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COMMERCIAL PROJECTS PROGRAM – THIRD-PARTY INVESTMENT STREAM GUIDELINES 2026-2027

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1. GENERAL INFORMATION

Section 1 of the [IDM Content Programs – Core Guidelines](#) shall apply to the Commercial Projects Program – Third Party Investment Stream Guidelines, unless otherwise specified.

2. OVERVIEW

2.1 INTRODUCTION

Unless otherwise specified, in addition to the requirements set out in these Guidelines, Applicants must comply with:

- i) The rules and requirements of the [IDM Content Programs – Core Guidelines](#), and
- ii) The applicable policies and definitions in [Appendix A](#) and [Appendix B](#), namely:
 - a. [Appendix A](#): Section 7 (CMF Definitions)
 - b. [Appendix B](#):
 - i. Chapter 1 (Default Policy),
 - ii. Chapter 2 (Accounting and Reporting Requirements),
 - iii. Chapter 3 (Producer's Fees and Corporate Overhead (PFCO) Policy), and
 - iv. Chapter 5 (Insurance Policy).

The objective of the Commercial Projects Program (the “**Program**”) is to fund Canadian interactive digital media Projects that have a greater probability of commercial success.

A Project in this Program should have completed the conceptual/ideation and prototype stages and able to demonstrate a clear path to market and monetization. Production support is provided for the creation of a final, market-ready version of an Eligible Project, including localization of the Project and marketing/commercialization activities.

Starting in 2026-2027, this Program shall fund Projects through two streams:

1. The Main Stream, a selective process in which Eligible Projects are assessed according to an evaluation grid. Projects will be evaluated based on their potential to attain stated commercial objectives, demonstrate business opportunity and achieve profitability.

And

2. The Third-Party Investment Stream, a first-come first-serve pilot initiative for Eligible Projects that have a viable locked financing plan including a minimum 25% of bona-fide third-party investment at the time of application. The intent of this Stream is to incentivize external investment and recognize the presence of multiple investors in the Project.

These guidelines pertain solely to the **Third-Party Investment Stream (the “Stream”)**. For the selective Program process, please visit the [Commercial Projects Program - Main Stream Guidelines](#).

2.2 DEFINITIONS

Please see [Appendix A](#) section 7 for definitions of the following terms found in these Guidelines:

- Related Party

3. ELIGIBILITY

3.1 ELIGIBLE APPLICANTS

An Eligible Applicant to this Stream must meet:

- The criteria in section 3.1 of the [IDM Content Programs – Core Guidelines](#); and
- Any applicable specific eligibility criteria noted in this section.

As a reminder the following additional requirements now apply across all IDM Programs (see 3.1.1 of the [IDM Content Programs - Core Guidelines](#)):

- All new Applicants to the CMF through an IDM Program will be required to participate in a Pre-Application consultation with CMFPA staff in order to be considered eligible to apply.
- Applicants will be limited to holding a maximum of two (2) open contracts at the Production phase. Applicants must ensure that previous Projects' Final Cost Documentation (including a cost report) are delivered and the file(s) closed before applying with new Projects.

As this is a pilot initiative, it is recommended that all Applicants – whether or not they are considered new – schedule a Pre-Application consultation with CMFPA staff to discuss the particulars of their Project.

3.2 ELIGIBLE PROJECTS

An Eligible Project to this Stream must meet:

- The criteria in Section 3.2 of the [IDM Content Programs – Core Guidelines](#); and
- Any applicable specific eligibility criteria noted in this section.

An Eligible Project to this Stream cannot have also applied to the Commercial Project Main Stream in the Spring deadline period. During the spring application dates, Applicants should choose which Stream they wish to apply in and cannot attempt to apply to both.

Applicants may apply to this Stream with a maximum of one (1) Eligible Project per fiscal year.

3.2.1 Financing and Third-Party Contribution Requirements

Eligible Projects to this Stream must meet the following conditions:

- Financing (with the exception of the CMF request) is fully confirmed at the time of application;
- A minimum threshold of **25%** of the financing must be from bona-fide third party sources ("**Third-Party Contributions**"); and
- Budgets must be greater than \$750,000.

Third-Party Contributions can be any combination of commitments from a publisher, exhibitor, distributor, private investor or public or private grant programs from anywhere in the world. Additionally they must be:

- Cash contributions;
- Paid to the Applicant;
- New commitments, against project costs not yet incurred; and
- Subject to a current, legally binding contract(s) which clearly outline the terms and conditions of the contribution.

Third-Party Contributions cannot be:

- Tax credits;
- Loans, in-kind services or deferrals; or
- Offset by services payable to the Third-Party contributor during production or release.

For clarity, producer or Related Party investment can be included in the financing plan, but cannot count towards Third-Party Contributions.

International Co-Productions may be considered eligible in this Stream. In this case, the calculation of eligible minimum threshold commitments from Third-Party Contributions will be reviewed and determined on a case-by-case basis, please contact staff at the CMF's Program Administrator to discuss.

Aspects of a Third-Party Contribution in this Stream:

a) Cash contributions

Cash contributions must be genuine, industry standard, for fair market value and cannot be reduced once the CMF has entered into a production financing agreement with the Applicant.

Cash contributions cannot include facilities, goods or services, donations or corporate sponsorship monies negotiated and obtained by the Applicant, tax credits or any arrangement which, in the CMF's assessment, does not constitute a genuine cash contribution. The foregoing does not preclude a Third- Party contributor from providing services, facilities, or other fees in addition to the cash contribution.

In cases where the provision of a cash contribution is wholly or partially dependent on a buyback of services from the provider of the contribution, the CMF may elect to deduct the value of the services or facilities from the total value of the contribution, for the purposes of determining Third- Party Contribution amounts; this determination will be made on a case-by-case basis.

b) Legally binding contract(s)

Contracts should outline all relevant terms and conditions of the Contribution, and reflect standard industry practices for the type of Contribution. This can include but is not limited to:

- The total amount being paid for the Project;
- Project milestones;
- The applicable region(s), territory(ies), language(s);
- Delivery schedule; and
- Release plan.

At the time of application, deal memos or letters of intent can be provided in lieu of a long form contract, provided that they still outline the above and are signed by the Third-Party Contributor. Long form contracts will be a condition of the initial CMF payment drawdown. The CMF reserves the right to request more information to sufficiently assess the validity of any Third-Party Contributions or Contributors.

3.2.2 Distribution Plans

While the intent of this Stream is to incentivize third-party investment, including ideally the presence of a Publisher or Distributor, Projects may still be self-distributed, provided that the Applicant provides a clear plan, including a robust audience engagement strategy, and demonstrates that it has the ability to effectively self-distribute the Project.

This should include an overview of audience interest and engagement cultivated in the Project to date. In the case of video

games, this could include, but is not limited to wish list numbers, demo testing / playtest results, community server numbers, or other suitable means reflective of where the core community for the Project is being built. Other types of Projects should do their best to quantify interest and demand as it relates to their specific release strategy.

In situations where Projects do not have a Publishing or Distribution partner included in their Third-Party Contributions, Projects may still have a letter of intent from a Publishing or Distribution partner (the “**Publisher / Distributor**”) committed to taking the Project to market and to actively promoting the Project, but not providing a cash financing commitment to the Project.

3.2.3 Miscellaneous Requirements

- a) A Project cannot have substantially commenced Production prior to submission of an application, nor have already been made publicly available (except as clearly indicated for demo or prototyping testing in previous phases of work).
- b) A Project that has been refused funding from this Program two (2) or more times since 2010-2011 cannot apply again for CMF-funding in this same Program.
- c) A Project that has been refused in the Commercial Projects Program, can apply to the Innovation & Experimentation Program (and vice versa), if eligible. However, a Project cannot be submitted to both the Commercial Projects Program and the Innovation & Experimentation Program in the same spring or fall deadline periods.
- d) Funding through this Stream cannot be combined with other production-phase CMF IDM Programs.
- e) The Project must be made available in Canada.

4. CMF CONTRIBUTION

Unless otherwise noted in this section, a CMF Contribution to an Eligible Project in this Stream will follow:

- The criteria in section 4 of the [IDM Content Programs – Core Guidelines](#); and
- Any applicable specific criteria noted in this section.

4.1 AMOUNT OF CONTRIBUTION

For this Stream only, successful Applicants will receive funding in an amount appropriate to the needs of the Project and subject to a Maximum Contribution of the lesser of 49% of the Project's Eligible Costs or \$1.5 million.

4.2 ELIGIBLE COSTS

Eligible Costs must be costs directly related to the Project, including but not limited to:

- Research and preparation of content;
- Salaries and benefits/wages/contracts for Project team (Project management, business development, coding, design, system infrastructure, content development);
- Technology infrastructure (hardware and software);
- **Starting in 2026-2027**, design, construction or exhibition costs related to the physical presentation of immersive / experiential works, so long as the production of digital content remains the primary component of the budget;
- Travel and accommodations;
- Project audit fees;
- Other technical and administrative expenses;
- Localization activities;
- Marketing and promotion; and/or
- Reasonable costs related to environmentally-sustainable activities, practices and personnel.

Projects must spend a minimum of 25% and maximum of 50% of categories B + C of their production budget on eligible marketing and promotion costs.

Design, construction or exhibition costs related to the physical presentation of immersive / experiential works can account for a maximum of 20% of the Project's Eligible Costs.

5. DECISION PROCESS

Evaluation of an Eligible Project will follow:

- The criteria in section 5 of the [IDM Content Programs – Core Guidelines](#); and
- Any applicable specific criteria noted in this section.

Eligible Projects are awarded funding on a first-come, first-served basis until resources for the Stream 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 (per Third-Party Contributor) will receive funding, apply the Third-Party Contribution Ranking process (as defined below) or elect to distribute funding in some other equitable manner, to be determined in the CMF's sole discretion.

Third-Party Contribution Ranking process:

- Eligible Projects will be ranked according to the percentage of confirmed Third-Party Contribution as a percentage of the Project's overall financing. The projects with Third-Party Contributions that represent the largest percentage of project financing will be ranked highest.
- The CMF will distribute a pro-rated amount of 85% of requested funds to the highest-ranking projects until Program funds are depleted. This ranking will also respect any applicable Program caps (e.g., language, regions, Related-Parties, etc.).
- Projects that do not rank high enough will not receive Program funds for that application round.
- In the event multiple Projects are tied with the same Third-party Contribution percentage of Project financing just before the funding cut-off point, the CMF will then evaluate the largest dollar contribution of Third-party Contribution to re-rank those tied Projects and award funding according to the same process noted above.

6. RECOUPMENT POLICY

6.1 INTRODUCTION

Unless otherwise noted in this section, an Eligible Project to this Program Stream will follow:

- The criteria in Section 6 of the [IDM Content Programs – Core Guidelines](#); and
- Any applicable specific eligibility criteria noted in this section.

For this Stream only, the recoupment position as outlined in section 6.2.1 of the IDM Core Guidelines is superseded by an alternative pilot recoupment position (detailed in 6.2.1 below). The intent of this alternative policy is to reflect the presence of multiple investors in the financing of the Project at the time of application. The recoupment position applicable to other production phase Programs or Streams remains unchanged.

All other conditions of the Recoupment policy as presented in the IDM Core Guidelines remain applicable.

6.2. RECOUPMENT AND PROFIT PARTICIPATION

6.2.1 Recoupment

In this Stream only, the CMF will recoup its investment from 20% of all Net Revenue generated by the exploitation of the Project, on a pari passu basis alongside any other primary investors or publishing partners.

“Net Revenue” is defined as any and all revenues generated by the exploitation of the Project *after* the deduction of platform fees only. Other commissions, fees, costs or expenses cannot be deducted before the CMF’s percentage is calculated¹.

“Pari passu” is defined as recoupment at the same preferred position and time as other primary project investors or publishers. For clarity, recoupment deals with other investors cannot result in a reduction of CMF’s pari passu position.

The CMF will recoup its investment from Net Revenue generated by exploitation of the Project until the full amount of the CMF’s investment is recouped or seven (7) years from the submission to the CMF of the Project’s First Exploitation Report, whichever comes first.

¹ For Eligible Projects that do not have an equivalent industry standard platform fee, such as Projects that are distributed primarily through physical exhibition or venue spaces, what constitutes as Net Revenue will be discussed and agreed to on a case-by-case basis. Generally speaking, an allowable deduction shall be industry standard fees charged by established third parties services that are non negotiable by the producer and cannot be avoided for distribution to the intended audience.