



CANADA
MEDIA FUND

FONDS DES MÉDIAS
DU CANADA

PROTOTYPING PROGRAM GUIDELINES 2023-2024

Please be advised, in response to the disruption in Canada's screen-based industries caused by the COVID-19 pandemic, there may be specific exceptions to the following Guidelines found in the [COVID-19 Flexibility Measures to CMF Programs - 2023-2024](#).

Please refer to that separate document to determine if there is any flexibility to the requirements, contribution amounts and policies listed herein.

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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 herein). 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 its Programs, Guidelines, Agreements and whether Applicants and/or Projects meet the spirit and intent of any CMF policy, 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 as specific appendices to Programs in the Experimental Stream), 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 the CMF receives all relevant documentation, and to update such documentation and information after a material change. The CMF may request other documentation and information 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 other outcomes:

- Loss of eligibility for funding of the current Project;
- Loss of eligibility for funding of future Projects;
- Repayment of any funds already advanced, with interest; and/or
- 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.

PERSONA-ID self-identification information

The PERSONA-ID self-identification allows individuals to disclose their demographic information directly and securely to the Canada Media Fund (CMF).

The CMF shall rely solely on the self-identification information associated with each individual's PERSONA-ID number to determine (as applicable) eligibility for Programs, exclusive reserved portions of Program budgets, Performance and Development Envelope credit, Evaluation Grid points and/or for statistical and analytical purposes.

All PERSONA-ID self-identification information in connection with the Project is provided in accordance with the [PERSONA-ID Terms of Use & Privacy](#).

For more information about PERSONA-ID, please visit the [CMF's PERSONA-ID page](#).

2. HOW THE PROTOTYPING PROGRAM WORKS

2.1 INTRODUCTION

The Prototyping Program allocates funding to Canadian interactive digital media Projects at the early stages of building a product to demonstrate its intended functionalities and design. Specifically, this phase is for experimenting, testing and validating different concepts and hypotheses to arrive at a first functional prototype. For clarity, the product will require a further production phase in order to be published or sold and will not be finished at the end of the Prototyping phase.

The Prototyping Program shall fund Projects through a selective process in which Eligible Projects (see section 3.2) are assessed according to an evaluation grid (see section 2.4).

2.1.1 Definitions Applicable to the Prototyping Program: Canadian Broadcaster, Diverse Community Project

Canadian Broadcaster

Any of the following will be considered a “Canadian Broadcaster”:

- a. A Canadian programming undertaking, public or private, licensed to operate by the Canadian Radio-television and Telecommunications Commission (CRTC)¹;
- b. An online service² owned, controlled and operated by a Canadian CRTC- licensed programming undertaking;
- c. An online service³ owned, controlled and operated by a Canadian broadcasting distribution undertaking (“BDU”), licensed to operate by the CRTC; and
- d. CRTC-licensed VOD services.

Diverse Community Project

A Diverse Community Project in this Program is a Project in which at least 40% of the cumulative paid⁴ Eligible Positions are held by members of one (or a combination) of the Diverse Communities noted below.

For clarity, “Eligible Positions” shall be defined as Producer, Executive Producer, Director (including Technical Director, Creative Director, Art Director, and Interactive Director), Senior Programmer, Designer, and Project Manager.

For the purposes of the CMF’s 2023-2024 Guidelines, the term “Diverse Community” refers to the following groups:

- a) Indigenous peoples to Canada (i.e., First Nations, Inuit and Métis);
- b) Racialized Communities (i.e. Black People and People of colour);
- c) Members of the 2SLGBTQ+ community;
- d) Persons with disabilities/Disabled persons.

The CMF defines each of these groups in more detail in [Appendix A](#) of these Guidelines.

¹This includes exempt broadcasters regulated by the CRTC via *Broadcasting Order CRTC 2015-88*.

² This includes services accessed via a set-top box.

³ This includes services accessed via a set-top box.

⁴Only paid positions will count towards the evaluation of Diverse Community positions and the information provided in the Project’s budget will take precedence.

2.2 NATURE OF FUNDING CONTRIBUTION

Successful Applicants receive funding in the form of a non-interest-bearing advance that will be repayable to the CMF according to the conditions described, in part, below.

2.2.1 Repayment of the Prototyping Program Repayable Advance

If the Project which received support through this Program goes into production, and the CMF:

- *Does provide production funding* (through Innovation & Experimentation or Commercial Projects Programs) to the Project, the support awarded through this Prototyping Program (including any support awarded through the Conceptualization Program) will become part of the Project's production costs, the CMF repayable advance will form part of the production financing, and as such the repayable advance will be converted into a recoupable investment in the production and treated in accordance with the CMF's Experimental Stream business policies.
- *Does not provide production funding* to the Project, the Applicant may have the option to either:
 - repay the entire repayable advance (including any support awarded through the Conceptualization Program) no later than the first day of the start of production of the Project that will be commercialized; or
 - after a formal request by the Applicant and subsequent evaluation and acceptance by the CMF, allow the repayable advance to be converted into a recoupable investment in the production.

2.2.2 Sale, Transfer, or Other Disposition of the Project

Should Project materials or intellectual property which received support in this Program be sold, transferred or otherwise disposed of to an entity unrelated to the Applicant(s), the entire CMF contribution must be repaid immediately upon the sale, transfer, or disposition.

2.3 AMOUNT OF FUNDING CONTRIBUTION

2.3.1 CMF Contribution

Maximum Contribution

A single Eligible Project may receive funding from the CMF's Conceptualization, Prototyping and either of its Experimental Stream Production Programs either alone or in combination with each other, but in no case will the total CMF contribution exceed \$1.5 million towards a single Project.

In this Program, successful Applicants receive funding in an amount appropriate to the needs of the Project subject to a Maximum Contribution of the lesser of 75% of the Project's Eligible Costs or \$250,000.

2.3.2 Eligible Costs

Eligible Costs are real and verifiable costs set out in the budget for the Project or the final cost report, as applicable (including both related- party and non-related-party costs), plus costs the CMF considers necessary⁵, and minus costs that the CMF considers excessive, inflated or unreasonable.

⁵ Gifts made to Indigenous communities recognized as cultural practice and referenced in the [On-Screen Protocols & Pathways Media Production Guide](#) will be accepted as Eligible Costs.

Eligible Costs must be costs directly related to the Project, including but not limited to:

- Research and preparation of content
- Salaries and benefits/wages/contracts for Project team (Project management, business development, coding, design, system infrastructure, content development)
- Technology infrastructure (hardware and software)
- Expenses to put content online, including copyright clearance, documentation, design and development of the prototype, translation costs
- Travel and accommodations
- Project audit fees
- Other technical and administrative expenses
- Marketing and promotion
- Reasonable costs related to environmentally-sustainable activities, practices and personnel connected to the project

Core business operations or capital expenditures of the applicants, such as rent, purchase of real estate, and maintenance costs, are not Eligible Costs.

All related-party and capital expenditures must be established in accordance with generally accepted accounting principles and CMF [Accounting and Reporting Requirements](#), and disclosed to the CMF. Projects must be protected in accordance with the CMF [Insurance Policy](#).

Assessment of a Project's Eligible Costs shall be done at the CMF's sole discretion.

2.4 EVALUATION GRID

The CMF chooses successful Projects in the Prototyping Program according to the following evaluation grid. Please note that the CMF reserves the right to limit how many Projects are awarded funding to a single Applicant.

Assessment Criteria - PROTOTYPING	Weight
<p>Team (11%)</p> <ul style="list-style-type: none">▪ Experience and achievements of the studio within the interactive digital media industry.▪ Professional experience and achievements of team members within the interactive digital media industry.▪ Experience and track record of team members working with one another.▪ Feasibility of the team assembled to carry out and deliver the project. <p>Parity (2%)</p> <ul style="list-style-type: none">▪ 40% of the cumulative paid⁶ Eligible Positions on the Team are held by individuals that identify as women. <p>For clarity, "Eligible Positions" shall be defined as Producer, Executive Producer, Director (including Technical Director, Creative Director, Art Director, and Interactive Director), Senior Programmer, Designer, and Project Manager.</p> <p>Diversity (2%)</p> <ul style="list-style-type: none">▪ 40% of the cumulative paid⁷ Eligible Positions on the Team are held by members of a Diverse Community (as defined in section 2.1.1). <p>For clarity, "Eligible Positions" shall be defined as Producer, Executive Producer, Director (including Technical Director, Creative Director, Art Director, and Interactive Director), Senior Programmer, Designer, and Project Manager.</p>	15%

⁶Only paid positions will count towards the evaluation of Gender positions and the information provided in the Project's budget will take precedence.

⁷Only paid positions will count towards the evaluation of Diverse Community positions and the information provided in the Project's budget will take precedence.

<p>Narrative Positioning Statement</p> <ul style="list-style-type: none"> ▪ Quality and degree to which the Applicant and Creative and Production Teams are well-positioned to create this Project. <p>For additional clarity, the Narrative Positioning Statement will be evaluated on:</p> <ul style="list-style-type: none"> • any relevant information such as relationship to the content, any lived experience with the content, or the Applicant's interest in producing this content; • if the Project includes or reflects storylines, main characters or subject matter related to one or more Sovereignty- and/or Equity-Seeking Communities, the steps that the Applicant and the Production and Creative Teams have undertaken and will undertake to create the content responsibly, thoughtfully and without harm. 	<p>5%</p>
<p>Originality, Creativity and Advancement</p> <ul style="list-style-type: none"> ▪ Originality, quality and relevance of content and form. ▪ Quality and sophistication of design elements and programming. ▪ Quality and distinctiveness of user experience and interactivity. ▪ Either: <ul style="list-style-type: none"> ○ Development and/or integration of innovative technologies; or ○ Marquee elements or distinctive elements that can maximize the revenue potential 	<p>60%</p>
<p>Financial Viability</p> <ul style="list-style-type: none"> ▪ Budget relevance and financial structure risk. ▪ Applicant's financial stability in relation to the size of the Project. ▪ Risk level assumed by the CMF and the applicant. ▪ Relevance of preliminary revenue model. 	<p>15%</p>
<p>Strategic Positioning and Marketing</p> <p>Market Study</p> <ul style="list-style-type: none"> ▪ Audience analysis ▪ Market analysis ▪ Positioning and competitive advantages 	<p>5%</p>

3. ELIGIBILITY FOR FUNDING

3.1 ELIGIBLE APPLICANTS

An Eligible Applicant to the CMF is either a for-profit (i.e., a taxable Canadian corporation, within the meaning of Canada's *Income Tax Act*) Canadian corporation or Canadian Broadcaster (defined in section 2.1.1 above) that:

- a) Is Canadian-controlled as determined in sections 26 to 28 of the *Investment Canada Act*.
- b) Has its head office in Canada.
- c) Is in good standing with all applicable talent and industry associations and guilds.
- d) Has affirmed and attested that the Project submitted for funding complies with the [CMF's Narrative Positioning Policy](#).

AND

- e) All individuals that own and control the Applicant company/Applicant Canadian Broadcaster have registered for a PERSONA-ID account(s) and have provided this account number as part of their Application.

Note: Not-for-profit corporations are not Eligible Applicants to the CMF, however coproductions or partnerships between for-profit and not-for-profit corporations may be allowed where the not-for-profit corporation holds a minority interest in the Project; in such a case the CMF will only contribute to the Eligible Costs related to the for-profit corporation.

An Eligible Applicant must own and control all the rights necessary to produce and exploit the Project that is the subject of the application at every stage of the Project's life-cycle, including Prototyping; entities that provide services but do not own the applicable rights are not eligible to be applicants to the CMF.

Note: For the purposes of these Guidelines, the term Applicant includes all coapplicants, and/or all Related Parties (defined in [Appendix B](#), associated, affiliated or parent companies and/or individuals (as determined by the CMF at its sole discretion), as applicable.

3.2 ELIGIBLE PROJECTS

The Experimental Stream's Prototyping Program seeks to support Canadian interactive digital media content and application software.

3.2.1 Canadian Elements

An Eligible Project must meet the following criteria:

- a) Its underlying rights are owned, and significantly and meaningfully developed, by Canadians.
- b) It is produced in Canada, with at least 75% of its Eligible Costs being Canadian costs for Prototyping and Production; and at least 50% of its Eligible Costs being Canadian costs for Marketing.
- c) It is, and remains throughout its production, under Canadian ownership and Canadian executive, creative, and financial control.

Digital media coproductions are eligible if they comply with the [Framework for international digital media coproduction](#).

3.2.2 Types of Content/Applications

An Eligible Project must be digital media content and/or application software that is interactive and is connected to the Canadian cultural sector.

3.2.2.1 Digital Media Content/Applications

The Prototyping Program will fund a variety of innovative, interactive content/applications, including but not limited to:

- Web applications;
- Mobile applications;
- Software applications with a connection to the Canadian cultural sector;
- Videogames, whether for PC, console, handheld console, mobile, or other platforms; or
- Interactive/Immersive Projects that contain audio⁸ or audiovisual content.

The CMF does not wish to unduly limit the types of content or applications that it funds, and applicants with innovative Project proposals are encouraged to apply. The following is a non-exhaustive list of types of Projects that are ineligible for the Experimental Program:

- Products with a specific corporate, industrial or mainly promotional focus;
- Curriculum-based products (including but not limited to e-learning applications, software and technologies);
- Projects which essentially serve the Applicant's current activities, including obtaining contracts or orders from other businesses;
- Partial or split Projects (and Project portions) that cannot be independently exploited;
- Project porting or Project adaptation from one platform to another;
- Catalogues or compilations of repurposed material, presented without benefit of new, value-added original content;
- System software;
- Pure research and development, such as Projects or activities that would be eligible for the Federal Scientific Research and Experimental Development Tax Incentive Program (SR&ED) or the National Research Council of Canada Industrial Research Assistance Program (IRAP);
- Any type of gambling using real currency (i.e. casino-type games, cryptocurrency wagers, etc.);
- Gamification of non-cultural content (e.g., scientific, research, medical, etc.); or
- Digital marketplaces (i.e. music, television and film streaming services, virtual auctions, NFT stores, etc.).

3.2.2.2 Interactivity

Eligible Projects in the Prototyping Program must be interactive. Interactivity is defined as a meaningful participatory experience between the user and a product/technology (including but not limited to immersive technologies that engage and stimulate the user's senses to create perceptually-real sensations), or the user and other users as enabled by the product/technology. Projects that use the internet or mobile platforms to distribute linear content without significant interactive feature(s) are not eligible.

In determining whether a Project is "interactive," the CMF will look at the Project as a whole. As such, an Eligible Project may contain both interactive and linear components, as long as the overall user experience involves a significant degree of interactivity.

⁸ Only audio XR projects with a deep immersive experience will be considered for eligibility, linear audio projects (e.g., podcasts) will not.

3.2.3 Miscellaneous Requirements

- a) An Eligible Project 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 libelous or in any other way unlawful.
- b) An Eligible Project must also comply with any applicable privacy laws and regulations.
- c) A Project that has been refused funding from a particular Program activity (i.e., Prototyping, Production, or Marketing & Promotion) two (2) or more times since 2010-2011 cannot apply again for CMF-funding for that same Program activity.
- d) The CMF may commit to up to 50% of this Program's allocation for Applications submitted on the First Closing Date. The CMF will make the remainder of the allocation available for the Second Closing Date.
- e) When working with First Nations, Métis and Inuit communities, cultures, concepts and stories, the CMF encourages all Applicants to respect the guiding principles and best practices set out in the [On-Screen Protocols & Pathways Media Production Guide](#).
- f) The CMF encourages all Applicants to implement more environmentally-sustainable practices and cleaner technologies – and reduce the use of unsustainable resources – in the creation and exploitation of their Projects.