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DISTRIBUTOR ENVELOPE MANUAL 2026-2027

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1. INTRODUCTION

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

- Distributor Envelope (“**Distributor Envelope**” or “**DE**”) Program for Distributors purchasing rights to projects in English and/or French;
- The policies which govern the management and usage of Distributor Envelope Allocations (“**Allocation**”) (see section 3).
- Details on the methodology by which the 2027-2028 Distributor Envelope Allocations will be calculated (see section 4).

This Manual is intended to complement both the [Distributor Envelope Program Guidelines](#) (the “**Guidelines**”), [Appendix A](#), and [Appendix B](#) to the Guidelines which contain information on project funding eligibility criteria. It is strongly recommended that Distributors who use a Distributor Envelope Allocation familiarize themselves with the Guidelines. They can be found on the CMF website at cmf-fmc.ca.

*****Distributors are strongly encouraged to check their Distributor Status Reports (section 3.5) during the year, especially after the Program Deadlines and in January before the Envelope Allocation calculations begin and notify the CMF of any errors or omissions on project application information.*****

Distributors with 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 Distributor’s 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.

2. DISTRIBUTOR ENVELOPE OVERVIEW

2.1 DISTRIBUTOR ENVELOPE BACKGROUND

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

2.2 KEY TERMS

2.2.1 Distributor

The definition of Distributor can be found in the CMF Guidelines [Appendix A](#), under “Eligible Canadian Distributor”.

It is the responsibility of Distributors to obtain and maintain eligibility as an Eligible Canadian Distributor.

It is the responsibility of Distributors to maintain strong channels of communication with CMF funding applicants (“**Applicant**”) that produce those projects to which they have committed DE 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 Distributor to provide the applicable documentation required for Applicants to appropriately complete funding applications and it is the responsibility of the Distributor to subsequently fulfill all its CMF Eligible Distribution Advance obligations.

The Distributor 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 Distributor is found to be in violation of this provision, they will be subject to the Distributor Envelope Penalties for Non-compliance outlined in section 3.4 below.

The Distributor is also responsible for reviewing the Distributor Status Report of current applications (section 3.5) on an ongoing basis. The Distributor is also responsible for respecting all deadlines as stated within the Manual and in CMF communications.

2.2.1.1 Communications with Distributors and the CMF Website

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

Distributors are encouraged to notify the CMF of changes to their contact information, and to visit cmf-fmc.ca at regular intervals to ensure that they have not missed important notifications or correspondence.

2.2.1.2 Change of Distributor Ownership

Where the ownership of a distribution company changes, the parties involved must notify the CMF of the change and direct the CMF to effect this change to the applicable DE Allocations. The notification and direction must be in writing and signed by both parties. It should include details as to the transfer of Eligible Distribution Advances for CMF-funded projects so that the CMF can properly assign DE Allocation calculation credit. Absent such notification and direction, the CMF will not be responsible for any changes to the affected DE Allocations.

2.2.2 Distributor Envelope Allocation

A DE Allocation is an amount of CMF funding made available to a Distributor to commit to an Eligible Project (as defined in the applicable Guidelines). The amount of funds allocated to each Distributor is calculated annually based on performance factors (“**Performance Factors**”). Once the calculations are complete, each Distributor is notified of its results.

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

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

Distributors that do not receive a DE Allocation may use the Alternative Access option (see section 3.2).

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

As DE Allocations are distributed by language, they may only be used for Eligible Projects where the original language of production (as defined in section 2.4 of the [Guidelines](#)) is the same language.

The CMF calculates DE Allocations each fiscal year to account for changes in Distributor performance within the specific Performance Factors. This also gives the CMF an opportunity to modify the nature of the Performance Factors used in DE 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 DE Allocations are not paid to Distributors. Rather, these funds are committed to Eligible Projects by Distributors through their DE Allocation, and any funds paid out by the CMF are paid directly to the applicable production company of an Eligible Project (the Applicant).

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

2.2.3 Distributor Envelope Program Applicant

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

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

2.2.4 CMF Program Administrator

The CMF has entered into Services Agreements with the CMF Program Administrators at Telefilm Canada ("**CMFPA**") and at the Indigenous Screen Office ("**ISO**"). As per this arrangement, the CMFPA and ISO handle almost all activity related to the management and administration of project funding applications on behalf of the CMF. The administration of DE Allocations, however, is managed jointly by CMF and CMFPA staff.

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

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

3. 2026-2027 DISTRIBUTOR ENVELOPE ALLOCATION MANAGEMENT POLICIES

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

3.1 DISTRIBUTOR ENVELOPE ALLOCATION AGREEMENT LETTERS

At the beginning of the fiscal year, Distributors that earned 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 Distributor is permitted to use its DE Allocation, as defined below. Distributors using the Alternative Access option do not receive an Allocation agreement letter but must abide by the terms and conditions as described below in the DE Manual and as applicable.

All 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 designated DE Allocation until the associated agreement letter has been fully executed.

3.2 ALTERNATIVE ACCESS ALLOCATIONS USAGE

A Distributor without a Distributor Envelope (DE) Allocation may access CMF DE funding through the Alternative Access portion of the DE system.

Distributors may utilize Alternative Access on a first-come, first-served basis, by providing an Eligible Distribution Advance and a Distributor Agreement Form with a DE commitment to an Eligible Project, until the entire Alternative Access budget is spent. The Alternative Access budgets for 2026-2027 are \$6,240,000 for English Distributors and \$1,760,000 for French Distributors.

In the English Envelope, the Maximum Contribution from Alternative Access is limited to \$350,000 and in the French Envelope the limit is \$100,000 per Distributor in 2026-2027.

Use of the Alternative Access Allocation requires an accompanying minimum Eligible Distribution Advance of at least \$5,000 in the application.

3.3 DISTRIBUTOR ENVELOPE CONTRIBUTIONS

CMF funding provided through the Distributor Envelope Program comes in different forms of contribution. The type of contribution is affected if the Eligible Project also has an Eligible Licence Fee from a Canadian Broadcaster. Please refer to the [Guidelines](#) (section 4, Nature of Contribution) for more information.

A Distributor can decide how much of its DE 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 Distributor's DE Allocation and/or one or more Broadcaster BE Allocations.

Eligible Projects may receive contributions from more than one language DE Allocation under certain narrow circumstances. The terms under which this is permitted are detailed in the Distributor Envelope Program Guidelines.

3.3.1 Distributor Agreement Form

A "**Distributor Agreement Form**" ("**DAF**") is an essential document that provides authorization from a Distributor to an Applicant to apply to the CMF for Eligible Projects with an Eligible Distribution Advance. The Applicant creates the DAF (available on the CMF website) and submits it to the Distributor for approval. After the Distributor approval, the Applicant submits the DAF with the funding application. The DAF includes the following:

- the amount of funds the Distributor is contributing from a DE Allocation to a given project;

- basic terms of the Eligible Distribution Advance, as applicable¹;
- a confirmation from the Distributor that it will meet the Canadian Availability Requirement within eighteen (18) months of delivery and technical acceptance of the Eligible Project²; and
- Acceptance of the terms of the [CMF's Narrative Positioning Policy](#) for the given project.

In order for the Distribution Advance to be considered eligible and thereby count towards an Eligible Project's Eligible Market Commitment Threshold requirement, a DAF must be completed and received by the CMF. All Performance Factor calculations are based on Eligible Distribution Advances and the activity they unlock. Therefore, a DAF must be completed by any Distributor who wishes to have their CMF-funded project financing activity count towards DE Allocation calculation credit.

As DE Allocations are distributed by language,

- Allocations may only be used for Eligible Projects where the original language of production (as defined in section 2.4 of the [Distributor Envelope Program Guidelines](#)) is the same language;
- For Performance Factors, credit for DE Allocation calculations is based on the Project's original language of production (please see section 4 below for more information on DE Allocation calculation).

3.3.2 CMF DE Funding Application Deadline

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 the fiscal year-end and that the calculation of DE 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 Distributor committed DE Allocation funds to that project in a timely manner. The impact that late or rejected applications will have on the calculation of a Distributor's future DE Allocation will not be a consideration for the CMF.

3.3.2.1 Final Closing Date

The date by which all DE project applications must be received by the CMF is the "Final Closing Date". The Final Closing Date for 2026-2027 is December 8, 2026. Any funds remaining in a DE Allocation for which the CMF has not received a complete application by the Final Closing Date will be removed.

3.3.3 Distributor-related Programming

Distributors are limited in the amount of their DE Allocation that they are permitted to commit to Distributor-related Programming. Distributors with Allocations greater than \$1,000,000 may commit up to fifty percent (50%) of their DE Allocations to Distributor-related Programming. Distributors are notified of their respective Distributor-related Programming DE commitment allowances in their DE Allocation letter.

For further details on the CMF's definition of Distributor-related Programming, please refer to [Appendix A](#).

3.3.4 Narrative Positioning Policy

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

3.4 DISTRIBUTOR ENVELOPE PENALTIES FOR NON-COMPLIANCE

Should a Distributor fail to meet any of its obligations to Eligible Projects that it has unlocked, for CMF funding in any prior fiscal year, or if the Distributor breaches any provision of the DE Guidelines, the CMF reserves the right to make adjustments

¹ Please refer to the [Distributor Envelope Program Guidelines](#) for the complete requirements of an Eligible Distribution Advance and Chapter 9 of [Appendix B](#) for Distributor Business Policies.

² Please refer to section 3.2.4 d of the Guidelines for the details on the Canadian Availability Requirement.

to the amount of a Distributor's DE Allocation in a subsequent fiscal year. Please note that an adjustment to one Distributor's DE Allocation may not result in an increase to other Distributors' DE Allocations.

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

Additionally, beginning in 2026-2027, the CMF will introduce a new section in its Eligible Canadian Distributor Business Policy ([Appendix B](#), Chapter 9) which enables the CMF, if necessary, to pause all of a Distributor's CMF activity in order to investigate the Distributor's connection to Projects and Applicants that continually fail to respect the CMF's policies, requirements and standards.

3.4.1 Post-Allocation Withdrawal Penalty

In the event a Distributor withdraws an Eligible Distribution Advance payment to a project that generated credit and an Allocation amount after such Distributor's DE Allocation calculations have been completed, that Distributor's DE 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 DE Allocation.

3.5 DISTRIBUTOR STATUS REPORTS

Distributor Status Reports are available on demand through the Dialogue portal.³ The purpose of a Report is to inform Distributors of those project applications that have been received to date by the CMF to which the Distributor has committed DE Allocation funds or to which the Distributor has provided Eligible Distribution Advances to earn credit in DE 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 Distribution Advances (paid by that particular Distributor);
- Distributor's contribution from their DE allocation;
- commitments from other CMF Linear Programs;
- eligibility for various Performance Factors;
- Project budget; and
- Distributor-related Programming designation.

Distributor Status Reports allow a Distributor to stay abreast of their DE Allocation deadline obligations, as well as monitor the relevant statistics that the CMF has recorded with respect to the projects supported by that Distributor via their DE Allocation. The Status Reports provide the Distributor with information on the Performance Factors in relation to individual project applications.

Distributors are strongly encouraged to notify the CMF of any discrepancies or errors contained within these reports as soon as possible, especially before the Envelope Allocation calculations begin in February. There will be a deadline in early February for changes to applications in Dialogue. After this early February deadline, only information that is already present in the application form will be considered and the CMF will not accept any new information.

3.6 REALLOCATING DE ALLOCATION FUNDS DUE TO PROJECT INELIGIBILITY

On rare occasions, a project to which a Distributor has committed DE Allocation funds will be deemed ineligible for CMF funding or the funding amount may be reduced. In these cases, the committed DE Allocation funds are returned to the Distributor's Allocation. When applications for projects are rejected prior to the Final Closing Date, the Distributor 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 Distributor may be permitted to reallocate the associated DE Allocation funds to other existing CMF

³ Contact CMF for access to the portal. After CMF approval, access [Dialogue](#).

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 Distributor-related Programming spending capacity rules as deemed appropriate.

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

3.7 2026-2027 DE CALENDAR

This calendar is a general guide only and is subject to change. Please refer to cmf-fmc.ca for the most up-to-date information. Details for Performance Factors mentioned below can be found in section 4.

April 2026	Mid-April: DE Allocations published on CMF website. Mid-April: Opening date for DE applications.
April – February	Distributor Status Reports should be reviewed by Distributors. Distributors are encouraged to notify the CMF of any discrepancies or errors as soon as possible.
Early October	CMF notifies Distributors of specific Gross Sales Revenue Factor submission requirements.
December	Early December: Deadline for Distributors to send Gross Sales submissions to CMF. December 8th: Final Closing Date for DE applications.
January 2027	CMF notifies Distributors of project statistics to be used in Historic Performance calculations for Distributor feedback and confirmation. Distributors are strongly encouraged to review the Distributor Status Reports in early January and alert CMF if there are any errors or questions related to project application information used to calculate Distributor Envelope Allocations
February	Early February: Deadline for modifications to project application information or DAFs. Last week of February: A Distributor Status Report detailing all funding year activity is issued to each Distributor for confirmation and identification of errors. Changes to applications in Dialogue will not be allowed at this point.
March	CMF Board approves the Program budget for the upcoming funding year. DE calculations are completed and cross-checked.
April	1st week: DE Allocation agreement letters issued to Distributors. A new DE Manual is published.

4. CALCULATION OF 2027-2028 DISTRIBUTOR ENVELOPE ALLOCATIONS

4.1 DISTRIBUTOR ENVELOPE BUDGETS

The amount of funding budgeted for the DE Program is determined by the CMF Board of Directors each fiscal year. This amount is divided into “**Envelopes**” according to language and genre.

For the 2027-2028 Envelope Allocations, the English and French Envelopes are broken down as follows:

	ENGLISH ENVELOPES	FRENCH ENVELOPES
CHILDREN AND YOUTH	40%	40%
DOCUMENTARY	30%	30%
DRAMA and VARIETY & PERFORMING ARTS	30%	30%

There is a minimum amount a Distributor must earn to receive a DE Allocation. Distributors earning an Allocation of less than the Minimum Allocation must use the Alternative Access option (outlined in section 3.2 above). The amount designated for Alternative Access is taken from the language Envelopes before allocation to Distributors through the Performance Factors.

4.2 PERFORMANCE FACTORS

Distributors compete against one another for the available funding in each Envelope according to different categories (“**Performance Factors**”) determined by the CMF Board of Directors. Distributors are automatically included in DE Allocation calculations if the Distributor has earned credit through the Performance Factors.

For Performance Factors, credit for DE Allocation calculations in each Envelope is based on the Project’s original language of production.

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

For Performance Factors using 2026-2027 Eligible Distribution Advances, there will be a deadline in early February for changes to applications in Dialogue relating to these Factors. After this early February deadline, only information that is already present in the application form will be considered and the CMF will not accept any new information.

Any deadlines set by CMF staff relating to the calculation of the Performance Factors will be final.

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.

4.2.1 Distribution Advance Factor

Credit in the Performance Factor is based on the total amount of “**Eligible Distribution Advances**” committed to CMF-funded Linear Content Production projects.⁴ The “**Distribution Advance Factor**” credit for each Distributor is equal to the

⁴ For calculation purposes, an “**Eligible Distribution Advance**” is one that meets the criteria set forth in the Guidelines and is accompanied by a signed Distributor Agreement Form (“**DAF**”) that is submitted with the application.

amount of Eligible Distribution Advances they contributed, regardless of the number of Distributors involved or if they contributed funds from an Envelope Allocation.

For this Factor, credit is earned from Eligible Projects funded in 2026-2027 for the 2027-2028 Envelope Allocation calculations.

4.2.2 Historic Access Factor

The “**Historic Access Factor**” refers to the amount of CMF production funding historically accessed as a result of a Distributor’s Eligible Distribution Advances in the financing of projects. A Distributor’s credit is determined by the cumulative amount of CMF funds accessed by that Distributor’s Eligible Distribution Advances over a three (3) year period.⁵ If a project’s Eligible Distribution Advances total less than \$5,000, the Advances will not be eligible to earn Historic Access Factor credit.

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

For this Factor, credit is earned from projects funded in 2023-2024, 2024-2025, and 2025-2026 for the 2027-2028 Envelope Allocation calculations.

Historic Access credit is derived from all CMF Linear (or Convergent, as applicable) Content Production funding.

If more than one Distributor contributes an Eligible Distribution Advance for an Eligible Project in Production, the Historic Access credit is allocated *pro rata* according to each Distributor’s share of the total Eligible Distribution Advances. It is important to note that all Distributors contributing an Eligible Distribution Advance to an Eligible Project in Production receive Historic Access credit for the CMF funds unlocked, regardless of whether or not they contributed CMF monies from a DE.

Example of pro-ration	Eligible Distribution Advance	% Share of Eligible Distribution Advances	CMF Funding Contribution	Historic Access Credit
DISTRIBUTOR A	\$400K	80%	\$100K	\$300K x 80% = \$240K
DISTRIBUTOR B	\$100K	20%	\$200K	\$300K x 20% = \$60K
TOTAL	\$500K	100%	\$300K	\$300K

4.2.3 Gross Sales Revenue Factor

The Gross Sales Revenue Factor recognizes the ability of Distributors to facilitate the availability of CMF-supported projects to audiences. When calculating this Performance Factor for the 2027-2028 Envelope Allocation calculations, a Distributor’s credit is earned from the past three (3) years (calendar years: 2023, 2024, 2025) of Gross Sales Revenues the Distributor has made on Eligible Projects, including projects where the Distributor was not part of the original financial structure of the production.

“Gross Sales Revenue” is defined as any and all revenues generated by the exploitation of a project before any commissions, fees, costs, or expenses of any type are deducted.

“Eligible Projects” are defined as projects funded through CMF Linear or Convergent Content (Production) Programs over the past five (5) years (CMF fiscal years: 2021-2022, 2022-2023, 2023-2024, 2024-2025, 2025-2026). A list of Eligible Projects will be published for the 2027-2028 Gross Sales Revenue Factor.

⁵ For calculation purposes in Historic Access, an “**Eligible Distribution Advance**” is one that meets the criteria set forth in the Guidelines.

4.2.3.1 Gross Sales Revenue Submissions

The CMF requires that Distributors submit their own Gross Sales Revenues for CMF review and inclusion in Gross Sales Revenue Factor credit. Instructions and a submission template will be provided in the Fall of 2026.

The CMF's review of sales revenue submissions from Distributors includes verification that every Project title included in any submission is CMF-supported. Additionally, the associated CMF genre for every title is verified.

Submissions will be spot checked against available Gross Sales Revenue reports submitted to the CMF by funding recipients. Further documentation may also be requested to validate Distributor submissions.

4.2.4 Independent Production Factor

When calculating this Performance Factor, a Distributor's credit is determined by the total dollar amount of **"Eligible Distribution Advances"**⁶ committed to CMF-funded Linear Content Production projects that are not Distributor-related Programming (as defined in section 3.3.3 above). The Eligible Distribution Advance credit for each Distributor is equal to the amount of Eligible Distribution Advances they contributed, regardless of the number of Distributors involved or if they contributed funds from an Envelope Allocation.

For this Factor, credit is earned from Eligible Projects funded in 2026-2027 for the 2027-2028 Envelope Allocation calculations. Applicants must indicate that they are a "For-profit Production Company" in the application form and the CMF analyst validates their answer against the criteria noted in section 3.3.3 above.⁷

4.3.5 Regional Production Factor

When calculating this Performance Factor, a Distributor's credit is determined by the total dollar amount of **"Eligible Distribution Advance"**⁸ committed to "Regional Production Projects" (as defined in the Guidelines [Appendix A](#)). The Eligible Distribution Advance credit for each Distributor is equal to the amount of Eligible Distribution Advances they contributed, regardless of the number of Distributors involved or if they contributed funds from an Envelope Allocation.

For this Factor, credit is earned from Eligible Projects funded in 2026-2027 for the 2027-2028 Envelope Allocation calculations. Applicants must indicate eligibility for this Factor in the application form and, if they answer "Yes", the CMF analyst validates their answer against the qualifying criteria noted in [Appendix A](#).⁹

4.3.6 Diverse Community (Ownership) Project Factor

A **"Diverse Community"** and **"Diverse Community (Ownership) Project"** are defined in [Appendix A](#) of the 2026-2027 Guidelines. **"Eligible Distribution Advances"**¹⁰ from 2026-2027 Eligible Projects in all Linear Content Production Programs are eligible to count as credit in this Factor.

For Distributors to receive credit via the Diverse Community (Ownership) Project Factor, individual shareholders and members of the board of directors must answer the questionnaire in PERSONA-ID and Applicants of eligible applications must make a declaration of meeting the criteria of a Diverse Community (Ownership) Project in the funding application form and update the Corporate Information in Dialogue. Applicants must indicate eligibility for this Factor

⁶ For calculation purposes, an **"Eligible Distribution Advance"** is one that meets the criteria set forth in the Guidelines and is accompanied by a signed Distributor Agreement Form (**"DAF"**) that is submitted with the application.

⁷ For Projects that *only* receive funding from the Indigenous Production Program, the CMF will only rely on information submitted to the Indigenous Screen Office in the calculation of this Performance Factor.

⁸ For calculation purposes, an **"Eligible Distribution Advance"** is one that meets the criteria set forth in the Guidelines and is accompanied by a signed Distributor Agreement Form (**"DAF"**) that is submitted with the application.

⁹ For Projects that *only* receive funding from the Indigenous Production Program, the CMF will only rely on information submitted to the Indigenous Screen Office in the calculation of this Performance Factor.

¹⁰ For calculation purposes, an **"Eligible Distribution Advance"** is one that meets the criteria set forth in the Guidelines and is accompanied by a signed Distributor Agreement Form (**"DAF"**) that is submitted with the application.

in the application form and, if they answer “Yes”, the CMF analyst validates their answer against the qualifying criteria noted in [Appendix A](#).¹¹

4.3.7 Gender Balance (Ownership) Project Factor

“**Gender Balance (Ownership) Project**” is defined in [Appendix A](#) of the 2026-2027 Guidelines. “**Eligible Distribution Advances**”¹² from 2026-2027 Eligible Projects in all Linear Content Production Programs are eligible to count as credit in this Factor.

For Distributors to receive credit via the Gender Balance (Ownership) Production Licences Factor, individual shareholders and members of the board of directors must answer the questionnaire in PERSONA-ID and Applicants of eligible applications must make a declaration of meeting the criteria of a Gender Balance (Ownership) Project in the funding application form and update the Corporate Information in Dialogue. Applicants must indicate eligibility for this Factor in the application form and, if they answer “Yes”, the CMF analyst validates their answer against the qualifying criteria noted in [Appendix A](#).¹³

4.4 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 or French Children and Youth Envelope is \$12M and the Regional Production Performance Factor is weighted at 10%, then that would translate to a Regional Production Performance Factor value of \$1.2M in that specific Envelope;

4.4.1 Factor Weights

For the 2027-2028 Distributor Envelope calculations, Factor Weights will be as follows for all genres:

	ENGLISH ENVELOPE	FRENCH ENVELOPE
Distribution Advance Factor	20%	15%
Historic Access Factor	10%	15%
Gross Sales Revenue Factor	25%	25%
Independent Production Factor	15%	15%
Regional Production Factor	10%	10%
Diverse Community (Ownership) Project Factor	10%	10%
Gender Balance (Ownership) Project Factor	10%	10%
TOTAL	100%	100%

¹¹ For Projects that *only* receive funding from the Indigenous Production Program, the CMF will only rely on information submitted to the Indigenous Screen Office in the calculation of this Performance Factor.

¹² For calculation purposes, an “**Eligible Distribution Advance**” is one that meets the criteria set forth in the Guidelines and is accompanied by a signed Distributor Agreement Form (“**DAF**”) that is submitted with the application.

¹³ For Projects that *only* receive funding from the Indigenous Production Program, the CMF will only rely on information submitted to the Indigenous Screen Office in the calculation of this Performance Factor.

4.5 INTERPRETING DISTRIBUTOR ENVELOPE ALLOCATION RESULTS

4.5.1 Each Distributor Competes for Shares of Each Envelope

Distributor statistics are compiled and evaluated in each of the Performance Factors (e.g., Historic Access, etc.) within each Envelope's respective budget (e.g., English Children and Youth, French Documentary, etc.).

Based on each Distributor's performance relative to one another in this process, the CMF assigns credit shares earned by the Distributor in each of the Envelopes. A Distributor's allocated share of funding for each Envelope equals that Distributor's Envelope Allocation.

For example, in the English Children and Youth Envelope, all of a given Distributor's Regional Production Factor statistics are measured against other Distributors' Regional Production Factor statistics. These statistics determine the share of available funding allocated to each Distributor for the Regional Production Factor within the English Children and Youth Envelope.

So if the English Children and Youth Envelope had a \$12,000,000 budget:

FACTOR	WEIGHT	\$ VALUE OF FACTOR	CREDIT SHARE EARNED BY DISTRIBUTOR X*	DISTRIBUTOR X'S ENVELOPE ALLOCATION
Distribution Advance Factor	20%	\$2,400,000	5%	\$120,000
Historic Access Factor	10%	\$1,200,000	5%	\$60,000
Gross Sales Revenue Factor	25%	\$3,000,000	6%	\$180,000
Independent Production Factor	15%	\$1,800,000	5%	\$90,000
Regional Production Factor	10%	\$1,200,000	10%	\$120,000
Diverse Community (Ownership) Project Factor	10%	\$1,200,000	10%	\$120,000
Gender Balance (Ownership) Project Factor	10%	\$1,200,000	15%	\$180,000
DISTRIBUTOR X ENVELOPE ALLOCATION FROM THE ENGLISH CHILDREN AND YOUTH ENVELOPE				\$870,000

* Relative to others.

4.5.2 DE Allocation Cap

Any single DE Allocation exceeding one-third of the overall Envelope budget in each language market will be capped at one-third. Any overage will be redistributed proportionally to other Distributors earning DE Allocations in the same language market.

4.5.3 Performance Factor Credit Dollars versus Distributor Envelope Allocation Dollars

When examining DE calculations, it is important to note that Distributor expenditures that make up part of the Performance Factor calculations are not equivalent to DE Allocation dollars awarded.

For example, if a Distributor's regional production Eligible Distribution Advances 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 Factor.

In this example, the \$500,000 in Eligible Distribution Advances is considered DE credit. Its value in terms of Envelope Allocation dollars is **relative to the share in that Performance Factor earned by all other Distributors competing in that language-genre Envelope**. If that \$500,000 in Eligible Distribution Advances is worth 10% of the sum of all Regional Production Eligible Distribution Advance credit earned by all Distributors combined in that language-genre Envelope, then that Distributor would earn 10% of the funding available to that genre in that Performance Factor, which may be more or less than \$500,000.

4.5.4 Year-over-Year Distributor Envelope Allocation Fluctuations

Fluctuations in a Distributor's DE 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 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 Distributor generates for any of the Performance Factors;
- Changes in a Distributor's performance relative to the total, in any given Performance Factor; and/or
- An increase or decrease in the number of Distributors competing for Allocations in a given language-genre category.

SCHEDULE A – DISPUTE RESOLUTION PROCESS

Identified below is the 4-step process should Distributors raise issues pertaining to DE Allocation calculations:

Stage 1: Distributor issues relating to Envelope Allocation calculations or Envelope policies are directed to the CMF. CMF staff will examine the issue and any precedents. The Distributor 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 Distributor 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 CMF staff member 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 submission of a revised DAF. The Distributor will be informed of the CMF'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 Distributor is not satisfied with the decision at stage 2, the issue will be escalated to the Executive Vice-President, Content and Industry Development Strategy ("**EVP**") accompanied by a recommendation from the responsible Manager.

The Distributor 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 it is determined 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 Distributor.