



CANADA
MEDIA FUND

FONDS DES MÉDIAS
DU CANADA

COVID-19 FLEXIBILITY MEASURES TO CMF PROGRAMS - 2021-2022

1. GENERAL INFORMATION

Interpretation, Application, Disclaimer, and other Important Information

The CMF has full discretion in the administration of its Programs, and in the application of its Guidelines and these Measures, to ensure funding is provided to those Projects that contribute to the fulfillment of its mandate. In all questions of interpretation of the CMF's Guidelines and Measures, the CMF interpretation shall prevail.

All Applicants and Broadcasters (where relevant) must abide by the Accounting and Reporting Requirements (ARR) of the CMF and follow applicable business policies as created and amended from time to time. Business policies, including the ARR, may be found in Appendix B of these Guidelines and are also available from the CMF website at www.cmf-fmc.ca. Information included in Appendices A and B is an integral part of these Guidelines.

Projects that receive CMF funding in a given year are subject to the Guidelines and CMF policies in effect for that fiscal year (including these Measures).

To be clear, changes to CMF Guidelines and/or policies made in a subsequent fiscal year will not apply retroactively, unless specifically stated. The CMF fiscal year is April 1 to March 31.

Please note: These Measures may be changed or modified as required, without notice. Please consult the CMF website at www.cmf-fmc.ca for the latest Guideline news and documentation.

Provision of Documentation

It is the responsibility of the Applicant or Broadcaster (as applicable) to ensure that 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 or Broadcaster.

Failure to Comply

If an Applicant or Broadcaster fails to comply with the CMF's policies, 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 or Broadcaster 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 productions
- Repayment of any funds already advanced, with interest
- Criminal prosecution, in the case of fraud

These consequences may be imposed not only on the relevant party but also on related, associated and affiliated companies and individuals (as determined by the CMF at its sole discretion). Any Applicant receiving approval for funding will be required to sign a legally enforceable agreement, which includes further provisions concerning misrepresentations, defaults, and related matters.

2. INTRODUCTION TO COVID-19 FLEXIBILITY MEASURES TO CMF PROGRAMS

In response to the disruption in Canada's screen-based industries caused by the COVID-19 pandemic, the CMF is releasing the following flexibility measures (the "**Measures**") to allow Applicants and Broadcasters (as applicable) additional latitude in the CMF's existing Programs, policies and administrative practices.

These Measures shall apply to

- Projects funded before 2021-2022 that have not yet fully closed; and
- Projects seeking funding in 2021-2022.

While this list may be updated as the situation evolves, except as noted in this document, all other requirements shall remain in force for each CMF Program until further notice. CMF Applicants should contact their Analyst at the CMF's Program Administrator ("**CMFPA**") with any questions.

These Measures are divided into 2 main sections:

- Operational Flexibility; and
- Policy Flexibility

3. OPERATIONAL FLEXIBILITY

1. TREATY COPRODUCTIONS

- a. If a Project that was originally scheduled to be an audiovisual treaty coproduction can no longer move forward due to issues related to COVID-19, the Applicant should contact its analyst at the CMFPA to discuss the specific circumstances of that Project.

2. ABANDONED PRODUCTIONS/REDUCED NUMBER OF EPISODES

- a. If a Project funded by the CMF prior to 2021-2022 is unable to complete production and be broadcast as initially planned, the Applicant should contact its analyst at the CMFPA to discuss flexibility options.

3. SUPPORTING DOCUMENTATION

- a. *Accounting and Reporting Requirements*
 - i. The requirement for a notarized affidavit for Phase II/Final Costs for Convergent and Experimental Stream Projects with budgets under \$250K will be waived and the Applicant's signed affidavit alone (without notarization) will be acceptable.
- b. *Canadian Content*
 - i. The requirement for a notarized Canadian Content affidavit for Convergent Stream projects submitting their Phase II/Final Costs in 2021-2022 will be waived and the Applicant's signed affidavit alone (without notarization) will be acceptable.

4. SIGNED AGREEMENTS

- a. The requirement in the CMF's Guidelines, Manuals, Business Policies and Agreements for Applicants to submit signed agreements may be met with photographs of signature pages.

5. PAYMENT SCHEDULE ACCELERATION

a. Phase I Payment

- i. For some Convergent Stream Projects, the current evaluation process may be amended in order to accelerate the Phase I contracting phase and initial payment to Applicants.
- ii. For the Experimental Stream, payment schedule will be evaluated on a case-by-case basis.

b. Phase II Payment

- i. For some Convergent Stream Projects funded in years prior to 2021-2022, the analysis at final cost review may be adapted if a Project's final evaluation cannot be completed due to the absence of some closing documentation caused by COVID-19-related circumstances. In these instances, the final Phase II payment may be divided into multiple payments.
- ii. For Experimental Stream, payment schedule will be evaluated on a case-by-case basis.

6. COMMENCEMENT OF PRODUCTION

a. Convergent Stream

- i. The requirement in the Guidelines for a production to begin principal photography/key animation within the fiscal year in which it is funded or within three months thereafter will be extended for COVID-19- related delays to production.

b. Experimental Stream

- i. The requirement in the Financing Agreement for a Project to begin production by a specified date in the Agreement's Project Elements section will be extended for COVID-19 related delays to production.

7. FINANCING AGREEMENT

a. Development Advance Reimbursement before issuing cheques for Production

- i. The requirement to repay a Project's Development advance to the CMF will now be met by direct deposit/electronic funds transfer.

4. POLICY FLEXIBILITY

1. PERFORMANCE AND DEVELOPMENT ENVELOPE PROGRAMS

a. *Reduction of the 1st deadline Envelope allocation commitment*

- i. For 2021-2022, the requirement for Broadcasters with a Performance Envelope allocation greater than \$2.5M to commit 75% of their PE allocation by October 15th will be reduced to a requirement to commit 50% by that deadline.
- ii. For 2021-2022, the requirement for English Broadcasters with a Development Envelope allocation greater than \$1M and French Broadcasters with a Development Envelope allocation greater than \$500K to commit at least 75% of that DE Allocation by October 29th, will be reduced to a requirement to commit 50% by that deadline.

b. *Move Funds Between Performance and Development Envelope Allocations*

- i. For 2021-2022, Broadcasters with allocations in both the Performance and Development Envelopes will be permitted to move funding from one allocation to another.
- ii. This allowance will only be permitted once the Envelope allocation they are adding to is fully spent. Further, once any funds are moved into an Envelope allocation, those funds will be required to be distributed by the Broadcaster through an Eligible Licence or Development Fee (as applicable).

2. PERFORMANCE ENVELOPE PROGRAM

a. *Variety – Licence Fee Threshold – French Market*

- i. For 2021-2022, the CMF's Licence Fee Thresholds for Variety projects in the French Market will be changed as follows:
 - The 50% Licence Fee Threshold for projects with a budget less than \$750K/hr will be changed to a **35% Licence Fee Threshold for projects with a budget less than \$250K/hr**; and
 - The 25% Licence Fee Threshold for projects with a budget of \$750K or more/hr will be changed to a **25% Licence Fee Threshold for projects with a budget of \$250K or more/hr**.

For clarity, this flexibility will only apply for projects licensed in 2021-2022, a reduction in a project's production budget as a result of this flexibility will be prohibited and the financial shortfall caused by a reduction in the Licence Fee Threshold should be compensated by a higher contribution from the Performance Envelope Program and not by an additional contribution from the Producer.

b. *100% Flex*

- i. For 2021-2022, the 100% flex allowance which allows Canadian Broadcasters to licence projects in any of the CMF's 4 genres – currently only applicable to "Small Broadcasters" in the CMF's Performance Envelope Manual – will be extended to all Broadcasters with Performance Envelope Allocations.

c. *Increase Maximum Contribution*

- i. For 2021-2022, the CMF's Maximum Contribution will be increased from 49% (20% licence fee top-up and 29% equity) to 60% (20% licence fee top-up and 40% equity).

3. **DEVELOPMENT PROGRAMS**

a. Development Envelope Program

i. *Revised Minimum Development Fee*

- For 2021-2022, the following **Development Fees will be revised**:
 - For English Projects:
 - The minimum **Development Fee will be reduced from 50% to 25%** of the Project's Eligible Costs;
 - The minimum **Development Fee will be reduced from 25% to 20%** of a regional Project's Eligible Costs.
 - For French Projects:
 - The minimum Development Fee will **be reduced from 25% to 15%** of a drama or pilot.

ii. *Revised Maximum Contribution Amounts*

- For 2021-2022, the following the **Maximum Contribution** by the CMF – for English and French Projects for all genres – will be the lesser of \$200,000 or:
 - **75% (increased from 50%)** of a Project's Eligible Costs in development; or
 - **80% (increased from 75%)** of a regional Project's Eligible Costs in development.

b. Francophone Minority Program

i. *Revised Minimum Development Fee*

- For 2021-2022, the minimum **Development Fee will be reduced from 25% to 15%** of a Drama Project's Eligible Costs.

ii. *Revised Maximum Contribution Amount*

- For 2021-2022 the **Maximum Contribution Amount by the CMF for all genres** will be the lesser of \$200,000 or **80% (increased from 75%)** of a Project's Eligible Costs.

c. Indigenous Program

i. *Revised Maximum Contribution Amount*

- For 2021-2022, the **Maximum Contribution Amount by the CMF for all genres** will be the lesser of \$200,000 or **80% (increased from 75%)** of a Project's Eligible Costs.

d. Pilot Program for Racialized Communities

i. *Revised Maximum Contribution Amount*

- For 2021-2022, the **Maximum Contribution Amount by the CMF for all genres** will be the lesser of \$200,000 or **80% (increased from 75%)** of a Project's Eligible Costs.