



**DEVELOPMENT
PROGRAM**
GUIDELINES
2012-2013

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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](#)) 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 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 that the CMF is in receipt of all documentation relevant to its application, and to update such documentation and information after a material change. The CMF may request other documentation and information, as required, in order 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:

- 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 DEVELOPMENT PROGRAM WORKS

HOW TO READ THESE GUIDELINES

Projects in the Convergent Stream may involve both a Television Component and one or more Digital Media Components. The eligibility and technical requirements for these two components may be very different. In these Guidelines, sections dealing with requirements for the Television Component only use “.TV” in their section number, and sections dealing with requirements for the Digital Media Component only use “.DM”. Sections dealing with requirements for the entire convergent project—i.e. the Television Component and, where applicable, the Digital Media Component—simply use a section number without reference to “.TV” or “.DM”.

Unless otherwise indicated, in these guidelines the term “broadcaster” includes both a traditional, schedule-based broadcaster and a CRTC-licensed video-on-demand (VOD) service; the term “broadcast” includes both traditional, scheduled broadcast and making content available via a CRTC-licensed VOD service.

2.1 INTRODUCTION

The Development Program, which forms part of the CMF’s Convergent Stream, allocates funding to projects at the development stage. Except in the English Regional Pre-Development sub-program, Eligible Projects (see [section 3.2](#)) in this Program must be convergent: they must have a Television Component (see [section 3.2.TV](#)) and one or more Digital Media Components (see [section 3.2.DM](#)), VOD presentation of the Television Component, digital distribution of the Television Component, or any combination of these three.

The Development Program operates through three sub-programs:

- Development Envelopes;
- French Regional Development (this sub-program has two segments: Development and pre-development); and
- English Regional Pre-Development.

. Details can be found in the relevant section for each sub-program in these Guidelines.

The CMF also provides development financing through the Francophone Minority and the Aboriginal Programs. See those Guidelines for more information.

2.1.1 Definitions Applicable to the Development Program: In-house Programming, Affiliated Programming and Regional Development Projects

A broadcaster-affiliated production company is an Applicant, as defined in section 3.1(1), that is affiliated with a Canadian broadcaster (the CMF uses the definition of “Affiliate” set out in the *Canada Business Corporations Act*). Affiliated Programming are projects produced by a broadcaster-affiliated production company which are licensed by its affiliated broadcaster(s). In-house Programming are projects produced and owned by a Canadian broadcaster.

A maximum of 15% of the funds available in each sub-program will be allocated to Affiliated Programming and In-house Programming, with the exception of the English Regional Pre-Development sub-program, in which Affiliated Programming and In-house Programming are not eligible. In the Development Envelope Sub-Program, broadcasters are limited in the amount of their development envelope that they are permitted to commit on Affiliated Programming and In-house Programming to 15% of their Development Envelope; however, corporate groups and independent broadcasters whose combined performance envelope allocation (from both languages) is below \$2 million are exempt from this allowance limit (see section F.3 of the English Development Manual).

For the purposes of the English-language regional incentive, described at [sections 2.A.2.1](#) and [2.A.3.1](#) below, and the English Regional Pre-Development sub-program, described at section 2.C below, a Regional Development Project is a

project in which:

- a) The Applicant (or, where there are separate Applicants for the Television Component and the Digital Media Component(s), the Applicant which owns the rights to the Television Component) is based in a region with its head office situated in a region; and
- b) The regional Applicant (or, where there are separate Applicants for the Television Component and the Digital Media Component(s), the Applicant which owns the rights to the Television Component) 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.

For the purposes of this definition, "region" or "regional" is defined for English-language projects as any part of Canada more than 150 km by shortest reasonable roadway route from Toronto.

2.A DEVELOPMENT ENVELOPE

2.A.1 Introduction

In the Development Envelope Sub-Program, the CMF contributes to Eligible Projects through Development Envelopes (see [section 3.2](#)), which are allocations of CMF program funds made to Canadian broadcasters. Broadcasters may then choose which development projects they wish to allot a portion of their Development Envelope to, 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](#)) for the Television Component and the Digital Media Component(s). Maximum Contribution and Development Fee Threshold amounts are calculated based upon the Eligible Costs of the Television Component and Digital Media Component(s) (see [section 2.3](#)).

Broadcasters may not transfer funds between Performance Envelopes and Development Envelopes.

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. Broadcasters may allot a Broadcaster Development Envelope contribution to either the Television Component, the Digital Media Component, or both components.

2.A.2.1 English-language Projects

The Maximum Contribution by the CMF for English-language projects is the lesser of:

For the Television Component of the project:

- a) 50% (or 75% for a Regional Development Project) of the Eligible Costs in development, all phases combined; and
- b) \$200,000, all phases combined, for big-budget series development (more than seven episodes) in all genres, \$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; the intention is that the mini-series will not be renewed), or \$100,000, all phases combined, for all other eligible types of programming.

For the Digital Media Component of the project:

- a) 50% of the Eligible Costs in development, all phases combined; and
- b) \$50,000, all phases combined.

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 CMF 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 CMF contract. The broadcaster agreement must clearly indicate the deliverables being commissioned for each phase of a multi-phase application.

2.A.2.2 French-language Projects

The Maximum Contribution by the CMF for French-language projects is the lesser of:

For the Television Component of the project:

- a) 60% of the Eligible Costs in development, all phases combined;
- b) \$200,000, 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, all phases combined, for all other eligible types of programming; and
- c) Per phase, the applicable amounts, as stated in the following chart:

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

For the Digital Media Component of the project:

- a) 50% of the Eligible Costs in development, all phases combined; and
- b) \$50,000, all phases combined.

2.A.3 Broadcaster Development Fee Thresholds

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

2.A.3.1 English-language Projects

For the Television Component of the project:

- a) For Regional Development Projects, the Development Fee Threshold is 25% of the Eligible Costs in development.
- b) For all other projects, the Development Fee Threshold is 50% of the Eligible Costs in development.
- c) If there is one or more financiers other than: 1) the CMF; 2) the Applicant or a party related to the Applicant; or 3) a Canadian broadcaster; then the Development Fee Threshold may be reduced. Such financing will reduce, pro rata, the CMF contribution and the broadcaster Development Fee(s) in proportion to that financing.

For the Digital Media Component of the project the Development Fee Threshold is 10% of the Eligible Costs in development.

2.A.3.2 French-language Projects

For the Television Component of the project the Development Fee Threshold is:

| Genre | Development Fee Threshold |
|--|---------------------------|
| Drama and pilots of all genres | 25% |
| Documentary, children's & youth, variety & performing arts | 15% |

For the Digital Media Component of the project, the Development Fee Threshold is 10% of the Eligible Costs in development.

2.B FRENCH REGIONAL DEVELOPMENT

Eligible Applicants to the French Regional Development Sub-Program (or, where there are separate Applicants for the Television Component and the Digital Media Component(s), the Applicant which owns the rights to the Television Component) 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-program has two segments:

- French Regional Project Development
- French Regional Project Pre-Development

2.B.1 French Regional Project Development

2.B.1.1 Introduction

In this segment, the CMF contributes to French Eligible Projects (see [section 3.2](#)) on a first come, first served basis until resources are depleted. The CMF may contribute to Eligible Projects at the requested level 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 (a 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](#)).

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 CMF reserves the right to select projects based on the following criteria:

- a) Originality and marquee elements;
- b) Quality of the creative package (production value);
- c) Track record of the producer and creative team; and
- d) Level of broadcaster financial contribution.

2.B.1.2 Amount of Funding Contribution

The CMF 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 CMF reaching the Maximum Contribution level. The CMF's Maximum Contribution for this segment shall be the lesser of:

For the Television Component of the project:

- a) 65% of the Eligible Costs in development, all phases combined;
- b) \$200,000, 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, all phases combined, for all other eligible types of programming; and
- c) Per phase, the applicable amounts, as stated in the following chart:

| Format | 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 |

For the Digital Media Component of the project:

- a) 50% of the Eligible Costs in development, all phases combined; and
- b) \$50,000, all phases combined.

2.B.1.3 Broadcaster Development Fee Thresholds

All applications for development financing in this segment 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 Eligible Costs of the Television Component and the Digital Media Component of the project (Development Fee Threshold) to be eligible for CMF funding. Development Fee Threshold amounts for this segment are the following:

For the Television Component of the project:

| Genre | Development Fee Threshold |
|--|---------------------------|
| Drama and pilots of all genres | 15% |
| Documentary, children's & youth, variety & performing arts | 10% |

For the Digital Media Component of the project:

- a) The Development Fee Threshold is 10% of the Eligible Costs in development.

2.B.2 French Regional Project Pre-development

2.B.2.1 Introduction

This segment seeks to fund French-Language Quebec regional programming in pre-development that has not secured development funding from a broadcaster. In this segment, the CMF contributes to Eligible Projects (see [section 3.2](#)) on a first come, first served basis until resources are depleted. The CMF may contribute to Eligible Projects at the requested level subject to specified Maximum Contribution amounts (see [section 2.B.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 CMF reserves the right to select projects based on the following criteria:

- a) Originality and marquee elements;
- b) Quality of the creative package (production value); and
- c) Track record of the producer and creative team.

2.B.2.2 Amount of Funding Contribution

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

2.B.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 in this segment.

2.C ENGLISH REGIONAL PRE-DEVELOPMENT

2.C.1 Introduction

This segment seeks to fund English-Language regional programming in pre-development that has not secured development funding from a broadcaster. In this sub-program, the CMF contributes to Eligible Projects (see [section 3.2](#)) on a first come, first served basis until resources are depleted. Eligible Projects in this sub-program must be Regional Development Projects as defined at [section 2.1.1](#), and be intended to be produced in English as the original language of production. Eligible Projects must include Eligible Costs related to writing of a preliminary synopsis and/or treatment. The CMF may contribute to Eligible Projects at the requested level subject to specified Maximum Contribution amounts (see

[section 2.C.2](#)) and other specified limitations.

Returning series are not eligible. Affiliated Programming and In-house Programming are not eligible.

Based on available funding and the level of demand, the CMF reserves the right to limit the number of applications funded from a single Applicant, or a party related to the Applicant, in the same fiscal year.

2.C.2 Amount of Funding Contribution

The CMF may contribute financially to an Eligible Project in this sub-program at the level requested by the Applicant up to a Maximum Contribution of 75% of the Eligible Costs in pre-development or \$15,000, whichever is less.

2.C.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 in this sub-program.

2.2 NATURE OF FUNDING CONTRIBUTION

Successful Applicants to all Development sub-programs receive non-interest bearing advances. In the French Regional Development sub-program, Project Development segment (section 2.B.1), 75% of the advance must be repaid on or before the earliest event of repayment as described below. In all other Development sub-programs, 100% of the advance must be repaid on or before the earliest event of repayment as described below.

Events of repayment are:

- a) For the Television Component:
 - i) The first day of official preparation for principal photography of the Television Component or upon other use of the script; and
 - ii) The transfer, sale assignment or other disposition of the script.
- b) For the Digital Media Component:
 - i) The first day of commencement of production of the Digital Media Component or any other use of the digital media concept; and
 - ii) The transfer, sale, assignment or other disposition of the digital media concept.

2.3 ELIGIBLE COSTS

Eligible Costs are the costs set out in the development or pre-development budget for each component of the Eligible Project or the final cost report, as applicable (including both related-party and non-related party costs), plus any costs the CMF considers necessary, minus any costs that the CMF considers excessive, inflated or unreasonable. Assessment of a project's Eligible Costs shall be done at the CMF's sole discretion. The participation of the CMF is calculated based on the Eligible Costs of each component. The CMF estimates Eligible Costs at the time of application, based upon the budgets for the project.

The Television Component and the Digital Media Component(s) must have separate budgets reflecting the separate and distinct work that is done on each component. The following subsections of 2.3.2 relate specifically to the television and Digital Media Components as indicated.

In this Program, 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.

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

Unless more than one phase is ordered by a broadcaster at the time of application, the CMF 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.TV.1](#) and [2.3.2.DM.1](#) and [2.3.2.TV.2](#) for information on Eligible Costs in development and pre-development respectively.

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

2.3.1 Related-Party Transactions

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

- Disclosed to the CMF; and
- In accordance with the CMF Accounting and Reporting Requirements of April 1, 2012, more specifically but not limited to Sections 3 and 4.

2.3.2.TV.1 Eligible Costs in Television Development

The CMF 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:

- Pre-development costs as described below at section 2.3.2.TV.2;
- Research;
- Option fees paid to an unrelated party, or acquisition of rights fees;
- Scriptwriting (1st draft scripts, polish, bible etc.);
- Script workshops;
- Development of production budget and financing;
- Audience research;
- Focus groups;
- Short non-broadcast demos;
- Producer fees and corporate overhead (subject to the Producer Fees and Corporate Overhead Policy);
- Accounting fees (if review engagement is required as per the Accounting and Reporting Requirements);
- Arms length legal costs;
- The following pre-production costs (the CMF anticipates that these costs will generally not exceed 10% of the total development costs per project; the CMF 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; and
 - Showrunner fees.

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

2.3.2.TV.2 Eligible Costs in Television Pre-Development

The following costs may be Eligible Costs for a project in the pre-development stage:

- 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 Canadian broadcasters and/or Canadian key creative personnel;
- Production fees and management expenses.

In addition, the following may be Eligible Costs in the English Regional Pre-Development sub-program only:

- Travel costs to meet with national or international co-production partners, or to meet with subjects for documentaries;
- Creation of documents related to pitching projects to Canadian broadcasters; and

- Short, non-broadcast demos.

2.3.2.DM.1 Eligible Costs in Digital Media Development

The CMF supports activities related to the development of rich and substantial digital media content associated with the Television Component of the project. Depending on the project, the following may be Eligible Costs:

- Research;
- Development of production budget and financing;
- Technology and content design;
- Market research;
- Prototype development; and
- Detailed production planning.

3. ELIGIBILITY FOR FUNDING

3.1 ELIGIBLE APPLICANTS

An eligible Applicant to the CMF is either:

- 1) A company that:
 - a) is a for-profit (i.e. a taxable Canadian corporation, within the meaning of the *Income Tax Act (Canada)*) production company;
 - 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 & Telecommunications Commission (CRTC), including a CRTC-licensed VOD service.

In addition, when assessing an Applicant's eligibility, the CMF may choose to look at factors, including:

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

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

Note: For the purposes of these Guidelines, the term Applicant includes all co-applicants and/or parent companies as applicable.

3.2 ELIGIBLE PROJECTS

An Eligible Project in this Program 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. The CMF 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.TV.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.TV.1 through 3.2.TV.4 and section 3.2.DM.1 through 3.2.DM.3 as may be applicable to development. The CMF shall determine, at its sole discretion, whether a development project is reasonably intended to comply with sections 3.2.TV.1 through 3.2.TV.4 and 3.2.DM.1 through 3.2.DM.3.

Except in the English Regional Pre-Development sub-program, an Eligible Project is a convergent project. For the CMF's purposes, a convergent project must have:

- 1) A Television Component that will be made available by:
 - a) One or more CRTC-licensed traditional, scheduled broadcasters; and/or
 - b) One or more CRTC-licensed video-on-demand (VOD) services;and
- 2) Any or all of the following:
 - a) One or more Digital Media Components;
 - b) The Television Component will be made available to Canadians by one or more CRTC-licensed video-on-demand services;
 - c) The Television Component will be made available to Canadians by a Canadian entity via non-simulcast digital distribution.

In 2)c above, "Canadian" has the meaning ascribed in subsection 1106(1) of the *Income Tax Act (Canada)* regulations; "non-simulcast" means not made available simultaneously with the television broadcast; and "digital distribution" means any form of electronic distribution over a digital network to an end user, including internet-VOD, digital download, electronic sell-through, digital rental, and wireless/mobile distribution, but, for greater clarity, does not include distribution of physical media, such as mail-order DVD rentals/sales.

A Television Component made available via one or more CRTC-licensed VOD services cannot, by itself, satisfy the requirements of both 1) and 2) above for the same Eligible Project at the same time. Where VOD is relied upon for the purposes of the CMF's "convergent project" requirements, Applicants must elect whether VOD is considered under 1) or 2) above.

Where there is a Digital Media Component, the Television and Digital Media Components must be associated with each other and must enhance the viewer/user's experience of each other. The Television and Digital Media Components must be the subject of the same application for CMF funding with all components being submitted at the same time, unless one of the components was funded by the CMF in a previous CMF fiscal year.

Broadcasters are limited in the amount of their Development Envelope that they can commit to projects that meet 2) above by relying only on 2)b and/or 2)c. See [section 3.2.DM](#) below, and [section F.4](#) in the Development Envelope Manual, for more information. There is no such limitation in respect of the French Regional Development and English Regional Pre-Development sub-programs (see at section 2.B).

Eligible Projects in the English Regional Pre-Development sub-program must be a Television Component under 1) above, or a Digital Media Component under 2)a above. Eligible Projects in the English Regional Pre-Development sub-program may be a convergent project, but this is not required.

Eligibility for development or pre-development funding does not guarantee Applicant or project eligibility for further CMF pre-development funding, further CMF development funding, or CMF production funding.

3.2.TV The Television Component

The Television Component of an Eligible project 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.

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

(with appropriate exceptions for a purchased format to be made on a case-by-case basis).

3.2.TV.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 CMF funding. The CMF has full discretion to decide whether or not a project meets the Essential Requirements; the interpretation of the CMF shall prevail.

- 1) The project speaks to Canadians and is primarily intended for a Canadian audience.
- 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 CMF 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.TV.1.1 Official Treaty Co-Productions

With respect to the eligibility of official treaty co-productions to access the CMF, 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.

3.2.TV.2 Genres of Programming

The CMF supports the following programming genres: drama, documentary, children’s and youth programming, and variety and performing arts. The CMF’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 CMF: 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, galas, reporting and current events, religious programming, fundraising productions, benefits, tributes, promotional productions, pep-rallies, travelogues and interstitials.

Note: Some flexibility exists for children’s and youth programming in this regard. See Appendix A for more information.

3.2.TV.3 Canadian Ownership and Control

The Television Component must meet the following criteria:

- a) It is under Canadian ownership and Canadian executive and creative control;
- b) It is under the financial control of Canadian citizens or permanent residents;

- c) It is, and has been, controlled creatively and financially by a Canadian production company during all phases of development;
- d) Generally, no more than 49% of the development financing is provided by a single non-Canadian entity, person or related entity. 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;
- e) 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 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;
- f) The Applicant owns all rights (including copyright) and options necessary for the development, production and its distribution in Canada and abroad (with appropriate exceptions for a purchased format to be made on a case-by-case basis), and retains an ongoing financial interest in the project.

Note: These criteria shall be interpreted so as to allow Canadian official treaty co-productions to access the CMF.

3.2.TV.4 Miscellaneous Requirements

The Television Component must meet the following criteria:

- a) 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;
- b) 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 CMF will consider the entire cycle when determining whether the project is a repackaging (e.g. some "best of", "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.

3.2.DM Digital Media Component

A Digital Media Component of an Eligible Project must be an audiovisual, multimedia, or interactive project that:

- a) Is associated with the Television Component; and
- b) Is made available to the Canadian public by way of a digital network, including internet and mobile.

The Digital Media Component must be sufficiently rich and substantial in relation to the TV component; it cannot be an "afterthought" or be intended merely to minimally satisfy the CMF's Digital Media Component requirement. Sufficiently rich and substantial content may include: "Web 2.0" and higher applications; highly immersive or highly interactive websites, mobile applications/content, or videogames; content or applications that meet or exceed current market standards for richness; or analogous content/applications.

The development of the Digital Media Component must be meaningfully integrated with the development of the Television Component. For example, in early phases of development it may be appropriate that the Digital Media Component exists primarily as a concept or strategy; whereas in later phases of development it may be appropriate that development activity involve prototyping, production planning, content and/or technology design, business and marketing planning, or research and testing. Work on, and/or CMF funding of, both the Television Component and Digital Component is not necessary for every phase of development, as long as the two components exist and are meaningfully integrated.

Broadcasters must commit at least 60% of their Development Envelope to Eligible Projects that include a Digital Media Component (see [section F.4](#) of the Development Envelope Manual for more information). There is no such limitation in respect of the French Regional Development and English Regional Pre-Development sub-programs (see section 2.B).

3.2.DM.1 Canadian Content

A Digital Media Component must meet the following criteria:

- a) Its underlying rights are owned and significantly and meaningfully developed by Canadians;
- b) It is produced in Canada; and
- c) Its content is intended primarily for a Canadian audience.

International co-productions may be eligible where there is an acceptable degree of Canadian ownership and control.

3.2.DM.2 Ineligible Content

The following is a non-exhaustive list of types of content that are not eligible as a Digital Media Component: industrial, corporate, or primarily promotional projects; curriculum-based projects; and system software.

A project that consists primarily of existing content reused on new platforms (such as the online streaming/broadcast of existing television programs) is not an eligible Digital Media Component.

3.2.DM.3 Canadian Ownership and Control

A Digital Media Component must meet the following criteria:

- a) It is under Canadian ownership and Canadian executive and creative control;
- b) It is under the financial control of Canadian citizens or permanent residents;
- c) The Applicant retains and exercises all effective controls or approvals consistent with those of a producer; and
- d) The Applicant owns all rights (including copyright) and options necessary for the development, production and distribution of the digital media project in Canada and abroad (with appropriate exceptions for a purchased format to be made on a case-by-case basis), and retains an ongoing financial interest in the project.

Note: These criteria shall be interpreted so as to allow international co-productions that have an acceptable degree of Canadian ownership and control to access the CMF.

3.2.DM.4 Miscellaneous Requirements

A Digital Media Component:

- a) Must be made available to the Canadian public in a meaningful way. What is meaningful in a particular instance will depend on the nature of the project and its distribution plan. The CMF will make this determination on a case by case basis, but in general, in the absence of an acceptable distribution/exploitation plan to the contrary, the CMF considers that making the project available to the Canadian public for at least 3 months contemporaneously with the associated Television Component will be meaningful;
- b) Cannot 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;
- c) Must, when the CMF funds it, be new content. The CMF will not fund an already-existing Digital Media Component.