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CANADA FEATURE FILM FUND

MARKETING PROGRAM

Guidelines

APPLICABLE AS OF APRIL 12, 2023 Ce document est également disponible en français.

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Program Intent and Objectives

The Canada Feature Film Fund ("**CFFF**") seeks to improve the long-term viability of the Canadian audiovisual industry. These guidelines are for the CFFF Marketing Program (the "**Program**"). The Program reflects Telefilm Canada's priority of supporting the Canadian media industry in the achievement of new levels of success by focusing on increasing visibility, improving audience access and stimulating demand for Canadian content. The Program seeks to provide effective and efficient support for the marketing and promotion of Canadian content and talent. The Program funds innovative marketing activities that will lead to increased theatrical accessibility and enhanced opportunities for audience access via digital distribution and multiple-viewing platforms, thus expanding the reach of Canadian productions and talent, both nationally and internationally.

Telefilm Canada ("**Telefilm**") encourages a diversity of voices in its feature film portfolio. It seeks to do so by supporting promising Canadian content while ensuring the representation of a variety of genres, budget and company sizes, regions, and different viewpoints. As such, Telefilm will seek to encourage, amongst others, projects showcasing viewpoints of women, gender-diverse persons and Indigenous peoples, as well as projects representing the diversity of the country through the presence of Black and People of Colour as well as 2SLGBTQIA+ communities, People with Disabilities and people belonging to an Official Language Minority Community.

This Program is designed to support the marketing of Canadian feature films with the strongest theatrical and multipleviewing platform potential. In this effort, Telefilm promotes the development of partnerships among producers, distributors, exhibitors as well as national and international partners.

Financing priority for this Program is given to films that have been supported with production or post-production financing by Telefilm through the Production, Theatrical Documentary and Talent to Watch Programs.

1. Eligibility Criteria for Applicants

1.1. Basic Eligibility Criteria

In order to be eligible, an applicant must meet the following criteria:

- i. be either a distribution company or a production company;
- ii. carry out its activities in Canada;
- iii. be a Canadian-controlled corporation, as determined under sections 26 to 28 of the <u>Investment Canada Act</u> with its head office in Canada;
- iv. be financially stable¹; and
- v. hold all Canadian distribution rights of the project submitted (including ancillary rights)².

Furthermore, all key personnel exercising financial, distribution and marketing control over the project submitted to Telefilm must be Canadian citizens, within the definition of the <u>Citizenship Act</u>, or permanent residents within the definition of the <u>Immigration and Refugee Protection Act</u>.

Note: If a distribution company is affiliated³ with a Canadian broadcaster, it must be a separately incorporated entity, distinct from the operations of the broadcaster(s) with which it is affiliated.

¹ Consideration will be given for new production and distribution companies without established parent companies.

² Unless previously agreed to by Telefilm. See the Essential Information Guide on the <u>Program webpage</u> for more information. On a case-by-case basis, Telefilm may permit the applicant to carve out or divide rights (for example non-theatrical rights) with another party to allow for a separate marketing application to be submitted in order to promote and support community outreach initiatives (for example).

³ Telefilm will use the definition of affiliate set out in the <u>Canada Business Corporations Act</u>.

1.2. Additional Eligibility Criteria - Distribution Companies

Generally, in its assessment of a distribution company, Telefilm takes into account the following criteria:

- i. whether the company has been active in theatrical distribution in Canada for a minimum of two years in the last five years, by demonstrating a sufficient volume of business⁴;
- ii. whether the company has the relevant expertise and has one or more senior executives with five-year experience in the distribution company or a distribution company of comparable size;
- iii. whether it has demonstrated to Telefilm's satisfaction a commitment to distributing Canadian feature films; and
- iv. whether it possesses the experience and level of expertise necessary to distribute the type of projects for which it seeks to be considered eligible.

Telefilm's specific requirements vary depending on the nature and scope of the projects for which the distribution company seeks consideration. Following its assessment, Telefilm, in its sole discretion, will make the decision as to whether or not, and to what extent, a distribution company qualifies as an "Eligible Distribution Company" for the purposes of this Program and/or of other Telefilm programs where there is a requirement for an Eligible Distribution Company.

A distribution company's qualification as an "Eligible Distribution Company" can be limited to, notably, a specific type of project, a budget limit or a linguistic market. For example, a company can be considered as an Eligible Distribution Company exclusively for projects budgeted at less than \$3,5M. Furthermore, qualification may be revoked, suspended, or restricted at any time⁵.

On a case-by-case basis, Telefilm may allow access to funding under this Program to a distribution company that meets the basic eligibility criteria but does not qualify as an "Eligible Distribution Company". In such case, the funding and recoupment terms shall be the same as for production companies. If your distribution company has not been qualified as an "Eligible Distribution Company" by Telefilm for the type of projects to which the project submitted to Telefilm belongs or has never been evaluated by Telefilm under this Program, please contact your Feature Film Executive before applying.

1.3. Additional Eligibility Criteria - Production Companies

In addition to the basic applicant eligibility criteria, a production company must meet the following criteria:

- i. operate as a feature film production company;
- ii. have produced the project submitted to Telefilm for funding; and
- iii. have adequate promotion and marketing expertise.

⁴ Telefilm may, at its discretion, consider a distribution company as an Eligible Distribution Company even if it has been active for less than two (2) years if the key personnel of the company has significant relevant experience.

⁵ For example, a distribution company's qualification as an Eligible Distribution Company under this Program may be affected if the company has failed to pay, in whole or in part, the minimum guarantee to the rights holders of projects financed by Telefilm or if its acquisition contracts fail to comply with Telefilm's Distribution Terms & Contract Requirements. Moreover, the company's qualification as an Eligible Distribution Company does not automatically mean that minimum guarantee offered to producers will be considered as a viable source of financing or that said minimum guarantee can recoup preferentially if it is indirectly financed by the production budget.

2. Eligibility Criteria for Projects⁶

2.1. Basic Project Eligibility Criteria

To be eligible, a project must:

- i. be a feature length (at least 75 minutes long) film that **either**:
 - is being or has been funded at the production or post-production stage under the Production, Theatrical Documentary or Talent to Watch Programs; or
 - o is, or will upon completion be, either:
 - certified by the Canadian Audiovisual Certification Office (CAVCO) as a "Canadian film or video production" with a minimum of 8 out of 10⁷ points under the provisions of the <u>Income Tax Act</u> (Canada); or
 - recognized as an official treaty coproduction by the Minister of Canadian Heritage (refer to Telefilm's guidelines entitled <u>International Coproductions</u>);
- ii. be made available in French, English, or an Indigenous language;
- iii. be planned to be theatrically released⁸;
- iv. have a commitment from an exhibitor for the theatrical release of the film within 6 months of the application date unless the project is submitted by an Eligible Distribution Company⁹; and
- v. conform to the Canadian Association of Broadcasters (CAB) Code of Ethics and to all other programming standards endorsed by the CAB or the CRTC, and does not contain any element that is an offence under the <u>Criminal Code</u>, is libellous or in any other way unlawful.

Note: projects which received production or post-production support from Telefilm will be prioritized for financing under this Program. If the project is not being or has not been funded by Telefilm, please contact your Feature Film Executive before applying.

2.2. Additional Project Eligibility Criteria for Versioning Assistance

To be eligible for versioning assistance, a project must:

- i. have been completed in its original language;
- ii. meet the basic project eligibility criteria outlined in section 2.1 above; and
- iii. be seeking to be versioned into English, French, or an Indigenous language.

Further, a project is ineligible for versioning assistance if one, or more, production financiers contractually require that the project be versioned into a second language (i.e., it is a delivery requirement); in such cases, the cost of versioning that feature film must be included in the original language production budget.

⁶ The term **eligible project** is used interchangeably with **film**, **project**, and **production** throughout the guidelines.

⁷ Theatrical documentaries must obtain a minimum of 8 out of 10 points or the prorated equivalent (i.e., a minimum of 80% of available CAVCO points).

⁸ On a case-by-case basis, Telefilm may consider requests to waive theatrical releases for projects that were financed in production or post-production. For more information, please refer to the Essential Information Guide on the <u>Program webpage</u>.

⁹ Unless Telefilm has given prior written consent for the film not to be released theatrically or unless this is a secondary application by a producer for special initiatives, but the Canadian theatrical rights are held by an Eligible Distribution Company.

3. Selection Process

Telefilm seeks to improve Canadian content accessibility at the box office and on other ancillary platforms. The higher the request for assistance to Telefilm, the greater the expectation of box office and market performance Telefilm will have.

The applicant must provide Telefilm with a comprehensive strategic marketing and distribution plan that it intends to implement in order to make its film available to its target audience and to maximize audience reach. This plan must include a theatrical release¹⁰ as well as the following elements:

- the positioning statement for the film on different platforms;
- the marketability of different elements of the film (e.g., renowned director, screenwriter, and/or performer(s), established movie franchise, potential for success in a particular niche market, etc.);
- the target audience for each potential distribution platform and the expected results for each platform;
- the main elements of the national and international marketing plan on traditional and other platforms, if applicable;
- the steps that will be taken towards selection in national and international festivals if applicable; and
- the breakdown of proposed costs to implement the plan.

This comprehensive strategic marketing and distribution plan will be evaluated on the following elements:

- the coherence of the proposed plan in relation to the movie and its target audience;
- the efforts shown to maximize the potential of the promotion and audience reach strategies;
- the innovative character of one or more elements of the marketing plan; and
- the track record of the team in relation to the proposed scope of the marketing plan.

Films financed by Telefilm at the production stage for which distributors have made prints and advertising (P&A) commitments will receive particular consideration.

4. Terms of Funding

4.1. Telefilm's Financial Participation

Telefilm's financing will be in the form of a repayable non-interest bearing advance. The amount of financial support is subject to availability of funds and will depend on the amount of the request, the scope of the project, as well as the applicant's track record. Telefilm financing may not exceed:

- For projects submitted by an Eligible Distribution Company: 75% of the eligible Canadian marketing costs.
- For projects submitted by production companies and distribution companies that do not qualify as Eligible Distribution Companies: the lesser of 75% of the eligible Canadian marketing costs or \$75,000.

Please note that versioning costs are subject to additional caps, as indicated in section 4.4 below.

Telefilm will strive to support projects at the requested amount but may, in its discretion, grant a lesser amount than requested.

¹⁰ Unless Telefilm has given prior written consent for the film not to be released theatrically.

If a project also receives support from Telefilm from a different program for a special promotion initiative, it will be treated and contracted separately, but the associated costs must be represented in a consolidated budget and no administrative fees can be calculated on the special initiative's portion of the costs.

All payments from Telefilm will be made by direct deposit.

4.2. Eligible Marketing Costs

Financing is available for marketing and promotion costs, including, but not limited to, the creation of materials such as posters, teaser trailers and test screenings, test marketing and campaign creation, prints and advertising (P&A), audience research, community outreach and online marketing activities¹¹ designed to reinforce the film's promotion and marketing.

In addition, this Program supports costs incurred for the marketing and distribution of the feature film on multi-viewing platforms that include TV, VOD and other forms of digital distribution. Priority will be given to applications for these ancillary platform costs that demonstrate an innovative approach to maximize audience reach for the project. The additional associated costs and strategy for these platforms should be integrated into the applicant's comprehensive marketing plan.

Only exceptionally will Telefilm allow foreign costs associated with test screenings and the creation of theatrical trailers to be eligible for funding through this Program to the extent that there is a lack of the availability of expertise within Canada. The applicant's marketing plan must reflect the need for such non-Canadian elements and must obtain Telefilm's prior approval for these exceptional costs.

Further, administration fees are not considered as eligible costs when the applicant is a production company or a distribution company that is a related party to the production company and does not qualify as an Eligible Distribution Company.

Telefilm, in its discretion, will determine the reasonableness of proposed costs. Costs incurred prior to written confirmation of funding from Telefilm may not be eligible for financial assistance.

4.3. Eligible Versioning Costs

Telefilm will only accept:

- the versioning costs and services carried out in Canada by qualified private-sector companies, using Canadian artists, actors, employees and technicians (as applicable); and
- costs related to the versioning of the eligible project that are not included in the original-language production budget.

In some cases, Telefilm may finance secondary activities (minimal re-editing, adaptation of songs, etc.) that are indirectly related to the versioning of a Canadian feature film but nonetheless essential to the making of the production. Telefilm will evaluate such requests on a case-by-case basis.

¹¹ Examples of online activities include, but are not limited to: online marketing, search engine optimization and web technology specialists; launch of a website with enriched content; the creation and addition of content on social media (e.g. blogs, Facebook, Twitter, YouTube); and personnel to maintain ongoing activity on social networks.

4.4. Maximum Telefilm Funding for Versioning Costs

Telefilm's financing will be in the form of a repayable non-interest bearing advance of up to 75% of the versioning costs (inclusive of administration fees), up to the maximum levels of budgeted versioning costs as (i.e., caps) as set out below. All costs exceeding these caps will be the responsibility of the applicant.

Feature Film Theatrical Release	Feature Film Television/Digital Release
\$420/minute, to a maximum versioning budget of \$48,000	\$380/minute, to a maximum of \$43,200

4.5. Additional Requirements for Projects versioned with Telefilm's Assistance

4.5.1. Availability of the Dubbed or Subtitled Version

In cases where an applicant does not have exclusive distribution rights in all markets for a production, the applicant must guarantee that the production versioned with the assistance of the Program be made available either to the Canadian producer, or to any distribution or foreign sales company appointed by the Canadian producer.

4.5.2. Distribution, Partnership and Sub-Distribution

Any business association, distribution agreement, distribution service agreement or sub-distribution agreement, involving the marketing of the versioned production, in any market sector and any media in Canada must be made only with Canadian-controlled companies (as defined in the *Investment Canada Act*) with recognized expertise in these markets.

Such agreement must be filed with Telefilm at the time of application, and the terms of the agreement must be acceptable to Telefilm. For acceptable terms, please consult the Canada Feature Film Fund Distribution Terms and Contract Requirements on the <u>Program webpage</u>.

4.5.3. Companies Active in Specialized Markets

Telefilm may help finance the versioning of eligible projects to be distributed in specialized markets (i.e., other than commercial theatres or public or private commercial broadcasts). Companies applying for this assistance must have proven expertise in marketing in these areas and a sufficient volume of business in this sector.

5. Repayment

5.1. Projects with Production Budgets Less than \$2.5M

Telefilm will recoup its financing according to the following schedule:

	100% to the applicant until the total of:	
	• Up to \$30,000 of the Minimum Guarantee ¹² ;	
Tier 1	 Up to \$10,000 for TIFF release costs (if the applicant is an Eligible Distribution Company) or \$5,000 for TIFF release costs (if the applicant is not an Eligible Distribution Company); and 	
	• \$50,000 if the total approved costs are \$750,000 or more.	
Tier 2	50% to Telefilm and 50% to the applicant until full recoupment of the applicant's financial contribution of the approved costs	

¹² This is not applicable when the applicant is a production company or a distribution company that is a related party to the production company and does not qualify as an Eligible Distribution Company for the project.

Tier 3	100% to Telefilm until full recoupment of 50% of its financial support
Tier 4 ¹³	100% to the applicant until full recoupment of the balance of the MG and any additional eligible and approved distribution expenses ¹⁴
Tier 5	100% to Telefilm until full recoupment of the remaining 50% of its financial support

5.2. Projects with Production Budgets Equal to or Greater than \$2.5M

Telefilm will recoup its financing according to the following schedule:

Tier 1	 100% to the applicant until a maximum of the total of: Up to \$10,000 for TIFF release costs (if the applicant is an Eligible Distribution Company) or \$5,000 for TIFF release costs (if the applicant is not an Eligible Distribution Company); and \$50,000 if the total approved costs are \$750,000 or more. 	
Tier 2	50% to Telefilm and 50% to the applicant until full recoupment of the applicant's financial contribution of the approved costs	
Tier 3	100% to Telefilm until full recoupment of 50% of its financial support	
Tier 4 ¹⁵	100% to the applicant until full recoupment of the MG and any additional eligible and approved distribution expenses ¹⁶	
Tier 5	100% to Telefilm until full recoupment of the remaining 50% of its financial support	

5.3. Standard Distribution Terms and Conditions

Telefilm may impose caps or limitations on deductible distribution fees and expenses. Please consult the CFFF Distribution Terms and Contract Requirements on the <u>Program webpage</u>.

¹³ This tier is not applicable when the applicant is a production company or a distribution company that is a related party to the production company and does not qualify as an Eligible Distribution Company for the project.

¹⁴ Net of any fees or expense reimbursement paid or payable to the applicant from the production budget.

¹⁵ This tier is not applicable when the applicant is a production company or a distribution company that is a related party to the production company and does not qualify as an Eligible Distribution Company for the project.

¹⁶ Net of any fees or expense reimbursement paid or payable to the applicant from the production budget.

6. Application Process

6.1. How to Apply

All applicants must apply online using <u>Dialogue</u>, and must submit all required documentation as listed on the <u>Program webpage</u>. All subsequent documentation must be submitted online through <u>Dialogue</u>. If you have technical difficulties, please contact a coordinator. If required, please consult the <u>Service Charter</u> available on Telefilm's website.

6.2. When to Apply

Sufficient application lead time is required to ensure that there is a reasonable opportunity for meaningful consultation prior to any Telefilm decision to participate. In addition, sufficient application lead time will help ensure that there are appropriate lead times for marketing and promotion campaigns, and that strategic release dates can be established.

Telefilm will commit resources to successful applications in the year in which the film is to be released (or the year before, in the case of releases early in the next fiscal year), subject to the financial constraints within which Telefilm operates.

7. General Information

While compliance with the guidelines is a prerequisite to eligibility for funding, compliance does not guarantee entitlement to Telefilm funds. Telefilm may make adjustments to its guidelines and application forms from time to time as required. Telefilm has full discretion in the application and interpretation of these guidelines to ensure that its funding is provided to those projects that meet its spirit and intent. In all questions of interpretation of either these guidelines, or the spirit and intent of this Program, Telefilm's interpretation shall prevail.

Any information, in any form, provided, obtained, created, or communicated in connection with an application or project is subject to the <u>Access to Information Act</u> and the <u>Privacy Act</u>.

All Telefilm's programs are subject to availability of funds.