



**NORTHERN
INCENTIVE
GUIDELINES
2019-2020**

Interpretation, Application, Disclaimer, and other Important Information

These Guidelines are for the information and convenience of Applicants 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 the 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.

1. INTRODUCTION TO THE CANADA MEDIA FUND

The Northern Incentive

The Canada Media Fund's mandate includes support for funding to production and development across the country. As such, the CMF is renewing its Northern Incentive.

Production Financing

For Production Financing, the Northern Incentive (the “**Incentive**”) will take the form of a licence fee top-up contribution (see section 2.2 of the [2019-2020 Performance Envelope Program Guidelines](#)). The Maximum Contribution for Eligible Projects (see section 3.2 of the [2019-2020 Performance Envelope Program Guidelines](#)) shall be the lesser of 30% of the Eligible Costs (see section 2.3.2 and all its subsections of the [2019-2020 Performance Envelope Program Guidelines](#)) or \$200,000.

For clarity, Digital Media Components (if applicable) will be submitted through the Television Component's application budget and the Licence Fee Threshold, Maximum Contribution and licence-fee top-up/equity ratio will be calculated on the Eligible Project as a whole (see section 2.3.2 of the [2019-2020 Performance Envelope Program Guidelines](#) for more detail).

For an eligible coproduction (i.e., a Canadian interprovincial coproduction as described below, or an audiovisual treaty coproduction), the amount of the Incentive will be calculated on the portion of the Eligible Costs associated with Nunavut, Nunavik, the Yukon Territory, or the Northwest Territories, as applicable. The Incentive will be awarded to Eligible Projects on a first-come, first-served basis until resources for the Incentive are depleted or until the application deadline, whichever comes first. In the event that a large number of Eligible 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 (per applicant) will receive funding, or elect to distribute funding in some other equitable manner, to be determined in the CMF's sole discretion.

Funding from the Production Financing allocation of the Northern Incentive may be combined with funding from other CMF funding Programs; it will be awarded separately and in addition to any amounts contributed to the Project through other CMF Programs, and without regard to Maximum Contribution amounts applicable to those Programs. However, the total CMF contribution from all programs combined cannot exceed 84% of the Eligible Costs.

Projects with Eligible Licence Fees (see section 3.2.TV.5 of the [2019-2020 Performance Envelope Program Guidelines](#)) from Canadian Broadcasters who do not have a CMF Performance Envelope allocation are eligible for the Northern Incentive. Additionally, for the purposes of Production Financing through the Northern Incentive, “Canadian Broadcaster”, as defined in section 2.1.1 of the [2019-2020 Performance Envelope Program Guidelines](#), includes any CMF-approved community channel operating in Nunavut, Nunavik, the Yukon Territory or the Northwest Territories (“**Community Channel**”).

Eligibility for Production Financing through the Northern Incentive includes these criteria:

- a) The Applicant and Project meet all of the applicable requirements of section 3 of the CMF's [2019-2020 Performance Envelope Program Guidelines](#). For Projects with Eligible Licence Fees solely from a Community Channel there is no minimum Licence Fee Threshold (see section 3.2.TV.5.1 of the [2019-2020 Performance Envelope Program Guidelines](#)). For clarity, the Northern Incentive Guidelines shall prevail if there is a conflict of provisions between the two Guidelines.
- b) The Eligible Project has been submitted for CMF funding for the 2019-2020 CMF fiscal year. Projects that received CMF funding in previous fiscal years are not eligible for the 2019-2020 Northern Incentive.

- c) The Eligible Project is 100% financed at application (including the Northern Incentive and any other CMF financing). For Projects that have already applied for other CMF funding for the 2019-2020 fiscal year, financing and/or the budget must be adjusted accordingly. The Northern Incentive cannot result in a Project being more than 100% financed.
- d) The following geographical criteria are met:
- i. The overwhelming majority of principal photography¹ for the Television Component occurs in Nunavut, Nunavik, the Yukon Territory or the Northwest Territories, with suitable exceptions for documentaries.
 - ii. The Digital Media Component work and expenses occur in Nunavut, Nunavik, the Yukon Territory or the Northwest Territories.
 - iii. The Applicant is based in Nunavut, Nunavik, the Yukon Territory or the Northwest Territories (with its head office in Nunavut, Nunavik, the Yukon Territory or the Northwest Territories) and:
 - Exercises full control of the creative, artistic, technical and financial aspects of the Eligible Project or, in the case of an eligible coproduction, has this control in proportion to its copyright ownership;
 - In the case of an interprovincial coproduction, owns at least 51% of the copyright of the Eligible Project;
 - In the case of an eligible coproduction, shares equitably in fees payable to producers and corporate overhead;
 - Initially owns and controls the distribution rights to the Eligible Project and retains an ongoing financial interest in the Eligible Project, in the case of an eligible coproduction, the markets and potential revenues are shared equitably in proportion to the financial participation of each coproducer;
 - Has meaningfully participated in the Eligible Project's development.

Where the control and central decision makers in the Eligible Project are located outside of Nunavut, Nunavik, the Yukon Territory or the Northwest Territories, the Project is not eligible for the Northern Incentive.

Section 1 of the CMF's [2019-2020 Performance Envelope Program Guidelines](#) apply to applications for the Northern Incentive. For certainty, all applicable business policies also apply to this Incentive, except that, for the purposes of the Producer's Fees and Corporate Overhead (PFCO) Policy, those fees and overhead shall be a maximum of 30% of Sections B+C of the production budget for all Projects, regardless of the budget amount.

¹In the case of animated productions, this requirement will be interpreted to mean key animation activities carried out in the region(s).

Development Financing

The CMF has set aside up to \$200,000 of the Incentive's total budget to provide financial support for development Projects in the Northern Incentive ("**Development Financing**"). Development Financing will be disbursed on a first-come, first-served basis. In the event that a large number of Eligible 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 (per applicant) will receive funding, or elect to distribute funding in some other equitable manner, to be determined in the CMF's sole discretion.

For Development Financing, the Incentive will take the form of a non-interest bearing advance (see section 2.2 of the [2019-2020 Development Program Guidelines](#)). The Maximum Contribution shall be the lesser of 75% of the Eligible Costs (see section 2.3. and all its subsections of the [2019-2020 Development Program Guidelines](#)) or \$50,000.

While Eligible Projects must include a commitment for financial participation by a Canadian Broadcaster (as defined in section 2.1.1 of the [2019-2020 Development Program Guidelines](#)) of at least 15% of the Project's Eligible Costs ("**Development Fee**"), for Projects with Development Fees solely from any CMF-approved community channel operating in Nunavut, Nunavik, the Yukon Territory or the Northwest Territories ("**Community Channel**"), there is no minimum Development Fee amount.

For clarity, Digital Media Components (if applicable) will be submitted through the Television Component's application budget. For these projects, the Development Fee Threshold and Maximum Contribution amounts will be calculated on the combined Eligible Costs of the Eligible Project as a whole (see section 2.3 of the [2019-2020 Development Program Guidelines](#) for more detail).

Applicants may apply to the Development Financing allocation of the Northern Incentive with a maximum of two Eligible Projects.

Eligibility for Development Financing through the Northern Incentive includes these criteria:

- a) The Applicant and Project meet all of the applicable requirements of section 3 of the CMF's [2019-2020 Development Program Guidelines](#). For clarity, the Northern Incentive Guidelines shall prevail if there is a conflict of provisions between the two Guidelines.
- b) The Eligible Project has been submitted for CMF funding for the 2019-2020 CMF fiscal year. Projects that received CMF funding in previous fiscal years are not eligible for the 2019-2020 Northern Incentive.
- c) The Eligible Project is 100% financed at application (including the Northern Incentive and any other CMF financing). For Projects that have already applied for other CMF funding for the 2019-2020 fiscal year, financing and/or the budget must be adjusted accordingly. The Northern Incentive cannot result in a Project being more than 100% financed.
- d) With the exception of the principal photography requirement, the geographical criteria enumerated in subsection d) of the Production Financing section of the Incentive (noted above) are met.

Where the control and central decision makers in the Eligible Project are located outside of Nunavut, Nunavik, the Yukon Territory or the Northwest Territories, the Project is not eligible for the Northern Incentive.

For general information regarding development financing, please see the CMF's [2019-2020 Development Program Guidelines](#).