appendix A to these Guidelines. This Appendix includes additional important information and is an integral part of these Guidelines.

#### 3.2.1.1 Official Treaty Co-Productions

With respect to the eligibility of official treaty co-productions to access the CTF, the Essential Requirements indicated above shall be interpreted so as to treat the treaty co-production partner as “Canadian.”

Accordingly, the terms “Canadian” and “Canadians” in Essential Requirements 1 and 3, and the term “Canada” in Essential Requirement 4 will be deemed to include the co-production country. The 10/10 points referenced in Essential Requirement 2 must be attained by citizens of Canada or the co-producing country.

With respect to Essential Requirement 2, in the case of a co-production between Canada and a European country part of the European Union, the CAVCO points positions may be filled by a citizen of Canada or any country of the European Union.

If a production, submitted to the CTF as an official treaty co-production, is unable to obtain final approval as an official treaty co-production from the competent authorities, the final production must meet all Essential Requirements under [Section 3.2.1](#) above (and under the applicable genre of programming, see Appendix A) and all other eligibility requirements applicable to projects that are not official treaty co-productions in order to remain eligible for CTF funding.

### 3.2.2 Genres of Programming

The CTF supports the following programming genres: Drama, Documentary, Children’s and Youth programming, and Variety and Performing Arts programming. The CTF’s definition of each of these genres is contained in Appendix A to these Guidelines.

The following is a non-exhaustive list of genres and programming formats that are not eligible to apply to the CTF\*: sponsored productions, sports, news, game shows, current affairs, public affairs, lifestyle productions, “how-to” productions, reality television, instructional television, infomercials, music videos, formal or curriculum-based educational programming, foreign format buys without significant Canadian adaptation and creative contribution, magazine productions, talk shows, “talkshows culturels”, award shows, special event celebrations, galas, reporting and current events, religious programming, fundraising productions, benefits, tributes, promotional productions, pep-rallies, travelogues and interstitials.

\* Some flexibility exists for Children’s and Youth programming in this regard. See Appendix A for more information.

### 3.2.3 Canadian Ownership and Control

An Eligible Project must meet the following criteria\*:

- ▶ It is under Canadian ownership and Canadian executive and creative control;
- ▶ It is under the financial control of Canadian citizens or permanent residents;
- ▶ It is, and has been, controlled creatively and financially by a Canadian production company during all phases of production, from development through post-production, and all distribution and exploitation rights are owned and initially controlled by a Canadian production company;
- ▶ A project formerly produced in-house by a broadcaster is eligible as long as the Applicant is an independent production company and has full control of the proposed project;
- ▶ Generally, no more than 49% of the production financing/final cost is provided by a single non-Canadian entity, person or related entity (via licence fees, distribution advances, goods and services and/or equity investment). Interim lending of more than 49%, however, may be provided by a non-Canadian arm's-length entity in the business of lending money and taking security;
- ▶ The Applicant retains and exercises all effective controls or approvals consistent with those of a producer. This includes control and final approval of creative decisions and production financing, distribution and exploitation, and preparation and final approval of budget, subject to reasonable and standard approval rights customarily required by arm's-length financial participants, including Canadian broadcasters and distributors;
- ▶ The Applicant owns all rights (including copyright) and options necessary for the production and its distribution in Canada and abroad, and retains an ongoing financial interest in the project.

\* These criteria shall be interpreted so as to allow Canadian official treaty co-productions to access the CTF.

### 3.2.4 Technical Requirements

An Eligible Project must meet the following criteria:

- ▶ It conforms to the Canadian Association of Broadcasters' (CAB) Code of Ethics and to all programming standards endorsed by the Canadian Radio-television and Telecommunications Commission (CRTC), including the CAB Violence Code and the CAB Equitable Portrayal Code;
- ▶ It has a broadcast length of at least 30 minutes (including commercial breaks). A package of children's programming "shorts", however, may be eligible regardless of length; this is not applicable for youth programming;
- ▶ It is a new production. A new production is one which is not substantially a repackaged version of a previously-produced production. In the case of a series, the CTF will consider the entire cycle when determining whether the project is a repackaging (e.g. some "making-of" and/or "catch-up" episodes may be permitted). Projects comprised mainly of stock footage may be new productions provided that the footage is not merely repackaged in whole or in large segments for the project.

## 4. COMPLIANCE AND REPRESENTATIONS

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### 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 their application, and to update such documentation and information after 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, 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 paid 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

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For application deadlines applicable to each Development Sub-Stream, please see [Section 2](#).

### *Application Offices*

The Television Business Unit at Telefilm Canada administers Development Financing applications on behalf of the Canadian Television Fund.

Applicants may submit their CTF funding application through eTelefilm at [www.telefilm.gc.ca](http://www.telefilm.gc.ca).

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

#### *MONTREAL*

360 Saint-Jacques Street, 6<sup>th</sup> Floor  
Montréal, Quebec H2Y 1P5  
Toll Free: 1-800-567-0890  
T: (514) 283-6363  
F: (514) 283-8212

#### *HALIFAX*

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*

474 Bathurst Street, Suite 100  
Toronto, Ontario M5T 2S6  
Toll Free: 1-800-463-4607  
T: (416) 973-6436  
F: (416) 973-8606

#### *VANCOUVER*

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 [ctf@ctf-fct.ca](mailto:ctf@ctf-fct.ca).

To contact the Canadian Television Fund:

Canadian Television Fund  
50 Wellington Street East, 4th Floor  
Toronto, Ontario M5E 1C7  
Toll Free: 1-877-975-0766  
T: (416) 214-4400  
F: (416) 214-4420  
[ctf@ctf-fct.ca](mailto:ctf@ctf-fct.ca)

For additional information, updates and to learn more about CTF policies, please visit [www.ctf-fct.ca](http://www.ctf-fct.ca)