



**VERSIONING
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 VERSIONING 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 Versioning Program, which forms part of the CMF’s Convergent Stream, strives to increase the reach of existing programming to Canadians through language versioning. Versioning also increases the revenue earned by Canadian producers through national and international sales.

The CMF contributes to Eligible Projects (see [section 3.2](#)) in the Versioning Program on a first come, first served basis until resources are depleted. The CMF may contribute to Eligible Projects subject to specified Maximum Contribution amounts (see [section 2.3.1](#)) and other specified limitations. Maximum Contribution amounts are calculated based upon a project’s Eligible Costs (see [section 2.3.2](#)).

2.2 NATURE OF FUNDING CONTRIBUTION

Assistance will be provided in the form of a non-repayable contribution.

2.3 AMOUNT OF FUNDING CONTRIBUTION

2.3.1 CMF Contribution

The CMF may contribute to an Eligible Project an amount equal to the Eligible Costs of the project minus the project’s broadcast licence fee or financing from any other sources, subject to the applicable Maximum Contribution.

2.3.1.TV CMF Contribution to the Television Component

The Maximum Contribution for a Television Component is the lesser of 75% of its Eligible Costs and the applicable amount stated in the following chart:

Television Component Versioning Expenses and Services

Drama	Children's & Youth	Animation	Documentary	Variety & Performing Arts
\$418/min.	\$418/min.	\$418/min.	\$180/min.	\$180/min.

2.3.1.DM CMF Contribution to the Digital Media Component

For Digital Media Components, the Maximum Contribution is 75% of Eligible Costs.

2.3.2 Eligible Costs

Eligible Costs are the budgeted or final costs of the project, as applicable (including both related-party and non-related party costs), plus any costs the 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 CMF estimates Eligible Costs at the time of application, based upon the versioning budget for the project.

Eligible Costs in this Program are versioning expenses and services carried out in Canada by qualified, private-sector companies, using Canadian artists, actors, employees and technicians (as applicable) and which were not included in the original language production budget.

Eligible Costs may include the Applicant's eligible distribution fees. Eligible distribution fees for Applicants which are producers are 15% of the Television Component's eligible broadcast licence fees or foreign sales contract. Eligible distribution fees for Applicants which are distributors are 30% of the Television Component's eligible broadcast licence fees or foreign sales contract.

See [Section 3.2.TV.1](#) for more on eligible broadcast licence fees and foreign sales contracts.

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

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

The Applicant must provide a versioning budget which must:

- a) Define those activities that constitute an Eligible Cost through this Program, including all tasks from the pre-production phase (receipt of material to be versioned) to the submission of the required version (final copy); and
- b) Identify the costs for each of the tasks required. The budget also allows for reasonable administrative expenses incurred by the versioning company, up to a maximum of 10% of the budget (with no pyramiding of fees allowed). In addition, the Applicant is allowed to include expenses incurred in coordinating the versioning process up to a maximum of the lesser of 5% of the budget, or \$5,000.

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

2.3.2.1 Related-Party Transactions

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

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

3. ELIGIBILITY FOR FUNDING

3.1 ELIGIBLE APPLICANTS

An eligible Applicant to the CMF is either:

- 1) A company that:
 - a) is for-profit: i.e. a taxable Canadian corporation, within the meaning of the *Income Tax Act (Canada)*;
 - 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).

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 or distribution companies without established parent companies); and
- c) Whether or not the Applicant operates principally as an interactive, television or film production or distribution entity, or is a Canadian broadcaster

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

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

3.2 ELIGIBLE PROJECTS

An Eligible Project is a Television Component and/or a Digital Media Component that has received production financing support in any year from the CTF for the Convergent Stream of the CMF. Funding may be provided for a Television Component alone, a Digital Media Component alone, or both components together.

An Eligible Project must be completed in its original language to be eligible under the Versioning Program. The CMF will not usually contribute funding towards the versioning of a project where there already exists a similar version of that project in the same language for commercial release. In some cases, however, the CMF may fund changes to versions if the project was versioned in Canada. The CMF may contribute towards the versioning of a project that already exists in the target language where such versioning would improve its relevance to the Canadian market.

3.2.TV.1 Basic Requirements for the Television Component

The Television Component must be completed in its original language to be eligible under the Versioning Program, however, in the case of series, an episode of that series must be completed in its original language before the series can be submitted to the CMF in this Program.

Television Components must have either*:

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

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

**Note: Except for television pilots, or single episodes of a series or mini-series, and for the purposes of previewing or marketing that pilot, series or mini-series.*

3.2.TV.2 Other Conditions and Requirements for the Television Component

Other Conditions and Requirements for Eligible Projects include:

- a) Availability of the Dubbed or Subtitled Version: In cases where an Applicant does not have exclusive distribution rights in all markets for a production, the Applicant must guarantee that the production versioned with the assistance of the CMF be made available either to the Canadian producer or to any distribution or foreign sales company appointed by the Canadian producer;
- b) Distribution, Partnership and Sub-Distribution: Any business association or sub-distribution agreement involving the marketing of the versioned production in any market sector and any media in Canada must be made only with Canadian (as defined in the Investment Canada Act) companies with recognized expertise in these markets. The contractual agreement must be filed with the CMF, and the terms of the agreement must be acceptable to the CMF; and
- c) Companies Active in Specialized Markets: The CMF may help finance the versioning of Eligible Projects to be distributed in specialized markets (i.e. other than commercial theatres or public or private commercial broadcasts). Companies applying for versioning assistance must have proven marketing expertise in these areas and a sufficient volume of business in this sector.

3.2.DM.1 Basic Requirements For The Digital Media Component

Digital media components must:

- a) be associated with a television component that meets the requirements of sections 3.2.TV.1 and 3.2.TV.2 above; and
 - b) have a commitment from a broadcaster or other applicable entity to make the digital media component available to the public in a meaningful way in conjunction with the television component.
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