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# **BROADCASTER ENVELOPE MANUAL 2024-2025**

## TABLE OF CONTENTS

<b>A.</b>	<b>INTRODUCTION</b>	<b>4</b>
<b>A.1</b>	SUMMARY OF CHANGES	4
<b>B.</b>	<b>BROADCASTER ENVELOPE OVERVIEW</b>	<b>5</b>
B.1	BROADCASTER ENVELOPE BACKGROUND	5
B.2	WHAT IS A BROADCASTER ENVELOPE ALLOCATION?	5
B.2.1	Broadcast Ownership Groups	6
B.3	THE ROLE OF THE BROADCASTER	6
B.3.1	Communications with Broadcasters and the CMF Website	6
B.4	THE ROLE OF THE APPLICANT	7
B.5	THE ROLE OF CMF AND TELEFILM - CMFPA	7
<b>C.</b>	<b>2024-2025 BROADCASTER ENVELOPE ALLOCATION MANAGEMENT POLICIES</b>	<b>8</b>
C.1	BROADCASTER ENVELOPE ALLOCATION AGREEMENT LETTERS	8
C.2	BROADCASTER ENVELOPE CONTRIBUTIONS	8
C.2.1	Broadcaster Agreement Form	8
C.2.2	CMF Funding Application Deadlines	9
C.2.3	Small Broadcaster Exemption	10
C.2.4	Gender Balance Requirement	10
C.2.5	In-House and Broadcaster-Affiliated Programming	10
C.2.6	Narrative Positioning Policy	11
C.3	BROADCASTER STATUS REPORTS	11
C.4	REUSING REPAID DEVELOPMENT ADVANCES	11
C.5	REALLOCATING BE ALLOCATION FUNDS DUE TO PROJECT INELIGIBILITY	12
<b>D.</b>	<b>BROADCASTER ENVELOPE PENALTIES FOR NON-COMPLIANCE WITH OBLIGATIONS AND REQUIREMENTS</b>	<b>13</b>
D.1	GENDER BALANCE REQUIREMENT PENALTY	13
D.2	POST-ALLOCATION WITHDRAWAL PENALTY	13
<b>E.</b>	<b>CALCULATION OF 2024-2025 BROADCASTER ENVELOPES AND ALLOCATIONS</b>	<b>14</b>
E.1	TYPES OF ENVELOPES AND ALLOCATIONS	14
E.2	PERFORMANCE FACTORS	14
E.3	MINIMUM ALLOCATION	14
E.4	INTERPRETING BROADCASTER ENVELOPE ALLOCATION RESULTS	14
E.4.1	Performance Factor Credit Dollars versus Broadcaster Envelope Allocation Dollars	14
E.4.2	Year-over-year Broadcaster Envelope Allocation Fluctuations	15
E.5	ALTERNATIVE ACCESS TO THE BROADCASTER ENVELOPE PROGRAM	15
E.6	ENGLISH AND FRENCH ENVELOPES – PRODUCTION PERFORMANCE FACTORS	15

E.6.1 THE BUDGETS ARE SET ..... 15

E.6.2 PERFORMANCE FACTORS ARE DETERMINED ..... 16

    E.6.2.1 Audience Success ..... 16

    E.6.2.2 Historic Performance..... 17

    E.6.2.3 Regional Production Licences ..... 18

    E.6.2.4 Over-the-Top First Run Licences ..... 19

    E.6.2.5 Diverse Community Production Licences Factor ..... 19

---

    E.6.2.6 In-House and Broadcaster-Affiliated Production cap on the Regional Production Licences, OTT First Run Licences Factors, and the Diverse Community Production Licences Factor..... 20

---

E.6.3 PERFORMANCE FACTOR WEIGHTS ARE SET ..... 20

E.6.4 PERFORMANCE FACTOR SHARES ARE DETERMINED ..... 20

E.7 ENGLISH AND FRENCH ENVELOPES – DEVELOPMENT PERFORMANCE FACTORS ..... 21

E.7.1 DEVELOPMENT BUDGETS ARE SET ..... 21

E.7.2 DEVELOPMENT PERFORMANCE FACTORS AND WEIGHTS ARE DETERMINED ..... 21

    E.7.2.1 Historic Performance Factor..... 22

    E.7.2.2 Diverse Community Development Fee Factor ..... 22

    E.7.2.3 Production Performance Factor in Development Allocations ..... 23

E.7.3 DEVELOPMENT PERFORMANCE FACTOR SHARES ARE DETERMINED ..... 23

E.8 DIVERSE LANGUAGES ENVELOPES – PERFORMANCE FACTORS..... 23

E.8.1 DIVERSE LANGUAGES BUDGETS ARE SET ..... 23

E.8.2 DIVERSE LANGUAGES PERFORMANCE FACTORS AND WEIGHTS ARE DETERMINED ..... 24

    E.8.2.1 Historic Performance Factor..... 24

E.8.3 DIVERSE LANGUAGES PERFORMANCE FACTOR SHARES ARE DETERMINED ..... 24

**F. CALCULATION OF 2025-2026 BROADCASTER ENVELOPES AND ALLOCATIONS ..... 25**

F.1 BE PERFORMANCE FACTORS AND WEIGHTS FOR 2025-2026 ENVELOPE ALLOCATIONS ..... 25

F.2 NEW PERFORMANCE FACTORS FOR 2025-2026 ..... 25

F.2.1 DIVERSE COMMUNITY (KEY PERSONNEL) PRODUCTION LICENCES ..... 25

F.2.2 GENDER BALANCE (OWNERSHIP) PRODUCTION LICENCES..... 26

F.2.3 GENDER BALANCE (KEY PERSONNEL) PRODUCTION LICENCES..... 26

F.2.4 INTERNATIONAL PARTICIPATION ..... 26

F.2.5 DEVELOPMENT HISTORIC PERFORMANCE..... 26

**G. 2024-2025 BE CALENDAR ..... 27**

**SCHEDULE A – DISPUTE RESOLUTION PROCESS..... 28**

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## A. INTRODUCTION

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This Broadcaster Envelope Manual (the “**Manual**”) is intended to provide Canadian Broadcasters (“**Broadcaster**”) with a customized guide to the following:

- [English and French Broadcaster Envelope \(EF Envelope\) Program](#) for Broadcasters with an English and/or French Envelope Allocation (or English and French Broadcaster Envelope Alternative Access);
- [Diverse Languages Broadcaster Envelope \(DL Envelope\) Program](#) for Broadcasters with a Diverse Languages Envelope Allocation (or Diverse Languages Broadcaster Envelope Alternative Access) (collectively, the EF Envelope and DL Envelope shall be referred to as the **Broadcaster Envelopes** or **BE**);
- Details on the methodology by which the 2024-2025 Broadcaster Envelope Allocations were calculated, as well as the policies which govern their management and usage.

This Manual is intended to complement both the EF Envelope and DL Envelope Program Guidelines (the “**Guidelines**”) which contain information on project funding eligibility criteria. It is strongly recommended that Broadcasters who have earned (or who seek to earn) a Broadcaster Envelope Allocation familiarize themselves with the Guidelines. They can be found on the CMF website at [cmf-fmc.ca](http://cmf-fmc.ca).

Broadcasters<sup>1</sup> with EF and/or DL Envelope Allocations, as well as everyone on the CMF mailing list, will be notified by email if updates are made during the fiscal year.

This Manual is provided for informational purposes only. In all questions of interpretation of this Manual, the CMF’s interpretation is final. The determination of the amount of each Broadcaster’s EF and/or DL Envelope Allocation in each fiscal year is made by the CMF alone and is final.

Terminology used but not defined in this Manual shall have the meaning as defined in the Guidelines.

### A.1 SUMMARY OF CHANGES

Below is a list of changes to the BE system which have been incorporated into this document and in the Guidelines and Business Policies:

1. **English and French Broadcaster Envelope allocations can be used for both Development and Production Linear content Eligible Projects (see the [Broadcaster Envelope Program Guidelines – English and French](#)).**
2. **Diverse Language Broadcaster Envelope allocations have been allotted to Diverse Languages Broadcasters for Diverse Languages Linear productions (see the [Broadcaster Envelope Program – Diverse Languages Guidelines](#)).**
3. **Broadcaster Envelope Allocations can be used for any eligible genre of Linear content (see [Appendix A](#)).**
4. **The Documentary genre allocation calculation has been divided into portions for one-off documentaries and series documentaries (see section E.6.1).**
5. **The COVID-19 Flexibility Measures have been discontinued (with the exception of the 100% flex allowance – which allows Canadian Broadcasters to license projects in any of the CMF’s four programming genres – which will be maintained for 2024-2025).**
6. **Performance Factors will be in effect for the 2025-2026 BE Allocation calculations (see section F).**

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<sup>1</sup>For the sake of simplicity, this Manual refers to Envelope Allocation users as “**Broadcasters**” whether they are a Broadcaster ownership group or an independent Broadcaster.

## B. BROADCASTER ENVELOPE OVERVIEW

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### B.1 BROADCASTER ENVELOPE BACKGROUND

The BE system is designed to provide funding predictability to both the Broadcaster and production communities by allocating funds to Broadcasters at the beginning of each fiscal year based on selected performance criteria. Broadcasters can then choose which of their licensed projects will be submitted for funding approval, bringing the decision-making process as close as possible to market forces.

### B.2 WHAT IS A BROADCASTER ENVELOPE ALLOCATION?

A BE Allocation is an amount of CMF funding made available to a Broadcaster<sup>2</sup> to commit to an Eligible Project (as defined in the applicable Guidelines). The amount of funds allocated to each Broadcaster is calculated annually based on performance factors outlined in section E (“**Performance Factors**”). Once the calculations are complete, each Broadcaster is notified of its results.

At the beginning of the CMF fiscal year, Broadcasters receive an Allocation letter outlining the amount of funding that has been made available to them.

BE Allocations must be committed to Eligible Projects within the same fiscal year they are allocated to Broadcasters. Allocations that remain uncommitted by the published deadline are placed in the CMF’s reserve fund.

Broadcasters that do not receive a BE Allocation may use the Alternative Access option (see section E.5).

BE Allocations may be committed to Eligible Projects in any eligible CMF genre.

As BE Allocations are distributed (as applicable) by language, they may only be used if a Broadcaster has purchased the rights to that project in that same language.<sup>3</sup>

The CMF calculates BE Allocations each fiscal year to account for changes in Broadcaster performance within the specific Performance Factors. This also gives the CMF an opportunity to modify the nature of the Performance Factors used in BE Allocation calculations (as well as their relative weight, if necessary) to ensure the system remains in harmony with the CMF’s mandate and objectives.

It is important to note that BE Allocations are not paid to Broadcasters. Rather, these funds are committed to Eligible Projects by Broadcasters through their BE Allocation, and any funds paid out by the CMF are paid directly to the applicable production company of an Eligible Project (the “**Applicant**”).

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<sup>2</sup> For clarity, a “Broadcaster” used in this Manual meets the Canadian Broadcaster definition in [Appendix A](#).

<sup>3</sup> For example, a Broadcaster with a French-language Broadcaster Envelope may only allocate those funds to a project for which they have purchased the French-language rights.

## **B.2.1 Broadcaster Ownership Groups**

Broadcasters affiliated by ownership to a parent company shall be allotted an Allocation as a group to that parent company (and by language, if applicable). If an eligible service affiliated to the group seeks to participate in the BE Program, such service shall use the group's Allocation to support licensed projects. For clarity, this requirement applies to parent companies that operate both a Broadcaster and a BDU. Broadcasters that are independent of a group (e.g., TVO or Télé-Québec) receive an individual BE Allocation.

Where a Broadcaster's ownership is shared by more than one ownership group, the CMF will review a signed letter from all relevant parties concerned and make any exceptions to its ownership group allocation policy on a case-by-case basis, in its sole discretion, advising the CMF of the appropriate ownership group designation for Allocation management purposes.

The CMF publishes lists of Broadcasters that have received BE Allocations in the current year. These lists can be found at the [CMF website](#) under the "[Envelope Administration](#)" section.

### **B.2.1.1 Change of Broadcaster Ownership**

Where the ownership of an individual service changes and the change is approved by the CRTC, the parties involved must notify the CMF of the change and direct the CMF to effect this change to the applicable BE Allocations. The notification and direction must be in writing and signed by both parties. It should include details as to the transfer of licences for CMF-funded projects so that the CMF can properly assign BE Allocation calculation credit. Absent such notification and direction, the CMF will not be responsible for any changes to the affected BE Allocations.

## **B.3 THE ROLE OF THE BROADCASTER**

It is the responsibility of Broadcasters to maintain strong channels of communication with the Applicants that develop or produce those projects to which they have committed BE Allocations, and to follow up with them regarding the status of those projects in relation to CMF deadlines and eligibility reviews.

It is the responsibility of the Broadcaster to provide the applicable documentation required for Applicants to appropriately complete funding applications and it is the responsibility of the Broadcaster to subsequently fulfill all its CMF project development and licence fee obligations.

The Broadcaster may not enter into any oral or written agreement or "side deal" that conflicts with any of the provisions of this Manual or the CMF Guidelines. If a Broadcaster is found to be in violation of this provision, they will be subject to the Broadcaster Envelope Penalties for Non-compliance with Obligations and Requirements, outlined in section D below.

The Broadcaster is also responsible for reviewing the Broadcaster Status Report of current applications (section C.3) on an ongoing basis and respecting all deadlines as stated within the Manual and in CMF communications.

### **B.3.1 Communications with Broadcasters and the CMF Website**

The CMF maintains a list of all Broadcasters with BE Allocations and their associated contacts. When calculation process documents are updated each year, or when significant BE policy clarifications are made, the CMF emails everyone on its BE contact list with this information. Additionally, the CMF posts all such materials on its website, as well as BE Allocation results and regular updates on projects accepted for funding.

Broadcasters are encouraged to notify the CMF of changes to their contact information, and to visit [cmf-fmc.ca](http://cmf-fmc.ca) at regular intervals to ensure that they have not missed important notifications or correspondence.

## **B.4 THE ROLE OF THE APPLICANT**

Once an Applicant has secured a commitment from a Broadcaster for a BE Allocation, it is the responsibility of the Applicant to provide the CMF with all required documentation for funding application purposes ahead of appropriate deadlines. The Applicant must also complete and deliver the project in accordance with the applicable set of CMF Program Guidelines.

The CMF will initially communicate with the Applicant (not the Broadcaster) in matters relating to a project's application.

## **B.5 THE ROLE OF CMF AND TELEFILM - CMFPA**

The CMF has entered into a Services Agreement with the CMF Program Administrator (“**CMFPA**”) at Telefilm Canada. As per this arrangement, the CMFPA handles almost all activity related to the management and administration of project funding applications on behalf of the CMF. The administration of BE Allocations, however, is managed jointly by CMF and CMFPA staff.

CMF staff manage all aspects of the BE Allocation calculation and allocation process. CMF staff are the primary point of contact where BE policy issues or questions arise.

Once BE Allocations are calculated and distributed, CMFPA staff manage BE Allocation accounts and ensure funds are released from BE Allocations to Applicants in accordance with the CMF's policies.

## C. 2024-2025 BROADCASTER ENVELOPE ALLOCATION MANAGEMENT POLICIES

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The CMF has a number of policies governing the manner in which Broadcasters must manage the funds in their BE Allocations.

### C.1 BROADCASTER ENVELOPE ALLOCATION AGREEMENT LETTERS

At the beginning of the fiscal year, Broadcasters with Allocations receive an Allocation agreement letter outlining how much funding has been made available to them. The agreement letter includes terms and conditions by which the Broadcaster is permitted to use its BE Allocation, as defined below. Broadcasters using the Alternative Access option must also abide by the terms and conditions, as described below in the BE Manual and as applicable.

These Allocations are conditional upon the CMF receiving resources at the budget level determined for the fiscal year. No CMF funds will be payable from a BE Allocation until the associated agreement letter has been fully executed.

### C.2 BROADCASTER ENVELOPE CONTRIBUTIONS

CMF funding contributions triggered by Broadcasters in the Broadcaster Envelope Program come in two (2) forms for Production: licence fee top-ups and equity investments, and for Development: a repayable advance<sup>4</sup>.

Broadcasters can decide what portion of a BE Allocation to commit to an Eligible Project, up to specified Maximum Contribution amounts delineated in the Guidelines.

An Eligible Project may receive CMF funding contributions from more than one BE Allocation.

Eligible Projects may receive contributions from more than one language BE allocation under certain narrow circumstances. The terms under which this is permitted are detailed in the [BE Guidelines - English and French](#) and [BE - Diverse Languages Guidelines](#).

#### C.2.1 Broadcaster Agreement Form

A “**Broadcaster Agreement Form**” (“BAF”) is a document that provides authorization from a Broadcaster to an Applicant to apply to the CMF for a portion of a BE Allocation for a given project. BAFs are an essential component of the documentation required for all CMF “**Linear Program**”<sup>5</sup> applications. The Applicant creates the BAF in the Dialogue portal<sup>6</sup> and submits it to the Broadcaster for approval. The BAF includes the following:

- the amount of funds the Broadcaster is contributing from a BE Allocation to a given project;
- basic terms of the Licence or Development Fee, as applicable<sup>7</sup>;
- for Production, an agreement by the Broadcaster to broadcast and/or make the Eligible Project available to be viewed on an eligible service, closed captioned (if applicable), in prime time (if applicable), within eighteen (18) months of completion and delivery; and
- Acceptance of the terms of the [CMF’s Narrative Positioning Policy](#) for the given project.

In order for the licence fee to be considered eligible and thereby count towards an Eligible Project’s Eligible Triggering Commitment Threshold requirement, a BAF must be completed and received by the CMF. All Factor calculations, except

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<sup>4</sup> Please refer to the [Linear Content Core Production](#) and [Core Development and Predevelopment Guidelines](#) for a detailed explanation of these terms and the rules governing the manner in which each amount is determined.

<sup>5</sup> “**Linear Programs**” are outlined in the [Linear Content Core Production](#) and [Core Development & Predevelopment Guidelines](#).

<sup>6</sup> Contact CMF for access to the portal.

<sup>7</sup> Please refer to the [Linear Content Core Production](#) and [Core Development & Predevelopment Guidelines](#) for the complete requirements of an Eligible Licence Fee or Development Fee and [Appendix B](#) for Broadcaster Business Policies.



for Audience Success – Total Hours Tuned are based on Eligible Licence Fees and the activity they trigger. Therefore, a BAF must be completed by any Broadcaster who wishes to have their CMF-funded project financing activity count towards BE Allocation calculation credit.

## **C.2.2 CMF Funding Application Deadlines**

Application deadlines are dates by which complete applications for CMF funding must be received by the CMF. Application deadlines are imposed by the CMF to ensure that CMF funds are committed prior to fiscal year-end and that the calculation of BE Allocations for the following year may be completed in a timely manner.

*Note: Project applications received after the appropriate deadline will be rejected by the CMF regardless of whether or not a Broadcaster committed BE Allocation funds to that project in a timely manner. The impact that late or rejected applications will have on the calculation of a Broadcaster's future BE Allocation will not be a consideration for the CMF.*

### **C.2.2.1 First Closing Date**

Development Projects submitted after a given deadline (the “**First Closing Date**”) cannot apply for CMF production funding in the same CMF fiscal year that the development application was submitted.

The First Closing Date for 2024-2025 is October 17, 2024.

#### **C.2.2.1.1 75% Spend Requirement**

Broadcasters who have a total BE Production Allocation greater than \$2.5 million are required to commit at least 75% of that BE Allocation by the First Closing Date. The exact dollar amount that affected Broadcasters are obligated to commit is specified in each appropriate Broadcaster's BE Allocation letter.

For the purposes of measuring compliance with this policy, the CMF will not consider BE Allocation monies as having been committed until the associated project applications are received.

Any portion of the 75% amount not committed by the deadline will be removed from the Broadcaster's BE Allocation.

#### **C.2.2.1.2 First Closing Date Exemptions**

A Broadcaster may apply to the CMF for a waiver of the First Closing Date in the BE Production Program, if, as a result of a significant corporate event involving the Broadcaster, the Broadcaster cannot reasonably be expected to make commitments to projects to be funded from the Broadcaster's BE Allocation that will allow a sufficient number of applications to be made to satisfy the requirements by the First Closing Date.

For clarity, the determination of whether a Broadcaster was involved in a corporate event and the number of times the Broadcaster will be allowed to claim a Closing Date Exemption, will be determined by the CMF in its sole discretion. For reference, the CMF shall determine when a corporate event has occurred by evaluating whether there has been a significant change to the corporate structure of the Broadcaster, including, but not limited to, mergers, acquisitions or other consolidation transactions.

Each application for a waiver must satisfy the following requirements:

- It must be made within a reasonable period of time before the First Closing Date in order to provide the CMF with sufficient time to consider the application before that date;
- It must describe the significant corporate event that is the basis for the application;
- It must set out the reasons the Broadcaster cannot reasonably be expected to satisfy the First Closing Date Requirements; and

- It must include a timetable for committing the remaining funds in the BE Allocation of the Broadcaster over the period from the application date to the Final Closing Date that takes into account the policy objectives that the First Closing Date Requirements were designed to achieve and a commitment from the Broadcaster to use its remaining BE Allocation in accordance with the timetable.

Decisions respecting applications for waivers of the First Closing Date requirements will be made by the CMF at its sole discretion.

### C.2.2.2 Final Closing Date

The date by which all BE project applications must be received by the CMF is the “**Final Closing Date**”. The Final Closing Date for 2024-2025 is December 5, 2024. Any funds remaining in a BE Allocation for which the CMF has not received a complete application by the Final Closing Date will be removed.

### C.2.3 Small Broadcaster Exemption

Broadcasters that earn BE Production Allocations under five million dollars (\$5,000,000) or who are Educational Broadcasters (defined in section 4.2 of the [English and French Broadcaster Envelope Program](#)) are defined as “**Small Broadcasters**”. Both language Allocations of a Broadcaster (if applicable) are combined to determine the threshold. However, single-channel, dual language Broadcasters will not have the language Allocations combined.

#### Small Broadcasters:

- Will not have a cap placed on the amount of funding that can be allotted to In-house and Broadcaster-Affiliated programming.
- Will not be obligated to meet the Gender Balance Requirement.

These Broadcasters will be required to continue to respect other rules and policies such as the exchange rules, Final Closing Date requirements and any other rules for which they are not given an explicit exemption in this section.

### C.2.4 Gender Balance Requirement

Broadcasters are **required** to direct at least fifty percent (50%) of their respective BE Allocation dollars to Eligible Projects where, of all the cumulative Producer<sup>8</sup>, Director<sup>9</sup> and Writer<sup>10</sup> paid positions on an Eligible Project, forty percent (40%) of the total number of positions are held by individuals that publicly identify as women (“**Gender Balance Requirement**”). Small Broadcasters are exempt from this requirement.

The CMF shall rely on the self-identification information associated with each individual’s PERSONA-ID number to determine eligibility to meet CMF Gender Balance Requirements. For more information about Persona-ID, please visit the [CMF’s PERSONA-ID page](#).

For details on the Gender Balance obligation penalty, please see section D.2.

### C.2.5 In-house and Broadcaster-Affiliated Programming

“**Broadcaster-Affiliated Programming**” refers to projects produced by a Broadcaster-affiliated production company, and which are licensed by the company’s affiliated Broadcaster(s). For further details on the CMF’s definition of a Broadcaster-affiliated production company, please refer to [Appendix A](#).

<sup>8</sup> “**Producer**” shall be defined as Producer, Executive Producer/Showrunner, Executive Producer, Co-Executive Producer, Supervising Producer, Associate Producer, or Creative Producer positions.

<sup>9</sup>“**Director**” shall be defined in accordance with Guild collective agreements and ascribed the same meaning as commonly understood in the broadcast, television and film industries.

<sup>10</sup>“**Writer**” shall be defined in accordance with Guild collective agreements and ascribed the same meaning as commonly understood in the broadcast, television and film industries.

“**In-house Programming**” refers to a project produced and owned by the Broadcaster.

Broadcasters are limited in the amount of their BE Allocation that they are permitted to commit to In-house and Broadcaster-Affiliated Programming. Broadcasters may commit up to twenty-five (25%) of their BE Allocations to In-house and/or Broadcaster-Affiliated Programming. Broadcasters are notified of their respective In-house and Broadcaster Affiliated Programming BE commitment allowances in their BE Allocation letter. Small Broadcasters are exempt from this limit.

### **C.2.6 Narrative Positioning Policy**

Broadcasters agree that they will ensure compliance with the [CMF’s Narrative Positioning Policy](#) for all Eligible Projects funded from its Envelope Allocation.

### **C.3 BROADCASTER STATUS REPORTS**

Broadcaster Status Reports are available on demand through the Dialogue portal<sup>11</sup>. The purpose of the report is to inform Broadcasters of those project applications that have been received to date by the CMF to which the Broadcaster has committed BE Allocation funds or to which the Broadcaster has provided eligible licences or development fees to trigger credit in BE Allocation calculations. The report lists summary and project-by-project information including the following:

- summaries of usage by genre;
- project status (Recommended, Signed, etc.);
- eligible Broadcaster Licence or Development Fee (paid by that particular Broadcaster);
- Broadcaster’s contribution from their BE allocation;
- commitments from other CMF Linear Programs;
- eligibility for various Performance Factors;
- Gender Balance eligibility designation;
- Project budget; and
- In-house and Broadcaster-Affiliated Programming designation.

Broadcaster status reports allow a Broadcaster to stay abreast of their BE Allocation deadline obligations, as well as monitor the relevant statistics that the CMF has recorded with respect to the projects supported by that Broadcaster via their BE Allocation.

Broadcasters are strongly encouraged to notify the CMF of any discrepancies or errors contained within these reports as soon as possible.

### **C.4 REUSING REPAID DEVELOPMENT ADVANCES**

When a development project subsequently applies for, and receives CMF production financing, the Applicant must repay CMF’s development advance.

If a development advance is returned to the CMF before the Final Closing Date in the same fiscal year in which the project initially received development financing, the amount of that development advance can then be re-allocated to a different project until the Final Closing Date.

For example:

Project “x” is allotted a \$1,000 development advance from a Broadcaster’s BE Allocation in April 2024 (2024-2025 fiscal year). When that \$1,000 advance is paid back to the CMF in September 2024, it is returned to the Broadcaster’s BE Allocation and can then be re-allocated to a different project (which, must apply before the Final Closing Date).

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<sup>11</sup>Contact CMF for access to the portal.

## **C.5 REALLOCATING BE ALLOCATION FUNDS DUE TO PROJECT INELIGIBILITY**

On rare occasions, a project to which a Broadcaster has committed BE Allocation funds will be deemed ineligible for CMF funding or the funding amount may be reduced. In these cases, the committed BE Allocation funds are returned to the Broadcaster's Allocation. When applications for projects are rejected prior to the Final Closing Date, the Broadcaster may re-commit those funds to new or existing projects. If funds are returned after the Final Closing Date but prior to the end of the fiscal year, the affected Broadcaster may be permitted to reallocate the associated BE Allocation funds to other existing CMF projects. Such reallocations are addressed on a case-by-case basis and at the CMF's discretion.

Reallocations of this nature may be subject to In-house and Broadcaster-Affiliated Programming spending capacity rules as deemed appropriate.

Reallocations are not permitted for funds committed to applications deemed incomplete after the Final Closing Date.

## **D. BROADCASTER ENVELOPE PENALTIES FOR NON-COMPLIANCE WITH OBLIGATIONS AND REQUIREMENTS**

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Should a Broadcaster fail to meet any of its obligations to Eligible Projects that it triggers, or has triggered, for CMF funding in any prior fiscal year, or if the Broadcaster breaches any provision of the BE Guidelines, the CMF reserves the right to make adjustments to the amount of a Broadcaster's BE Allocation in a subsequent fiscal year. Please note that an adjustment to one Broadcaster's BE Allocation may not result in an increase to other Broadcasters' BE Allocations.

Furthermore, if after making reasonable enquiries the CMF finds that a Broadcaster is practicing unfair dealings with an Applicant, the CMF reserves the right to impose (in its sole discretion) a penalty on such Broadcaster's use of its BE Allocation, (including but not limited to a reduction in the amount of, or suspension of use of or access to the Allocation).

### **D.1 GENDER BALANCE REQUIREMENT PENALTY**

If a Broadcaster with a BE Allocation does not meet the 50% Gender Balance Requirement as explained in section C.2.4, the CMF will impose a dollar-for-dollar penalty during the next year's BE Allocation calculations.

For example, if a Broadcaster has a \$1,000,000 BE Allocation, and a \$500,000 Gender Balance Requirement, and commits only \$100,000 towards Eligible Projects that meet the CMF's Gender Balance initiative threshold, the CMF will reduce that Broadcaster's BE Allocation by \$400,000 the following year.

### **D.2 POST-ALLOCATION WITHDRAWAL PENALTY**

In the event a Broadcaster withdraws a licence fee payment to a project that generated credit and an Allocation amount after such Broadcaster's BE Allocation calculations have been completed, that Broadcaster's BE Allocation will be adjusted by the CMF according to one hundred percent (100%) of the value of the credit. If insufficient funds remain in the Allocation for the full adjustment to be made, the adjustment will be made to the next possible BE Allocation.

## E. CALCULATION OF 2024-2025 BROADCASTER ENVELOPES AND ALLOCATIONS

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### E.1 TYPES OF ENVELOPES AND ALLOCATIONS

New for 2024-2025, Broadcaster Envelopes will be calculated for English, French, and Diverse Languages Broadcasters.

- For English and French Broadcasters, allocations from the Production Performance Factors and the Development Performance Factors will be calculated separately, then combined into one BE Allocation per Broadcaster.
- For Diverse Languages Broadcasters, BE Allocations will be calculated from the Diverse Languages Performance Factors.

### E.2 PERFORMANCE FACTORS

Broadcasters compete against one another for the available funding in each Envelope according to different categories (i.e., Performance Factors) determined by the CMF Board of Directors. Broadcasters are automatically included in BE Allocation calculations if the Broadcaster has earned credit through the Performance Factors<sup>12</sup>.

It is important to note that from year to year, the CMF may eliminate or add a new Performance Factor for a given fiscal year's Envelope calculations based on the changing nature of the CMF's mandate and objectives.

### E.3 MINIMUM ALLOCATION

The Minimum English or French Broadcaster Envelope Allocation a Broadcaster must earn to receive a BE Allocation is \$150,000.

The Minimum Diverse Languages BE Allocation is \$110,000.

Broadcasters earning an Allocation of less than the Minimum Allocation will not receive a BE Allocation. Broadcasters that do not receive a BE Allocation are eligible to utilize the Alternative Access option.

### E.4 INTERPRETING BROADCASTER ENVELOPE ALLOCATION RESULTS

#### E.4.1 Performance Factor Credit Dollars versus Broadcaster Envelope Allocation Dollars

When examining BE calculations, it is important to note that Broadcaster expenditures that make up part of the Performance Factor calculations are not equivalent to BE Allocation dollars awarded. For example, if a Broadcaster's regional production licensing in a given year amounted to \$500,000, it would not automatically earn \$500,000 CMF dollars in its Envelope Allocation the following year via the Regional Production Licences Factor.

In this example, the \$500,000 licence fee is considered BE credit. Its value in terms of Envelope Allocation dollars is relative to the share in that Performance Factor earned by all other Broadcasters competing in that language-genre Envelope. If that \$500,000 licence fee is worth 10% of the sum of all Regional Production Licences credit earned by all Broadcasters combined in that language-genre Envelope, then that Broadcaster would earn 10% of the funding available to that genre in that Performance Factor, which may be more or less than \$500,000.

Shares earned in each Performance Factor in each Envelope will have its own relative value.

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<sup>12</sup> Broadcasters should notify the CMF if they do not want to automatically participate in BE Allocation calculations.

## E.4.2 Year-over-year Broadcaster Envelope Allocation Fluctuations

Fluctuations in a Broadcaster’s BE Allocation from year-to-year could be the result of:

- Changes in the overall CMF program budget;
- Changes in the relative amount of funding directed to each type of envelope or genre;
- Changes in the Performance Factors, their relative weights, or in the Performance Factor metrics used in establishing share;
- Changes in the amount of share a Broadcaster generates for any of the Performance Factors;
- Changes in a Broadcaster’s performance relative to the total, in any given Performance Factor; and/or
- An increase or decrease in the number of Broadcasters competing for Allocations in a given language-genre category.

## E.5 ALTERNATIVE ACCESS TO THE BROADCASTER ENVELOPE PROGRAM

Broadcasters that have not generated a Minimum BE Allocation in a given year are eligible for Alternative Access to the Broadcaster Envelope Program.

Before any other allocation calculation takes place, the budgets for English, French, and Diverse Languages Envelopes will each have a portion set aside for an Alternative Access allocation.

Eligible Broadcasters may utilize the appropriate English, French, or Diverse Languages Alternative Access allocation on a first-come, first-served basis, by providing an Eligible Licence Fee (or Development Fee, as applicable) and a BAF with a BE commitment to an Eligible Project, until the entire Alternative Access allocation is spent.

In the English and French Envelopes, use of the Alternative Access portion of the EF Envelope Program is limited to \$150,000 in total BE commitments in 2024-2025 English and French Envelopes.

In the Diverse Languages Envelope, the use of the Alternative Access portion of the DL Envelope Program is limited to \$110,000 in total BE commitments.

## E.6 ENGLISH AND FRENCH ENVELOPES – PRODUCTION PERFORMANCE FACTORS

### E.6.1 THE ENGLISH AND FRENCH PRODUCTION BUDGETS ARE SET

The amount of funding budgeted for the BE Program is determined by the CMF Board of Directors each fiscal year. This amount is divided according to type, language, and genre targets (“**Envelopes**”). For the 2024-2025 BE budget, genre targets for English and French Production allocations are as follows:

	ENGLISH ENVELOPES	FRENCH ENVELOPES
<b>DRAMA</b>	56%	51%
<b>DOCUMENTARY SERIES<sup>13</sup></b>	13%	13%
<b>DOCUMENTARY ONE-OFFS</b>	6%	7%
<b>CHILDREN AND YOUTH</b>	22%	22%
<b>VARIETY &amp; PERFORMING ARTS</b>	3%	7%

<sup>13</sup> Documentary Series consist of more than one episode. Documentary One-offs consist of one episode only.

## E.6.2 ENGLISH AND FRENCH PRODUCTION PERFORMANCE FACTORS ARE DETERMINED

For 2024-2025 Broadcaster Envelope calculations, the Performance Factors are as follows:

### E.6.2.1 Audience Success

“**Audience Success**” recognizes the ability of Broadcasters to deliver CMF-supported programs to audiences. Audience Success is measured by two factors: Audience Success – Total Hours Tuned (“**AS-THT**”) and Audience Success – Original First Run (“**AS-OFR**”).

In order for a Broadcaster to generate any credit for hours tuned, its viewing must be measured and reported by Numeris. The CMF does not take responsibility for the nature or scope of a Broadcaster’s audience measurement.

For these Factors, credit is earned from projects broadcast in the 2022-2023 broadcast year for the 2024-2025 Envelope Allocation calculations.

#### E.6.2.1.1 Audience Success Submissions

The CMF requires that Broadcasters submit their own AS-THT and AS-OFR calculations for CMF review and inclusion in Audience Success calculations. Full details of the CMF’s submission requirements, as well as related FAQs, are available on CMF’s website under “[Envelope Administration](#)”. This material is updated annually and emailed to Broadcasters on the CMF mailing list.

The CMF’s review of AS-THT and AS-OFR submissions from Broadcasters includes verification that every program title included in any submission is CMF supported. Additionally, the associated CMF genre for every title is verified.

Hours Tuned formulas are checked, as are totals. Individual telecast data is spot checked against published Numeris audience data.

For further scrutiny and transparency, the CMF places all AS-THT submissions on a secure part of its website for other participating Broadcasters to verify if they choose.

*Note: Restrictions in Numeris subscriber agreements preclude the CMF from making this information available to non-subscribers of Numeris.*

#### E.6.2.1.2 Audience Success – Total Hours Tuned (AS-THT)

AS-THT credit includes viewing from anywhere in Canada (Total Canada), and across the full 24-hour day (Monday to Sunday, from 2 a.m. to 2 a.m.).

AS-THT credit is based on the “viewers 2+” age demographic for all CMF genres.

AS-THT data only includes viewing to CMF-supported programs.

A Broadcaster may receive AS-THT credit for any English or French-language (including subtitled) production supported by the CMF within the past five (5) years. This includes CMF-supported programs with licences that were not part of the original financial structure of the production (“**Acquired Programs**”).

#### E.6.2.1.3 Genre Flexibility for Acquired Programs

Broadcasters are given a certain amount of genre flexibility with regards to AS-THT submissions. Specifically, Broadcasters are permitted to claim AS-THT credit for an Acquired Program (as defined in section E.6.2.1.2) in a genre other than the one under which the program was originally funded, as long as the request meets the following criteria:



- Due to the nature of the content of the program, the genre is ambiguous. For example, family programs could potentially qualify for CMF funding under Children and Youth genre requirements or Drama genre requirements;
- The request for genre flexibility in Audience Success calculations is supported by the Broadcaster’s conditions of licence (and thus the Broadcaster’s programming strategy); and
- CMF staff is satisfied that the request for genre flexibility in Audience Success calculations (on a case-by-case basis) serves the overriding objectives of the CMF.

#### **E.6.2.1.4 Audience Success – Original First Run (AS-OFR)**

The goal of the AS-OFR Factor is to incentivize Broadcasters to commission original programming and air these programs in their prime-time schedules.

“**Original First-Run**” is defined as follows:

- a. For conventional stations: the first airing of a project (or series of episodes that make up that project) by an eligible Broadcaster.
- b. For independent stations, specialty and pay stations: three (3) airings of a project (or a series of episodes that make up that project) by an eligible Broadcaster, within a period of seven (7) days beginning from the first date of the first original telecast; only one (1) airing can be outside of prime time<sup>14</sup>.

A Broadcaster must participate in the original financing structure, with a BAF submitted and accepted by the CMFPA, in order to earn credit for a given project in this Factor and Acquired Programs are excluded. Broadcasters may earn AS-OFR credit for the first airing(s) in their window, whether or not it is the first window overall. A corporate group is allowed to claim AS-OFR on a maximum of two (2) channels per individual project within its ownership group comprising of either: one conventional and one specialty channel, or two specialty channels.

The AS-OFR Factor will be calculated using the same methodology as that used for AS-THT. Broadcasters will identify a specific telecast of a CMF-funded program as “Original First-Run in prime-time” when preparing Audience Success submissions for the CMF. The Broadcaster’s share of AS-OFR (as a percentage of total Original First- Run THT submitted) will determine the share of BE credit earned in the AS-OFR Factor.

#### **E.6.2.2 Historic Performance**

As the Historic Performance Factor is evaluated over a multi-year period, it helps modulate the variations in Envelope Allocations from one year to the next.

This “**Performance Factor**” refers to the amount of CMF production funding historically accessed or triggered as a result of a Broadcaster’s licensing of Television Components. A Broadcaster’s credit is determined by the cumulative amount of CMF funds triggered by that Broadcaster’s Eligible Licence Fees over a three (3) year period.<sup>15</sup>

For this Factor, credit is earned from projects funded in 2020-2021, 2021-2022, and 2022-2023 for the 2024-2025 Envelope Allocation calculations.

Historic Performance credit is only applied to the same genre in which it was earned. Historic Performance credit is derived from all Convergent Stream Production Television CMF funding, except for Diverse Languages Program funding.

If more than one Broadcaster contributes an Eligible Licence Fee for a Television Component, the Historic Performance credit is allocated *pro rata* according to each Broadcaster’s share of the total Eligible Licence Fees. It is important to note that all Broadcasters contributing an Eligible Licence Fee to a Television Component receive Historic Performance credit

<sup>14</sup> “**Prime time**” is defined as the airing of a project in which the majority of the telecast airs between the hours of 7pm – 11pm, on any day of the week. In the case of single-feed independent, specialty and pay Broadcasters, this time period is extended to the hours of 5.30pm – 2am Eastern Time. Children & Youth programs are exempt from this “prime time” requirement.

<sup>15</sup> For calculation purposes, an “**Eligible Licence Fee**” is one that meets the criteria set forth in the Guidelines and is accompanied by a signed Broadcaster Agreement Form (“**BAF**”) that is submitted with the application.

for the CMF funds triggered, regardless of whether or not they contributed CMF monies from a BE. In this way, Broadcasters without Envelope Allocations may use the Historic Performance Factor to enter the Envelope system.

For example, for a Television Component:

	Eligible Licence Fee	% Share of Eligible Licences	Television Production Allocation Contribution	Historic Performance Credit
BROADCASTER A	\$400K	80%	\$100K	$\$300K \times 80\% = \$240K$
BROADCASTER B	\$50K	10%	\$200K	$\$300K \times 10\% = \$30K$
BROADCASTER C	\$50K	10%	\$0	$\$300K \times 10\% = \$30K$
<b>TOTAL</b>	<b>\$500K</b>	<b>100%</b>	<b>\$300K</b>	<b>\$300K</b>

### E.6.2.3 Regional Production Licences

When calculating this Performance Factor, a Broadcaster’s credit is determined by the total dollar amount of Eligible Licence Fees committed to the Television Component of “**Regional**” CMF-funded Convergent Stream projects (as defined in the 2023-2024 Guidelines). The “**Regional Production Licence**” credit for each Broadcaster is equal to the amount of Eligible Licence Fees they contributed, regardless of the number of Broadcasters involved or whether or not they contributed funds from an Envelope Allocation.

For example, for a Television Component:

	Eligible Licence Fee	% Share of Eligible Licences	Television Production Allocation Contribution	Regional Production Licences Credit
BROADCASTER A	\$400K	80%	\$100K	\$400K
BROADCASTER B	\$50K	10%	\$200K	\$50K
BROADCASTER C	\$50K	10%	\$0	\$50K
<b>TOTAL</b>	<b>\$500K</b>	<b>100%</b>	<b>\$300K</b>	<b>\$500K</b>

For this Factor, credit is earned from Eligible Projects funded in 2023-2024 for the 2024-2025 Envelope Allocation calculations.

Regional Production Licences credit is only applied to the same genre in which it was earned.

Regional Production Licences credit is derived from all Convergent Stream Production Television CMF-funded applications. Projects funded through the Diverse Languages Program are only eligible for such credit if they are also funded through a Broadcaster’s BE Allocation.

While the CMF takes efforts to provide Applicants and Broadcasters with certainty around its defined terms, the CMF shall make the final determination on eligibility to this Factor to ensure the spirit and intent of its policies is upheld. Applicants and Broadcasters are encouraged to come forward ahead of time and have a discussion with the CMF on their specific circumstances.

#### E.6.2.3.1 Linguistic Market Restriction

Broadcasters may only earn Regional Production Licences credit for projects whose original language of production (as determined by the CMF) matches their own. For example, a French broadcaster may only earn credit from their Eligible Licence Fees to projects whose original linguistic market is French.

#### E.6.2.4 Over-the-Top First Run Licences

Credit for the Over-the-Top (“OTT”) First Run Licences Factor will be based on Eligible Licence Fees for Eligible Projects that are made available to Canadian audiences first and exclusively for a period of at least seven (7) days on any of the accepted non-traditional platforms in the CMF’s Canadian Broadcaster definition (found in section 2.1.1 of the 2023-2024 Performance Envelope Guidelines). Specifically:

- An online service<sup>16</sup> owned, controlled and operated by a Canadian CRTC-licensed programming undertaking;
- An online service<sup>17</sup> owned, controlled and operated by a Canadian broadcasting distribution undertaking (“BDU”), licensed to operate by the CRTC; and
- CRTC-licensed VOD services.

The service must be owned, controlled, and operated by the Broadcaster with the Eligible Licence Fee and the CMF shall make the final determination on a platform or service’s eligibility for this Factor.

In order for Broadcasters to receive credit via the OTT First Run Licences Factor, they must declare intent and identify the name of the eligible service in a signed BAF submitted with the application before the deadline specified by CMF. Changes made after the deadline will not count for credit in the OTT First Run Licences Factor.

By claiming this OTT First Run credit, Broadcasters will be unable to claim AS-OFR credit for the same project.

For this Factor, credit is earned from Eligible Projects funded in 2023-2024 for the 2024-2025 Envelope Allocation calculations.

OTT First Run Licences credit is only applied to the same genre in which it was earned.

OTT First Run Licences credit is derived from all Convergent Stream Production Television CMF-funded applications, except for Projects funded through the Diverse Languages Program, which are only eligible for such credit if they are also funded through a Broadcaster’s PE Allocation.

While the CMF takes efforts to provide Applicants and Broadcasters with certainty around its defined terms, the CMF shall make the final determination on eligibility to this Factor to ensure the spirit and intent of its policies is upheld. Applicants and Broadcasters are encouraged to come forward ahead of time and have a discussion with the CMF on their specific circumstances.

#### E.6.2.5 Diverse Community Production Licences Factor

Credit for the Diverse Community Production Licences Factor is based on the Eligible Licence Fees provided to “**Diverse Community Projects**”. Diverse Community Project broadcast licences from 2023-2024 Eligible Projects in all Convergent Stream Television Production Programs are eligible to count as credit in this Factor (with the exception of Diverse Community Projects funded through the Diverse Languages Program, which are only eligible for such credit if they are also funded through a Broadcaster’s BE Allocation).

As 2023-2024 applications provide credit in this factor, the definition of Diverse Community Project in the 2023-2024 Guidelines applies.

For Broadcasters to receive credit via the Diverse Community Production Licences Factor, individual directors and shareholders must answer the questionnaire in PERSONA-ID and Applicants of eligible applications must make a declaration of meeting the criteria of a Diverse Community Project and include the PERSONA-ID numbers of the Applicant directors and shareholders in the funding application form.

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<sup>16</sup>This includes services accessed via a set-top box.

<sup>17</sup>This includes services accessed via a set-top box.

While the CMF takes efforts to provide Applicants and Broadcasters with certainty around its defined terms, the CMF shall make the final determination on eligibility to this Factor to ensure the spirit and intent of its policies is upheld. Applicants and Broadcasters are encouraged to come forward ahead of time and have a discussion with the CMF on their specific circumstances.

### E.6.2.6 In-house and Broadcaster-Affiliated Production cap on the Regional Production Licences, OTT First Run Licences Factors, and the Diverse Community Production Licences Factor

In-house and Broadcaster-Affiliated television productions are eligible for credit in the Regional Production, OTT First Run, and Diverse Community Production Licences Factors. The CMF deems it necessary, however, to place a limit on the amount of credit an In-house or Broadcaster-Affiliated production may earn due to the disparity between the Broadcaster's typical financial contribution to such a project and the licences provided to typical independent productions.

This cap will be determined each year based on the highest single licence fee (expressed as a percentage) provided to an independent production in the year prior to the source year of credit, by original language of production and genre category.

In-house and Broadcaster-Affiliated Production Cap for 2024-2025 Performance Factor credit		
Maximum Licence Fee as a % of Budget	English-language production	French-language production
Children & Youth	45%	64%
Documentary	54%	71%
Drama	45%	64%
Variety & Performing Arts	62%	74%

### E.6.3 PERFORMANCE FACTOR WEIGHTS ARE SET

Each Performance Factor is then designated a specific weight which represents the amount of funding attributed to a Performance Factor in a given Envelope. For example, if the budget for the English Drama Envelope is \$100M and the AS-THT Performance Factor is weighted at 40%, then that would translate to an AS-THT Performance Factor value of \$40M in that specific Envelope.

For the 2024-2025 Broadcaster Envelope Production calculations, Factor weights were as follows for all genres:

	ENGLISH ENVELOPES	FRENCH ENVELOPES
AUDIENCE SUCCESS – TOTAL HOURS TUNED	35%	35%
AUDIENCE SUCCESS – ORIGINAL FIRST RUN	10%	10%
HISTORIC PERFORMANCE	5%	20%
REGIONAL PRODUCTION LICENCES	30%	15%
OTT FIRST RUN LICENCES	10%	10%
DIVERSE COMMUNITY PRODUCTION LICENCES	10%	10%

### E.6.4 PERFORMANCE FACTOR SHARES ARE DETERMINED

Within each Envelope, Broadcaster statistics are then compiled and evaluated in each of the Performance Factors. For example, in the English Drama Envelope, all of a given Broadcaster's AS-THT statistics are measured against other Broadcasters' AS-THT statistics. These statistics determine the share of available funding allocated to each Broadcaster

for a given Performance Factor within a given Envelope. A Broadcaster's allocated share of Production funding for each Envelope equals that Broadcaster's Envelope Allocation.

For example, if the English Drama Envelope had a \$100,000,000 Allocation:

FACTOR	WEIGHT	VALUE OF FACTOR	CREDIT SHARE EARNED BY BROADCASTER X*	ENVELOPE ALLOCATION
AUDIENCE SUCCESS - THT	35%	\$35,000,000	5%	\$1,750,000
AUDIENCE SUCCESS - OFR	10%	\$10,000,000	9%	\$900,000
HISTORIC PERFORMANCE	5%	\$5,000,000	6%	\$300,000
REGIONAL PRODUCTION LICENCES	30%	\$30,000,000	10%	\$3,000,000
OTT FIRST RUN LICENCES	10%	\$10,000,000	10%	\$1,000,000
DIVERSE COMMUNITY PRODUCTION LICENCES	10%	\$10,000,000	20%	\$2,000,000
ENGLISH DRAMA ALLOCATION EARNED BY BROADCASTER X				<b>\$8,950,000</b>

\* Relative to others.

## E.7 ENGLISH AND FRENCH ENVELOPES – DEVELOPMENT PERFORMANCE FACTORS

### E.7.1 DEVELOPMENT BUDGETS ARE SET

The amount of funding budgeted for the BE Development Program is determined by the CMF Board of Directors each fiscal year. This amount is divided according to type, language, and genre targets (“**Envelopes**”). For the 2024-2025 BE budget, allocations were set for English and French Development Performance Factors. Development Performance Factor allocations are not divided by genre.

### E.7.2 DEVELOPMENT PERFORMANCE FACTORS AND WEIGHTS ARE DETERMINED

Broadcasters compete against one another for the available Development funding in each Envelope according to different categories (i.e., Performance Factors) determined by the CMF Board of Directors. Broadcasters are automatically included in Development Performance Factor calculations if the Broadcaster has earned credit through the Performance Factors<sup>18</sup>.

Development Envelope Allocations were calculated on the basis of the following Performance Factors in 2024-2025:

<sup>18</sup> Broadcasters should notify the CMF if they do not want to automatically participate in BE Development Allocation calculations.

- Historic Performance in Development Envelope Program financing (previous three fiscal years) (50% Factor weight);
- Diverse Community Development Fee Factor (10% Factor weight); and
- Earned share of total English or French Production Performance Factor Allocations for the same funding year (40% Factor weight).

It is important to note that from year to year, the CMF may eliminate or add a new Performance Factor for a given fiscal year's Allocation calculations based on the changing nature of the CMF's mandate and objectives.

### E.7.2.1 Development Historic Performance Factor

The purpose of the Development Historic Performance Factor in BE Allocation calculations is to credit Broadcasters who trigger CMF-funded development projects.

“**Historic Performance**” refers to the amount of CMF funding historically accessed or triggered as a result of a Broadcaster contributing Development Fees to Development Envelope-funded applications. In the calculation of the Historic Performance Factor, a Broadcaster's credit is determined by the cumulative amount of CMF Development Envelope funds triggered by that Broadcaster's development fees over a three (3) year period<sup>19</sup>. The three (3) year period that is used to determine Historic Performance credit for the 2024-2025 Envelope Allocations is 2020-2021, 2021-2022, and 2022-2023.

If more than one Broadcaster contributes Development Fees to a project, the Historic Performance Factor credit is allocated *pro rata* according to each Broadcaster's share of the total Development Fees. It is very important to note that all Broadcasters contributing a Development Fee to a project receive Historic Performance Factor credit for the CMF funds triggered, regardless of whether or not they contributed CMF monies from a Development Envelope Allocation.

For example:

APPLICATION 'X'	DEVELOPMENT FEE	% SHARE OF DEVELOPMENT FEE	DEVELOPMENT ENVELOPE CONTRIBUTION	HISTORIC PERFORMANCE CREDIT
BROADCASTER A	\$4,000	80%	\$5,000	\$5,000 x 80% = \$4,000
BROADCASTER B	\$1,000	20%	\$0	\$5,000 x 20% = \$1,000
<b>TOTAL</b>	<b>\$5,000</b>	<b>100%</b>	<b>\$5,000</b>	<b>\$5,000</b>

Historic Performance derived from the Development Envelope Program is the only program eligible for credit in calculations for Development Performance Factors.

Development advances that are repaid and reused in the same fiscal year count in the calculation of Historic Performance.

### E.7.2.2 Diverse Community Development Fee Factor

Credit for the “**Diverse Community Development Fee Factor**” is based on the Eligible Development Fees provided to “**Diverse Community Projects**” (as defined in section 2.1.1 of the 2023-2024 Development Envelope Program Guidelines) in the 2023-2024 Development Envelope Program. Broadcasters will only receive credit for this Factor based on information noted in an Applicant's application and confirmed by director and shareholder records in their PERSONA-ID accounts.

<sup>19</sup>For calculation purposes, an “Eligible Development Fee” is one that meets the criteria set forth in the 2023-2024 Development Envelope Program Guidelines and is accompanied by a completed "Broadcaster Agreement Form" (Development).

While the CMF takes efforts to provide Applicants and Broadcasters with certainty around its defined terms, the CMF shall make the final determination on eligibility to this Factor to ensure the spirit and intent of its policies is upheld. Applicants and Broadcasters are encouraged to come forward ahead of time and have a discussion with the CMF on their specific circumstances.

### E.7.2.3 Production Performance Factor in Development Allocations

The Production Performance Factor in Development Allocations is based on the Broadcaster’s share of the total allocation from Production Performance Factors for that year. The weight of the Factor is 40% of the English or French Development Performance Factor budget. A Broadcaster’s earned share of total allocation from Performance Factors in 2024-2025, by language, translates directly into a 2024-2025 Allocation weighted for this Factor. For example, if a Broadcaster earned a 23.6% share of total English or total French Performance Factor dollars for 2024-2025, then the Broadcaster would earn 23.6% of the 40% allocated to the Production Performance Factor.

### E.7.3 DEVELOPMENT PERFORMANCE FACTOR SHARES ARE DETERMINED

Within each budget, statistics are then compiled and evaluated in each of the Development Performance Factors. These statistics determine the share of available funding allocated to each Broadcaster for a given Development Performance Factor. The amount of credit a Broadcaster earns relative to all other Broadcasters for a given Factor is determined and then multiplied by the share of available funding.

For example, if the English Development Performance Factors had a \$6,000,000 Allocation:

FACTOR	WEIGHT	VALUE OF FACTOR	CREDIT SHARE EARNED BY BROADCASTER X*	ENVELOPE ALLOCATION
PRODUCTION PERFORMANCE	40%	\$2,400,000	10%	\$240,000
HISTORIC PERFORMANCE	50%	\$3,000,000	20%	\$600,000
DIVERSE COMMUNITY DEVELOPMENT FEES	10%	\$600,000	20%	\$120,000
<b>ENGLISH ALLOCATION EARNED BY BROADCASTER X</b>				<b>\$960,000</b>

\* Relative to others.

### E.8 DIVERSE LANGUAGES ENVELOPES – PERFORMANCE FACTORS

New for 2024-2025, Diverse Languages funding will change from a selective program to part of the Broadcaster Envelope Program (see the 2023-2024 Diverse Languages Program Guidelines for the definition of a Diverse Languages Eligible Project).

#### E.8.1 DIVERSE LANGUAGES BUDGETS ARE SET

The amount of funding budgeted for the BE Program is determined by the CMF Board of Directors each fiscal year. This amount is divided according to type, language, and genre targets (“**Envelopes**”). For the 2024-2025 BE budget, an allocation was set for the Diverse Languages Performance Factors. There were no language or genre targets within the Diverse Languages allocation.



## E.8.2 DIVERSE LANGUAGES PERFORMANCE FACTORS AND WEIGHTS ARE DETERMINED

Broadcasters compete against one another for the available funding in each Envelope according to different categories (i.e., Performance Factors) determined by the CMF Board of Directors. Broadcasters are automatically included in Diverse Languages Performance Factor calculations if the Broadcaster has earned credit through the Performance Factors<sup>20</sup>.

In order to provide a less disruptive transition to envelopes, Diverse Languages Performance Factor Allocations were calculated only (100% Factor Weight) on the basis of the Historic Performance Factor in 2024-2025.

It is important to note that from year to year, the CMF may eliminate or add a new Performance Factor for a given fiscal year's Allocation calculations based on the changing nature of the CMF's mandate and objectives.

### E.8.2.1 Historic Performance Factor

The purpose of the Diverse Languages Historic Performance Factor in BE Allocation calculations is to credit Broadcasters who triggered CMF-funded Diverse Languages projects.

In 2024-2025, "**Historic Performance**" refers to the amount of CMF funding historically accessed or triggered as a result of a Broadcaster contributing Eligible Licence Fees to Diverse Languages Program-funded applications. In the calculation of the Historic Performance Factor in the first year of the Diverse Languages Envelope, a Broadcaster's credit is determined by the cumulative amount of CMF Diverse Languages Program funds triggered by that Broadcaster's Eligible Licence Fees over a five (5) year period<sup>21</sup>. The five (5) year period that is used to determine Historic Performance credit for the 2024-2025 Envelope Allocations is 2019-2020, 2020-2021, 2021-2022, 2022-2023, and 2023-2024.

If more than one Broadcaster contributes Licence Fees to an application, the Historic Performance Factor credit is allocated *pro rata* according to each Broadcaster's share of the total Eligible Licence Fees.

## E.8.3 DIVERSE LANGUAGES PERFORMANCE FACTOR SHARES ARE DETERMINED

Within the budget, statistics are then compiled and evaluated in each Diverse Languages Performance Factor. These statistics determine the share of available funding allocated to each Broadcaster for the Performance Factor. The amount of credit a Broadcaster earns relative to all other Broadcasters for the Factor is determined and then multiplied by the share of available funding.

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<sup>20</sup>Broadcasters should notify the CMF if they do not want to automatically participate in BE Allocation calculations.

<sup>21</sup>For calculation purposes, an "**Eligible Licence Fee**" is one that meets the criteria set forth in the 2023-2024 Diverse Languages Program Guidelines and is accompanied by a completed "Broadcaster Agreement Form".



## F. CALCULATION OF 2025-2026 BROADCASTER ENVELOPES AND ALLOCATIONS

### F.1 BROADCASTER ENVELOPE PERFORMANCE FACTORS AND WEIGHTS FOR 2025-2026 ENVELOPE ALLOCATIONS

	ENGLISH		FRENCH		DIVERSE LANGUAGES	
	2024-2025	2025-2026	2024-2025	2025-2026	2024-2025	2025-2026
AUDIENCE SUCCESS – TOTAL HOURS TUNED	35%	30%	35%	35%		
AUDIENCE SUCCESS – ORIGINAL FIRST RUN	10%		10%			
HISTORIC PERFORMANCE	5%		20%	10%	100%	80%
REGIONAL PRODUCTION LICENCES	30%	30%	15%	15%		
OTT FIRST RUN LICENCES	10%		10%			
DIVERSE COMMUNITY (OWNERSHIP) PRODUCTION LICENCES	10%	15%	10%	15%		
DIVERSE COMMUNITY (KEY PERSONNEL) PRODUCTION LICENCES		5%		5%		10%
GENDER BALANCE (OWNERSHIP) PRODUCTION LICENCES		5%		5%		
GENDER BALANCE (KEY PERSONNEL) PRODUCTION LICENCES						10%
INTERNATIONAL PARTICIPATION		5%		5%		
DEVELOPMENT HISTORIC PERFORMANCE		10%		10%		
TOTAL	100%	100%	100%	100%	100%	100%

### F.2 NEW PERFORMANCE FACTORS FOR 2025-2026

The new factors broaden Diverse Community representation into key personnel, Gender Balance into ownership and control and key personnel, reward financial participation in projects with export potential, and incentivize participation in project development.

#### F.2.1 DIVERSE COMMUNITY (KEY PERSONNEL) PRODUCTION LICENCES

This new Performance Factor is based on the share of total Eligible Licence Fees for Eligible Projects with over 40% key personnel from a Diverse Community (see definition in [Appendix A](#)). Broadcasters will only receive credit for this Factor based on information noted in an Applicant's application and confirmed by key personnel records in their PERSONA-ID accounts.

## **F.2.2 GENDER BALANCE (OWNERSHIP) PRODUCTION LICENCES**

This Performance Factor is based on the share of total Eligible Licence Fees for Eligible Projects that are owned and controlled by individuals that publicly identify as women (see definition in [Appendix A](#)). Broadcasters will only receive credit for this Factor based on information noted in an Applicant's application and confirmed by director and shareholder records in their PERSONA-ID accounts.

## **F.2.3 GENDER BALANCE (KEY PERSONNEL) PRODUCTION LICENCES**

This Performance Factor is based on the share of total Eligible Licence Fees for Eligible Projects with over 40% key personnel that publicly identify as women (see definition in [Appendix A](#)). Broadcasters will only receive credit for this Factor based on information noted in an Applicant's application and confirmed by key personnel records in their PERSONA-ID accounts.

## **F.2.4 INTERNATIONAL PARTICIPATION**

The International Participation Factor provides an incentive to Broadcasters to choose projects with a commitment or confirmed agreement to exploit the project outside of Canada. Envelope credit will be based on the share of the number of 2024-2025 projects with (i) a foreign pre-sale or distribution advance taking exploitation rights for territories outside of Canada in the project's financing, or (ii) that are Official Audiovisual Treaty Co-Productions.

Broadcasters will only receive credit for this Factor based on the relevant information noted in an Applicant's application by January 31, 2025. The relevant information used to determine this credit will be the following:

- (i) Distribution advances for international territories or foreign pre-sale licence fees. Co-licensed projects will be counted once for each Broadcaster;  
and/or
- (ii) International Audiovisual Treaty Co-productions with a preliminary recommendation from Telefilm Canada's Business Affairs and Certification Department.

## **F.2.5 DEVELOPMENT HISTORIC PERFORMANCE**

Beginning in 2024-2025, Broadcaster Envelopes will be used for both Development and Production. In order to provide credit from the use of the Envelopes for Development, Development Historic Performance will become one of the Performance Factors for 2025-2026 allocations. The Development Historic Performance Factor will be calculated using the same method as in previous years (see section E.7.2.1).

## **F.3 DIVERSE LANGUAGES HISTORIC PERFORMANCE FACTOR**

In 2025-2026, a Broadcaster's Historic Performance credit for a Diverse Languages allocation will be determined by the cumulative amount of CMF Diverse Languages Program funds triggered by that Broadcaster's Eligible Licence Fees in the previous three (3) fiscal years (2021-2022, 2022-2023, and 2023-2024).

## G. 2024-2025 BE CALENDAR

This calendar is a general guide only and is subject to change. Please refer to [cmf-fmc.ca](http://cmf-fmc.ca) for the most up-to-date information.

<b>April 2024</b>	<p>April 12<sup>th</sup>: BE Allocations published on CMF website.</p> <p>April 16<sup>th</sup>: Opening date for BE English and French development and production applications.</p>
<b>June</b>	<p>June 4<sup>th</sup>: Opening date for new Diverse Languages Envelope production applications.</p>
<b>April – March</b>	<p>Broadcaster status reports should be reviewed by Broadcasters.</p>
<b>October</b>	<p>October 17<sup>th</sup>: First Closing Date for BE applications in development and production, i.e., 75% commitment deadline for Broadcasters with BE Allocations greater than \$2.5 million.</p> <p>CMF notifies Broadcasters of specific Audience Success submission requirements.</p>
<b>December</b>	<p>First week in December: Deadline for Broadcasters to send Audience Success submissions to CMF.</p> <p>December 5<sup>th</sup>: Final Closing Date for BE project applications.</p>
<b>January 2025</b>	<p>CMF notifies Broadcasters of project statistics to be used in Historic Performance calculations for Broadcaster feedback and sign-off.</p> <p>Broadcaster sign-off of Historic Performance statistics due at CMF.</p> <p>Broadcasters who did not meet the 50% Gender Balance obligations will be notified.</p> <p>January 31<sup>st</sup>: Deadline to submit documents for the International Participation Factor (see F.2.4).</p>
<b>February</b>	<p>Deadline for BAF changes.</p> <p>CMF reviews Broadcaster Audience Success submissions and notifies individual Broadcasters of final numbers.</p> <p>Last week: Broadcaster status report detailing all funding year activity issued to each Broadcaster for feedback and sign-off.</p>
<b>March</b>	<p>CMF Board approves the program budget for the upcoming funding year.</p> <p>BE calculations are completed and cross-checked.</p>
<b>April</b>	<p>1<sup>st</sup> week: BE allocation agreement letters issued to Broadcasters. New BE Manual is published.</p>

## SCHEDULE A – DISPUTE RESOLUTION PROCESS

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Identified below is the 4-step process should Broadcasters raise issues pertaining to BE calculations:

**Stage 1:** Broadcaster issues relating to envelope calculations or envelope policies are directed to the CMF. CMF Staff will examine the issue and any precedents. The Broadcaster will be informed of the decision in writing.

If a precedent does not already exist, the process will move to stage 2.

**Stage 2:** Should the Broadcaster be unsatisfied with the CMF's initial response or if it is determined that a precedent does not exist, a detailed briefing note regarding the issue will be prepared by CMF staff.

If issues are primarily administrative in nature, the Manager responsible for the type of issue will provide direction regarding the execution of a resolution. One example of such a situation could pertain to the late acceptance of a Total Hours Tuned submission. The Broadcaster will be informed of the Manager's decision in writing.

If the issue is not administrative, the process continues to stage 3.

**Stage 3:** If the issue is a matter of policy interpretation or if the Broadcaster is not satisfied with the decision at stage 2, the issue will be escalated to the Executive Vice-president, Finance & Analytics ("**EVP**") accompanied by a recommendation from the responsible Manager.

The Broadcaster will be informed of the EVP's decision in writing.

If the issue goes beyond administrative or policy interpretation, the process will continue to stage 4.

**Stage 4:** If the issue is a request for a policy change, it is escalated to the President and CEO, with a recommendation from the EVP. The decision of the President and CEO will be final unless she feels the matter merits further consideration by the CMF Board.

Once a final decision is rendered by the President and CEO, a formal letter will be sent to the Broadcaster.