



**PREDEVELOPMENT
PROGRAM
GUIDELINES
2020-2021**

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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 CMF the 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 PREDEVELOPMENT PROGRAM WORKS

HOW TO READ THESE GUIDELINES

Projects in the Convergent Stream may involve both a Television Component and one or more Digital Media Components. The eligibility and technical requirements for these two Components may be very different. In these Guidelines, sections dealing with requirements for the Television Component use “.TV” in their section number, and sections dealing with requirements for the Digital Media Component use “.DM”. Sections dealing with requirements for the entire convergent project – i.e. the Television Component and, where applicable, the Digital Media Component – simply use a section number without “.TV” or “.DM”.

2.1 INTRODUCTION

The Predevelopment Program, which forms part of the CMF’s Convergent Stream, allocates funding to Eligible Projects (defined in section 3.2 below) at the beginning of a Project’s creative process.

For clarity, only an eligible English- or French-language Television Component (defined in section 3.2.TV below) will be considered an Eligible Project in the Predevelopment Program.

Eligible Projects are awarded funding on a first-come, first-served basis until resources for the Program are depleted or until the application deadline, whichever comes first. In the event that a large number of Projects are submitted on the same date, creating oversubscription, the CMF may distribute funding to those Projects deemed eligible on a proportional (pro-rated) basis, designate how many submitted projects will receive funding, distribute funding via a selective process or elect to distribute funding in some other equitable manner, to be determined in the CMF’s sole discretion.

Beginning in 2020-2021, at least 40% of the Predevelopment Program’s budget will be exclusively reserved for Projects that meet the definition of a ‘Regional Project’ in section 2.1.1.

For clarity, Eligible Applicants may apply to the Program with a maximum of one Eligible Project.

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

2.1.1 Definitions Applicable to the Predevelopment Program: Canadian Broadcaster, Broadcaster Affiliated Programming, In-house Programming, Regional Project

Canadian Broadcaster

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

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

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

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

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

Broadcaster Affiliated Programming

A Broadcaster-affiliated production company is an Applicant, as defined in section 3.1(A) and (B), 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.

Regional Project

A Regional Project is a Project in which:

- a) The Applicant is based in the region with its head office in the region.
- b) The regional Applicant initiates and continues to meaningfully participate in the Project’s development, retaining at least 51% ownership of the copyright interest in the project.

For the purposes of this definition, “region” or “regional” is defined as any part of Canada more than 150 km by the shortest reasonable roadway route from:

- Toronto for English Projects
- Montreal for French Projects

2.2 NATURE OF FUNDING CONTRIBUTION

Successful Applicants to the Predevelopment Program receive non-interest bearing advances. 100% of the Eligible Project’s advance must be repaid on or before the earliest applicable event of repayment as described here:

- i) The first day of official preparation for principal photography of the Eligible Project (regardless of the platform for which it is produced) or upon other use of the script.

or

- ii) The transfer, sale, assignment, or other disposition of the script.

2.3 AMOUNT OF FUNDING CONTRIBUTION

2.3.1 CMF Contribution

The Maximum Contribution for Eligible Projects shall be the lesser of 84% of the Eligible Costs or \$46,000.

2.3.1.1 Combining Funds

Eligible Projects submitted in the Program must be new projects that have not received any previous CMF funding.

Projects that receive funding through this Program, however, may subsequently be submitted to CMF Development and Production Programs. It is important to note that any funding a Project receives through this Program in addition to funding available through other CMF Programs will be integrated into that Project’s development and/or production budget and financial structure.

2.3.2 Eligible Costs

In this Program, only Canadian costs are Eligible Costs. Costs incurred before the 2020-2021 CMF fiscal year will not be considered Eligible Costs. Funding received through this Program should focus primarily on the creation of early-stage creative materials.

Allowable Eligible Costs in this Program shall be the following:

- Writing (Outline, Treatment, Bible, or Script)
- Creation of pitch material including short non-broadcast demos
- Option fees for underlying rights
- Scriptwriting consultant
- Story editor
- Preliminary research
- Production of drawings (animation)
- Travel costs for research or to meet with national/international coproduction partners (limited to 2% of Eligible Costs)
- Printing and collating costs
- Arms-length legal costs
- Producer fees and corporate overhead (limited to a maximum cap of 10% of Eligible Costs)
- Accounting fees (if review engagement is required as per the Accounting and Reporting Requirements)

Please note, the Predevelopment Program budget template outlines specific allowable costs.

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

2.3.2.1 Related-Party Transactions

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

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

3. ELIGIBILITY FOR FUNDING

For clarity, Eligible Applicants may apply to the Program with a maximum of one Eligible Project.

3.1. ELIGIBLE APPLICANTS

An Eligible Applicant is:

- 1) A production company that:
 - a) Is a for-profit (i.e. a taxable Canadian corporation, within the meaning of Canada's *Income Tax Act*) production company;
 - b) Is Canadian-controlled as determined in sections 26 to 28 of the *Investment Canada Act*;
 - c) Has its head office in Canada;
 - d) Has both:
 - A writing agreement with a writer for a project that meets the CMF's definition of an Eligible Project (see section 3.2); and
 - A letter of interest⁴ from one of the following:
 - a Canadian Broadcaster (as defined in section 2.1.1);
 - A participating and eligible Canadian provincial funding agency⁵.

Please note each individual entity that meets the definition of one of the enumerated triggering groups listed above is limited to the number of projects it can trigger, to a maximum of 2 projects.

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

3.2 ELIGIBLE PROJECTS

An Eligible Project in this Program is an English- or French-language TV Component that meets all applicable section 3.2 criteria and subsections. The CMF recognizes that projects at the development stage are necessarily nascent, evolving works that may not strictly comply at application with all requirements of section 3.2 and its subsections. As such, TV Components must be reasonably intended to comply with the three Essential Requirements (see section 3.2.TV.1), as appropriate to each category of production and programming genre, as set out in [Appendix A](#), plus all other requirements of sections 3.2.TV.1 through 3.2.TV.4.

Eligibility for funding in this Program does not guarantee Applicant or Project eligibility for further CMF development funding or CMF production funding.

Please note, returning series are not eligible for this Program.

⁴For clarity, there is no requirement for any individual entity in one of enumerated triggering groups to commit a Development Fee.

⁵Creative BC, Manitoba Film and Music, Nunavut Film Development Corporation, Creative Saskatchewan, Northwest Territories Film Commission, Alberta Film, Yukon Media Development, Nova Scotia Business Inc., Innovation PEI, Newfoundland and Labrador Film Development Corporation.

3.2.TV The Television Component

A Television Component of an Eligible Project must be linear audiovisual content that meets the following requirements (that are further explained in this section):

- the CMF's Essential Requirements;
- the CMF's Genre requirements (as set out in [Appendix A](#));
- ownership and control requirements; and
- miscellaneous requirements.

The Television Component of an Eligible Project must be developed as a Canadian production or intended as an audiovisual treaty coproduction. A Canadian writer must be involved in all stages of development. For Television Components meant for Canadian audiovisual treaty coproductions, the active creative contribution of a Canadian writer is required.

The Applicant must have acquired all rights and options to the Television Component, 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).

3.2.TV.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 TV Component will be certified⁶ 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 TV Component 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.TV.1.1 Audiovisual Treaty Coproductions

With respect to the CMF eligibility of audiovisual treaty coproductions, these Essential Requirements shall be interpreted so as to treat the coproduction partner as "Canadian."

Accordingly, the term "Canadians" in Essential Requirement 2, and the term "Canada" in Essential Requirement 3 include the coproduction country. The 10/10 points referenced in Essential Requirement 1 must be attained by citizens of Canada or the coproducing country.

The CMF recognizes that projects at the development stage are necessarily nascent, evolving works that may be unable to strictly comply at application with all of the requirements of Section 3.2.TV.1. As such, TV Components must be reasonably intended to comply with the Essential Requirements, as appropriate to each category of production and programming genre, as set out in [Appendix A](#), plus all other eligibility requirements that may be applicable to development and, in the CMF's discretion, comply with the spirit and intent of the Guidelines.

⁶Exceptions may be granted by the CMF for exempt broadcasters regulated by the CRTC via *Broadcasting Order CRTC 2015-88*.

For information on audiovisual treaty coproduction between Canada and other territories, please see [Telefilm Canada's treaty coproduction guidelines](#).

3.2.TV.2 Genres of Programming

The CMF supports the following genres: drama, documentary, children's and youth programming, and variety and performing arts. The CMF defines each in [Appendix A](#) of these Guidelines.

The following is a non-exhaustive list of genres and programming formats that are not eligible to apply to the CMF: sponsored productions, sports, news, game shows, current affairs, public affairs, lifestyle productions, "how-to" productions, reality television, instructional television, infomercials, music videos, formal or curriculum-based educational programs, foreign format buys without significant Canadian adaptation and creative contribution, magazine productions, talk shows, "talkshows culturels," award shows, galas, reporting and current events, religious programs, fundraising productions, benefits, tributes, promotional productions, pep rallies, travelogues and interstitials.

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

3.2.TV.3 Canadian Ownership and Control

The Television Component 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 stages 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. The Applicant retains and exercises all effective controls or approvals consistent with those of a producer.
- e) 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 TV Component.

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

3.2.TV.4 Miscellaneous Requirements

The Television Component must meet these criteria:

- a) It conforms 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 and the CAB Equitable Portrayal Code.

- b) It is a new production. A new production is one which is not substantially a repackaged version of a previously-produced production. For a series, the CMF will consider the entire cycle to determine if the TV Component is a repackaging (e.g. some “best of,” “making-of” and/or “catch-up” episodes may be permitted). Television Components comprised mainly of stock footage may be new productions provided the footage is not merely repackaged in whole or large segments for the TV Component.
- c) The CMF encourages all Applicants to respect the guiding principles and best practices set out in the [On-Screen Protocols & Pathways Media Production Guide](#).