



SUMMARY OF CHANGES

2012-2013

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1. ALL STREAMS AND PROGRAMS

- *General information reorganized and application deadlines and submission information moved to the CMF website*
 - Previously, CMF Guidelines had a separate page entitled “Interpretation, Application, Disclaimer, and other Important Information”, and section 4 provided information on “Compliance and Representations”. This information has now been moved and consolidated in section 1. In addition, general information about each CMF funding program previously presented in section 1 has now been moved to section 2.1. Finally, application deadlines and application submission information was previously provided at section 5 of the Guidelines. This information is now provided on the CMF’s website.
 - See applicable Guidelines, sections 1 and 2.1, and the CMF website
- *Projects must report on sales*
 - Previously, only those projects in which the CMF made an equity investment or other form of recoupable financing were required to report their sales and revenues to the CMF. Now, the CMF will require all CMF-funded projects to report on their sales.

2. EXPERIMENTAL STREAM

- *Recoupment of production funding changed depending on the nature of the project*
 - Previously, all CMF production funding in the Experimental Stream was recouped in the same way, regardless of the nature of the project funded. Now, the CMF recognizes two types of projects: Finished Products and Live Exploitation Products. The CMF will apply a different approach to recoupment depending on whether the project is a Finished or Live Exploitation product.
 - See Recoupment Policy: Experimental Stream, section 2.2
- *Nature of funding contribution for Marketing and Promotion support changed to a recoupable advance*
 - Previously, CMF funding support for marketing and promotion activities in the Experimental Stream was in the form of a non-interest-bearing loan which was repayable within 6 months following commencement of commercialization of the project. Now, the CMF provides marketing and promotion support in the form of a recoupable advance, which must be repaid from revenue generated by exploitation of the project.
 - See Experiment Stream Guidelines, section 2.2, and Recoupment Policy: Experimental Stream, section 4
- *Deduction of distribution/exploitation fees and expenses, and enhancement costs changed*
 - Previously, 100% of costs related to fees/expenses and to enhancement costs were deductible from recoupment revenue paid to the CMF. Now, applicants are allowed to deduct commissions, fees and expenses (including enhancements costs) related to exploitation of the project up to a maximum of 75% of the gross exploitation revenues before the CMF recoups its share.
 - See Recoupment Policy: Experimental Stream, section 2.3
- *Maximum Contributions when multiple forms of funding provided clarified*
 - The CMF has clarified that a single Eligible Project may receive Development, Production, and/or Marketing & Promotion support, either alone or in combination with each other, but in no case will the CMF contribute more than \$1 million towards a single project in the Experimental Stream.
 - See Experimental Stream Guidelines, section 2.3.1

- *Different deadlines for Development, Production, and Marketing & Promotion*
 - Previously, funding applications for any of these three forms funding were subject to the same application deadlines. Now, there are different application deadlines depending on the form of funding.
 - See the CMF website

3. CONVERGENT STREAM

Changes applicable to all Production Programs (i.e. Performance Envelope, Aboriginal, Francophone Minority, English POV, and Diverse Languages)

- *Maximum Contribution for Digital Media Components increased to 75%*
 - Previously, the CMF's Maximum Contribution for funding a Digital Media Component(s) was 50% of a component's Eligible Costs (or a dollar-amount cap—e.g. in the Performance Envelope Program the dollar cap is \$500,000). This has now been increased to 75% of Eligible Costs. The dollar amount cap remains unchanged.
 - See section 2.3.1
- *Timing of submission of Television Component and Digital Media Component applications clarified*
 - Generally, the CMF wishes to see Television Components and Digital Media Components produced simultaneously as part of a single, unified strategy for convergent projects. However, the CMF also wishes to provide flexibility to allow projects that did not originally apply to the CMF with a rich and substantial Digital Media Component to do so at a later date if they wish. Previously, the CMF stated that 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. Now that CMF has clarified that this does not apply where one of the components was funded by the CMF in a previous CMF fiscal year.
 - See section 3.2
- *Rules related to format buys clarified*
 - Foreign format buys with significant Canadian adaptation and creative contribution are eligible for CMF funding. Previously, however, some CMF rules regarding the ownership and control of the project could be interpreted as rendering format buys ineligible. The CMF has now clarified that, while applicants must own all rights (including copyright) and options necessary for the production and its distribution in Canada and abroad, appropriate exceptions for a purchased format will be made on a case-by-case basis.
 - In respect of Essential Requirement #2, the CMF may now allow, at its sole discretion, a format buy to meet this requirement notwithstanding that it does not receive two CAVCO points for Canadian writer(s) if there are Canadian writers that are significantly involved in the writing such that they obtain writing credits and that Canadians meaningfully control the adaptation of the format.
 - In respect of Essential Requirement #3, in the case of a format buy, the original owner of the format may now retain approval rights for creative elements and a non-Canadian consultant may be hired to ensure format elements are respected.
 - See sections 3.2.TV.3(f), 3.2.DM.3(d), and Appendix "A"
- *Television Components must be submitted for CMF funding prior to broadcast*
 - The CMF now requires that an eligible Television Component cannot have been broadcast prior to its application for CMF funding.
 - See section 3.2.TV.4(e)
- *For documentaries, flexibility for a non-Canadian narrator introduced*
 - Previously, Essential Requirement #2 for documentaries required a narrator to be Canadian. Now, at the CMF's sole discretion, one point, according to the CAVCO scale, may go to a non-Canadian narrator who has significant recognition among Canadian audiences and who is recognized as having an association with the subject of the documentary.
 - See Appendix "A"

- *For dramas, flexibility for generic or fantasy settings introduced*
 - Previously, Essential Requirement #1 for drama programming required that the project speaks to Canadians and is primarily intended for a Canadian audience. Now, as has been the case for children's & youth programming, greater flexibility for requirement has been introduced for projects with generic or fantasy settings. Such projects are allowed provide that: 1) the project must be identifiably Canadian where relevant and cannot be identifiably foreign; and 2) projects that incorporate well-known non-Canadian characters without incorporating any Canadian characters do not qualify for this exception.
 - See Appendix "A"
- *For variety and performing arts programming, flexibility on where the project is shot introduced*
 - Previously, Essential Requirement #4 stated that variety and performing arts projects had to be shot in Canada. Now, a new exception has been added, namely that the project does not have to be shot in Canada if it is meant to follow Canadian artists that are performing outside Canada.
 - See Appendix "A"
- *Rule on capping fees for production roles that exceed industry standards eliminated*
 - Previously, the portion of fees for other production roles (e.g. writer, showrunner, director, actor), which exceed industry standards were placed within the Producer Fees and Corporate Overhead Cap (PFCO), if paid to persons with an Ownership Interest. Now, this rule has been eliminated.
 - See Appendix "B", Producer Fees and Corporate Overhead Policy
- *Producer Fees and Corporate Overhead cap for low-budget Digital Media Components created*
 - Previously, all Digital Media Components, regardless of budget size, were subject to a cap on producer's fees and corporate overhead of 10% each of Sections B+C of the production budget. Now, for productions with budgets of less than \$100,000, this cap is 15% for producer's fees and 15% for corporate overhead, with all other projects remaining at 10% and 10% respectively.
 - See Appendix "B", Producer Fees and Corporate Overhead Policy
- *Completion protection and contingency rules adjusted*
 - Previously, for productions where the CMF contribution was less than \$250,000, and where an interim lender has stipulated binding completion protection requirements or where a completion guarantee is in place, the CMF stated it would generally accept the lender's or guarantor's requirements for contingency. Now, the CMF has extended this approach to all productions, regardless of the amount of the CMF contribution.
 - Previously, for productions where the CMF contribution was \$250,000 or more, the CMF required a minimum contingency of at least 6% of the B+C portions of the budget. Now, this rule has been eliminated since the CMF now accept the lender's or guarantor's requirements for contingency.
 - See Appendix "B", Completion Protection Policy
- *CMF recoupment and profit participation limited to seven years, except in cases of syndication*
 - Previously, when making an equity investment in a project the CMF would recoup its investment, and participate in any profits, from revenues generated from the exploitation of the project in perpetuity. Now, the CMF will stop recouping its investments and participating in profits after 7 years from the submission of the first exploitation report for the project. However, where revenues are generated pursuant to a syndication arrangement, the CMF may, at its sole discretion, elect to continue to recoup and/or participate in profits beyond 7 years.
 - See Appendix "B", Standard Recoupment Policy

Changes applicable to the Performance Envelope Program

- *Definition of “Regional Production” changed to take into account official language in minority settings*
 - Previously, the CMF’s definition of “Regional Production” did not take into account the official-language character of the project, so that a production based in Toronto or Montreal was considered non-regional regardless of whether the language of the production was English or French. Now, the definition takes the official language of the production in consideration, so that French-language projects based in Toronto and English-language projects based in Montreal are “Regional Productions”.
 - See section 2.1.1
- *Maximum Contributions for English-language Television Components harmonized to 49% of Eligible Costs*
 - Previously, for English-language projects, different Maximum Contribution amounts applied to different Television Component projects based on their genre and budget, often with different calculation methods used for different categories. This has now been simplified, with a single cap on CMF contributions to Television Components of 49% of Eligible Costs applying to all project types. Caps expressed as dollar amounts have been eliminated. As a result, presentation of this information in the Guidelines has been restructured, so that information on Maximum Contributions can now be found at sections 2.2 and 2.3.1, rather than as formerly presented as part of a table at section 2.4. Section 2.4 no longer exists in the Performance Envelope Guidelines.
 - See sections 2.2 and 2.3.1
- *Information on Licence Fee Thresholds moved*
 - As noted above, previously the CMF provided information on Maximum Contributions in a table at section 2.4, together with the applicable Licence Fee Threshold amounts. As a result of harmonization of all Maximum Contributions to 49%, the table formerly at section 2.4 now only contains information related to Licence Fee Thresholds, and as such has been moved to the section devoted to Licence Fee Thresholds, which is section 3.2.TV.5.1.
 - See section 3.2.TV.5.1
- *For French-language animated children’s & youth programming, Licence Fee Threshold reduced to 10%*
 - Previously, the Licence Fee Threshold applicable to French-language children’s & youth animation was 15% of the Television Component’s Eligible Costs. This has now been reduced to 10%.
 - See section 3.2.TV.5.1
- *Minimum commitment of Performance Envelope(s) to projects with Digital Media Components increased to 60%*
 - Previously, the CMF required that broadcasters commit at least 50% of their Performance Envelope to Eligible Projects that include a rich and substantial Digital Media Component. The CMF has now increased this to 60%. Also, previously, pre-existing Digital Media Components—i.e Digital Media Components that were neither “new” nor “sufficiently modified”—could count towards meeting a broadcasters minimum commitment, but at a reduced, 50% credit. Now, broadcasters will not receive any credit towards their minimum rich & substantial digital content commitment obligation for pre-existing content that has not been sufficiently modified.
 - See section 3.2.DM of the Performance Envelope Guidelines and section G.6 of the Performance Envelope Manual

Changes applicable to Production Programs that use a selective funding process (i.e. Aboriginal, Francophone Minority, English POV, and Diverse Languages)

- *Evaluation Grids harmonized and treatment of Digital Media Components clarified*
 - Section 2.4 of the Guidelines for selective programs consists of an Evaluation Grid, which states the basis on which the CMF judges applications. Evaluation Grids provide the criteria projects are evaluated upon and their respective values as reflected by a points system. Previously, each selective funding program had a different set of criteria and point values in its Evaluation Grid. The CMF has now harmonized these grids across selective programs, with standardized criteria and consistent weighting. In addition, the CMF has now clarified how many points are awarded in respect of the Television Component and how many in respect of the Digital Media Component

- See section 2.4

Changes applicable to the Aboriginal Program

- *Formal or curriculum-based educational programming made ineligible*
 - Previously, formal or curriculum-based educational programming was ineligible for all CMF television funding except in the Aboriginal Program and the Diverse Languages Program. Now, the CMF has harmonized its approach to this type of programming across all its funding programs so as to make formal or curriculum-based educational programming ineligible in all of them.
 - See section 3.2.TV.2
- *10% Licence Fee Threshold introduced*
 - A “Licence Fee Threshold” is the minimum amount of Eligible Licence Fees that a project must receive from one or more broadcasters to be eligible for CMF funding. Previously, there was no Licence Fee Threshold applicable to the Aboriginal Program. Now, the CMF has introduced a Licence Fee Threshold in the Aboriginal Program of 10% of the Television Component’s Eligible Costs.
 - See section 3.2.TV.5.1

Changes applicable to the Diverse Languages Program

- *Formal or curriculum-based educational programming made ineligible*
 - Previously, formal or curriculum-based educational programming was ineligible for all CMF television funding except in the Aboriginal Program and the Diverse Languages Program. Now, the CMF has harmonized its approach to this type of programming across all its funding programs so as to make formal or curriculum-based educational programming ineligible in all of them.
 - See section 3.2.TV.2

Changes applicable to the English Production Incentive

- *Calculation of the Incentive in the case of interprovincial coproductions clarified*
 - Interprovincial co-productions are eligible to receive funding from the English Production Incentive (EPI) in certain circumstances. The CMF has now clarified that where an interprovincial coproduction is between two or more provinces or territories which are all eligible under the EPI, the amount of the incentive will be calculated on the portion of the Television Component’s Eligible Costs associated with the province(s) or territory(ies) for which the CMF has implemented an English Production Incentive.
 - See English Production Incentive Guidelines
- *Rule against third or subsequent cycles of a series eliminated*
 - Previously, where the Television Component was a third or subsequent cycle of a series, the project was not eligible for the English Production Incentive. Now, this rule has been eliminated.
 - See English Production Incentive Guidelines

Changes applicable to the Convergent Digital Media Incentive

- *CMF contribution increased to 75% of Eligible Costs*
 - Previously the Convergent Digital Media Incentive was in the amount of 50% of a Digital Media Component’s Eligible Costs up to a per-project maximum of \$500,000. This contribution has now been increased to 75%. The \$500,000 dollar-amount cap remains in place.
 - See Convergent Digital Media Incentive Guidelines
- *Minimum budget introduced*
 - Previously, eligibility for the Convergent Digital Media Incentive was considered without regard to the size of the budget of the project. Now, the CMF has introduced a minimum budget requirement, so that the total of the Eligible Costs of the Digital Media Component must be \$100,000 or more.
 - See Convergent Digital Media Incentive Guidelines, paragraph (b)
- *Performance Envelope-related barrier to entry removed*
 - Previously, to be eligible for the Convergent Digital Media Incentive, the Digital Media Component had to have a commitment to receive financing from a Canadian broadcaster that had exceeded its

aggregate Performance Envelope spending on Digital Media Component(s) from the previous year by 25% or \$20,000, whichever was greater. Now this rule has been eliminated.

- See Convergent Digital Media Incentive Guidelines

Changes applicable to the Development Program

- *French-language development enveloped*
 - Previously, most French-language development funding was delivered through a selective funding mechanism while English-language development funding was delivered through English Development Envelopes. Now, in general, both French and English development funding is delivered through a Development Envelope mechanism, in which allocations of CMF program funds are made to Canadian broadcasters who then choose which development projects they wish to allot a portion of their Development Envelope. However, French Regional Development continues to be a separate sub-program delivered via a first-come-first-served funding mechanism.
 - See section 2.A of the Development Guidelines and the Development Manual
- *Convergence requirements relaxed and harmonized with production funding*
 - Previously, 100% of eligible projects in development had to have an associated rich and substantial Digital Media Component. Now, as in Convergent production programs, projects may be considered eligible for convergence purposes if the Television Component will be made available to Canadians by one or more CRTC-licensed video-on-demand services and or by a Canadian entity via non-simulcast digital distribution. As in production, broadcasters must commit at least 60% of their Development Envelope to Eligible Projects that include a Digital Media Component.
 - See section 3.2 of the Development Guidelines and section F.4 of the Development Manual
- *Rules related to format buys clarified*
 - Foreign format buys with significant Canadian adaptation and creative contribution are eligible for CMF funding. Previously, however, some CMF rules regarding the ownership and control of the project could be interpreted as rendering format buys ineligible. The CMF has now clarified that, while applicants must own all rights (including copyright) and options necessary for the production and its distribution in Canada and abroad, appropriate exceptions for a purchased format will be made on a case-by-case basis.
 - See sections 3.2.TV, 3.2.TV.3(f) and 3.2.DM.3(d)
- *Definition of “Regional Development Project” changed to take into account the official language of the project*
 - Previously, the CMF’s definition of “Regional Development Project” did not take into account the official-language character of the project, so that a project based in Toronto, Montreal or Vancouver was considered non-regional regardless of whether the language of the project was English or French. Now, the definition takes the official language of the project in consideration, so that English-language projects based in Montreal are “Regional Development Projects”.
 - See section 2.A.1.1
- *Travel costs incurred to meet Canadian key creative personnel now eligible pre-development costs*
 - Previously, where the CMF funded pre-development, travel expenses incurred to meet Canadian broadcasters was an eligible pre-development cost. Now, travel costs incurred to meet Canadian key creative personnel are also eligible pre-development costs.
 - See section 2.3.2.TV.2
- *Completion of previous phases no longer required*
 - Previously, Eligible Projects must have completed all previous phases of development (and have received the final disbursement for the prior phase) before applying for a new phase. Now, this rule has been eliminated and is no longer a CMF requirement.
 - See section 3.2.TV
- *“First Closing Date” introduced for Development Envelopes*
 - Previously, for English Development Envelopes, the CMF had only a “Final Closing Date”, which was the final application deadline for submitting applications for the fiscal year. Now, in addition to a Final Closing Date, Development Envelope projects, both in English and French, have a First Closing Date

of October 30, 2012, by which date applicable broadcasters must spend 50% of their Development Envelopes. This First Closing Date applies to English-language Development Envelopes of over \$1 million and French-language Development Envelopes of over \$500,000. Projects submitted after the First Closing Date cannot apply for CMF production funding in the same CMF fiscal year.

- See the CMF website

Changes applicable to the Versioning Program

- *Rules applicable to Television Components and Digital Media Components clarified*
 - Previously, Television and/or Digital Media Components could receive funding in the Versioning Program, but the requirements specific to each one were not always clear. Now, the CMF has clarified which requirements apply to which component(s).
 - See sections 2.3 and 3.2
- *Maximum Contribution percentages harmonized*
 - Previously, the CMF had different Maximum Contribution Amounts, expressed as a percentage of the Eligible Costs in versioning, applicable to different categories of Television Component. Generally a Maximum Contribution of 75% of Eligible Costs applied, though for marketing pilots or single episodes and for projects to be distributed in specialized markets the Maximum Contribution was 80%. Now, these percentages have been harmonized and simplified, with a single percentage—75%-applicable to all Television Components. Maximum Contributions expressed as per-minute dollar amounts by genre still apply.
 - See section 2.3.1.TV
- *CMF may fund costs incurred prior to confirmation of CMF funding*
 - Previously the CMF stated that no work carried out without prior written confirmation of CMF funding shall constitute an Eligible Cost. Now, this requirement has been eliminated.
 - See section 2.3.2
- *Requirement to obtain multiple quotes eliminated*
 - Previously, the CMF reserved the right to request that the Applicant obtain multiple quotes from service providers in order to assess the reasonableness of proposed versioning costs. This rule has now been eliminated.
 - See section 2.3.2