



creativeBC



BRITISH
COLUMBIA

**CREATIVE BC/CMF
REGIONAL
PREDEVELOPMENT
PROGRAM
GUIDELINES**

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1. GENERAL INFORMATION

Interpretation, Application, Disclaimer, and other Important Information

These Guidelines are for the information and convenience of Applicants (as defined in section 3.1) to the Canada Media Fund (CMF). They provide an overview of the objectives of the CMF, the manner in which the CMF is administered, and information on typical administrative practices of the CMF. Compliance with these Guidelines is a prerequisite to eligibility for any CMF funding.

The CMF has full discretion in the administration of its programs and in the application of these Guidelines to ensure funding is provided to those projects that contribute to the fulfillment of its mandate. In all questions of interpretation of these Guidelines, the 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. 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 Guidelines 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 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.

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 productions;
- Repayment of any funds already advanced, with interest;
- Criminal prosecution, in the case of fraud.

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

2. HOW THE CREATIVE BC/CMF REGIONAL PREDEVELOPMENT PROGRAM WORKS

2.1 INTRODUCTION

The Creative BC/CMF Regional Predevelopment Program (the “**Program**”) is a pilot program between the CMF and Creative BC designed to:

- Provide British Columbia-owned and controlled companies with flexible predevelopment funding; and
- Provide necessary resources to better enable British Columbia producers to compete globally.

Eligible Projects in this Program must meet the CMF’s definition of either Drama or Children’s and Youth programming (found in [Appendix A](#)) and are evaluated under a selective process according to the Evaluation Criteria (see section 2.5). Eligible Projects may receive funds subject to per-project Maximum Contribution amounts (see section 2.3) and other specified limitations.

Projects should be directly and solely submitted to Creative BC who will proceed to the initial analysis. Documentation required at the application stage is described on the Creative BC website found [HERE](#).

While Eligible Projects are not required to have a confirmed letter of interest at the application stage, Applicants which are awarded funding through the Program must secure a letter of interest within three months of being selected for Program funding from either:

- a Canadian Broadcaster (see section 2.1.1); or
- a Canadian Eligible Distributor (as defined in the CMF’s [Standard Recoupment Policy](#));

Funding will support activities including (but not limited to) acquisition of underlying rights, scripts, bibles and storyboards with some limited funding allocated for travel and pitch materials.

The total budget for the Program is \$400,000 with the CMF, Creative BC and the Canadian Media Producers Association – BC Producers Branch (“**CMPA-BC**”) all contributing. Applicants that are selected to receive funding in this Program will have one year from the date of contracting to submit the final deliverables for their projects.

Affiliated Programming and In-house Programming (see section 2.1.1) are not eligible in this Program.

2.1.1 Definitions Applicable to the Development Program: Canadian Broadcaster, In-house Programming and Affiliated Programming

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.

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

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

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

Broadcaster-Affiliated Programming

A broadcaster-affiliated production company is an Applicant, as defined in section 3.1, that is affiliated with a Canadian Broadcaster (the CMF uses the definition of “Affiliate” set out in the Canada *Business Corporations Act*). Affiliated Programming covers projects produced by a broadcaster-affiliated production company and licensed by its affiliated broadcaster(s).

In-house Programming

In-house Programming comprises projects produced and owned by a Canadian Broadcaster.

2.2 NATURE OF FUNDING CONTRIBUTION

Successful Applicants shall receive funding in the following form:

- non-repayable advance from Creative BC/CMPA-BC that will convert into an equity position for the Applicant when the Project goes into production; and
 - a repayable advance from the CMF shall be repaid in accordance with the following:
 - The first day of official preparation for principal photography of the Project or upon other use of the script,
- Or
- The transfer, sale, assignment, or other disposition of the script.

2.3 AMOUNT OF FUNDING CONTRIBUTION

The dollar contribution from the Program may be adjusted, depending on the quality of the projects, the availability of funds, and the number of requests received, up to a Maximum Contribution of the lesser of \$30,000 or 75% of the Project's Eligible Costs.

The total contribution from each of the CMF and Creative BC/CMPA-BC for each Project will be determined on a case-by-case basis.

2.3.1 Combining Funds

Eligible Projects submitted in the Program must be new projects that have not received any previous CMF funding nor received Creative BC funding.

Projects that receive funding through this Program, however, may subsequently be submitted to the CMF Development Program or Creative BC's existing Program Development Fund. It is important to note that any funding a Project receives through this Program in addition to funding available through the CMF Development Program will be integrated into that Project's development budget and financial structure.

2.4 ELIGIBLE COSTS

Eligible Costs for Projects submitted for the Program are costs set out in the predevelopment budget of each Eligible Project or final cost report, as applicable, (including both related-party and non-related-party costs) – plus costs the CMF and Creative BC consider necessary and minus costs the CMF and Creative BC consider excessive, inflated or unreasonable. A list of Eligible Costs is set out in detail below. Assessment of a project's Eligible Costs is at the CMF and Creative BC's sole discretion. CMF and Creative BC participation is calculated on the cumulative Eligible Costs of each Project. The CMF and Creative BC estimates Eligible Costs at the time of application, based on the budget for each Project.

In this Program, all Eligible Costs shall be Canadian costs. Any Eligible Costs incurred more than 12 months prior to the Applicant entering into an eligible predevelopment agreement (see section 3.2 below) shall not be considered Eligible Costs, with the exception of the option or acquisition of rights and the expenses associated with acquiring those rights, as long as they are not paid to a person with ownership interest.

Eligible Costs

- Scriptwriting consultant
- Story editor
- Option fees paid to an unrelated party, or acquisition of rights fees
- Preliminary synopsis, outline or treatment
- Scriptwriting (1st draft scripts, bible etc.)
- Storyboards
- Script workshops
- Audience research
- Focus groups
- Showrunner fees
- Pitch and travel costs⁴
- Producer fees and corporate overhead (subject to a maximum cap of 10% of Eligible Costs)
- Accounting fees (if review engagement is required as per the [Accounting and Reporting Requirements](#))

Additional CMF business policies relating to Eligible Costs are in [Appendix B](#).

2.4.1 Related-Party Transactions

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

- Disclosed to the CMF and Creative BC; and
- In accordance with the current [CMF Accounting and Reporting Requirements](#).

2.5 PROJECT ASSESSMENT IN THE SELECTIVE PROCESS

Projects under this Program shall compete for funding according to a selective process. To make its funding decisions, Creative BC and the CMF will use the Evaluation Criteria listed below.

It is important for Applicants to note that the CMF and Creative BC will not accept a revision to the evaluated elements of a Project that would affect its evaluation.

⁴For the purposes of this Program only, pitch and travel costs will be capped at 20% of the amount awarded through the Program.

Evaluation Grid

| Assessment Criteria | Points | Notes |
|---|--------|--|
| Applicant Ability: <ul style="list-style-type: none"> • infrastructure of Applicant company (5) • track record of Applicant company (5) • commercial/critical success of past projects (5) • attendance at recent international market events (5) • budget level of the Applicant company's projects and ability to match funding (5) | 25 | |
| Marketability of the Project: <ul style="list-style-type: none"> • international appeal of the project | 5 | |
| Key Personnel: <ul style="list-style-type: none"> • Track record of key personnel (Creative and Production teams) (12) • Production and Creative teams include Indigenous Canadians, Visible Minorities and Persons with Disability (10) • 40% of cumulative positions on the Production and Creative Teams are held by women (3) | 25 | <p>The Production Team is comprised of the producers of the project.</p> <p>For clarity, "Producers" shall be defined as either Producer, Executive Producer/Showrunner, Executive Producer, Co-executive Producer, Supervising Producer, Associate Producer, or Creative Producer positions.</p> <p>The Creative Team is comprised of the Writers and Directors on the project.</p> <p>For clarity, "Writer" shall be ascribed the same meaning as commonly understood in the film and TV industry and, if applicable, defined in accordance with Guild collective agreements.</p> <p>For clarity, "Director" shall be ascribed the same meaning as commonly understood in the film and TV industry and, if applicable, defined in accordance with Guild collective agreements.</p> <p>Indigenous Canadians, Visible Minorities and Persons with Disability will be defined in accordance with the standards of the <i>Employment Equity Act</i>.</p> |
| Creative Elements: <ul style="list-style-type: none"> • Creative merit of proposed Project (30) • Feasibility of budget submitted for this predevelopment phase (5) • Predevelopment advances/presales to date; third party investment (10) | 45 | |
| TOTAL | 100 | |

3. ELIGIBILITY FOR FUNDING

3.1 ELIGIBLE APPLICANTS

An eligible Applicant to this Program is a company that:

- a) Is a for-profit (i.e., a taxable corporation, within the meaning of Canada's *Income Tax Act*) production company incorporated in British Columbia;
- b) Is Canadian-controlled as determined in sections 26 to 28 of the *Investment Canada Act* and the majority of the issued common voting shares are held by BC residents⁵;
- c) Has its head office in British Columbia and is a film or television entertainment company that can demonstrate the following:
 - production on a minimum of 2 film and/or television projects in the last 5 years, where the principal of the Applicant company was granted either a "Producer" or "Executive Producer" credit, which have been:
 - theatrically released; and/or
 - broadcast on a Canadian Broadcaster (defined in section 2.1.1) or on a platform on the CAVCO list of approved services; and/or
 - selected at an approved international film festival⁶
 - completion of at least \$5M in BC-owned and controlled film and/or television production over the last 3-5 years; and
 - the principals, directors, officers and shareholders of the Applicant company are in good standing with Creative BC.

Broadcasters and broadcaster-affiliated production companies are not eligible Applicants to this Program.

Note: For the purposes of these Guidelines, the term Applicant includes all coapplicants, parent companies, related, associated and/or affiliated companies or individuals (as determined by the CMF at its sole discretion), as applicable.

3.2 ELIGIBLE PROJECTS

An Eligible Project in this Program is defined as a Television Project that meets all relevant criteria and subsections applicable under these Guidelines. The CMF and Creative BC recognize that Projects at the predevelopment stage are necessarily nascent, evolving works that may not strictly comply at application with the CMF's Essential Requirements necessary for funding which are found in all Production-related CMF Programs. Applicants are encouraged to review these Essential Requirements (and any requirement necessary for eligibility in Programs that are applicable for the later stages of a Project's lifecycle). As such, Eligible Projects under this Program must be reasonably intended to comply with all future applicable CMF Program requirements and the CMF and Creative BC shall solely determine whether a Project is realistically expected to comply with the requirements under all relevant and applicable CMF Programs.

An Eligible Project must be developed as a Canadian production or intended as an audiovisual treaty coproduction. A Canadian scriptwriter must be involved in all stages of development. For projects meant for Canadian audiovisual treaty coproductions, the active contribution of a Canadian scriptwriter is required.

⁵Defined as someone residing in the province for 200 of the previous 365 days preceding the date of application and have filed (or intend to file) income tax as a BC resident for the most recent calendar year.

⁶<https://telefilm.ca/en/festivals-markets/festival-circuit/>

The Applicant must have acquired all rights and options to the Project, exclusive for at least 24 months, which are necessary for the adaptation of the original work or concept, the scriptwriting, the production and worldwide distribution (with appropriate case-by-case exceptions for a purchased format).

Further, each Applicant may submit a maximum of one Project.

Eligibility for funding in this Program does not guarantee an Applicant's or Project's eligibility for further CMF funding through other CMF Programs.

3.2.1 Essential Requirements

A production must meet the Essential Requirements listed here. For a series, the Essential Requirements apply to every episode of the cycle, even if all episodes are not submitted for CMF funding. The CMF solely decides whether or not a project meets the Essential Requirements and its interpretation shall prevail.

- 1) The Project will be certified by the Canadian Audio-Visual Certification Office (CAVCO) and has achieved 10/10 points (or the maximum number of points appropriate), as determined by the CMF using the CAVCO scale.
- 2) Underlying rights are owned, and significantly and meaningfully developed, by Canadians.
- 3) The Project is shot and set primarily in Canada.

Further details on these Essential Requirements and permissible genre-specific exceptions are in [Appendix A](#) of these Guidelines. This Appendix includes other important information and is an integral part of these Guidelines.

3.2.2 Genres of Programming

This Program supports the following genres: Drama and Children's & Youth programming. The CMF defines each in [Appendix A](#) of these Guidelines.

Note: Some flexibility exists for children's and youth programming. See [Appendix A](#) for more information.

3.2.3 Canadian Ownership and Control

Each Project must meet these criteria:

- a) It is under Canadian ownership and Canadian executive and creative control.
- b) It is under the financial control of Canadian citizens or permanent residents.
- c) It is, and has been, controlled creatively and financially by a Canadian production company during all phases of development.
- d) Generally, no more than 49% of the development financing is provided by a single non-Canadian entity, person or related entity. Interim lending of more than 49%, however, may be provided by a non-Canadian arm's-length entity in the business of lending money and taking security.
- e) The Applicant retains and exercises all effective controls or approvals consistent with those of a producer.

This includes control and final approval of creative decisions and financing, distribution and exploitation, and preparation and final approval of the budget, subject to reasonable and standard approval rights customarily required by arm's-length financial participants, including Canadian broadcasters and distributors.

- f) The Applicant owns all rights (including copyright) and options necessary for the development, production and its distribution in Canada and abroad (with appropriate case-by-case exceptions for a purchased format) and retains an ongoing financial interest in the project.

Note: The interpretation of these criteria shall allow Canadian audiovisual treaty coproductions to access the CMF.

3.2.4 Miscellaneous Requirements

The Project must conform to the Canadian Association of Broadcasters' (CAB) Code of Ethics and to all programming standards endorsed by the Canadian Radio-television and Telecommunications Commission (CRTC), including the CAB Violence Code, the Creative Industries Code of Conduct and the CAB Equitable Portrayal Code. The CMF, Creative BC and the CMPA-BC encourage all applicants to comply with ImagineNative's "Pathways & Protocols".

3.2.5 Deadline for Submission

Applications for financing in this Program must be submitted by March 11, 2020.