TELEFILM CANADA

Canada Feature Film Fund

Production Program Guidelines

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Ce document est également disponible en français

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PROGRAM INTENT AND OBJECTIVES

The Production Program (the "**Program**") supports Canadian production companies at the production and/or post-production stage of their feature film project(s). The guiding principles of the Program are to invest in:

- feature films that will speak to Canadian and international audiences, and that will bring both cultural impact and audience engagement. Telefilm seeks to fund films that will build and contribute to our Canadian cultural legacy.
- filmmakers with a strong sensibility and perspective who will bring original voices and approaches and will advance cinematic expression.
- emerging and established filmmakers to support them in advancing their artistic career through ambitious and impactful films.
- greater equity and representation in storytelling, that reflects gender parity and diversity from various communities including Indigenous, Black, People of Colour, 2SLGBTQIA+ individuals, Gender-diverse identities and expressions, as well as People with Disabilities from all regions of the country[1].
- creative teams from Official Language Minority Communities and those situated outside the main production centres of Toronto and Montreal.
- Indigenous content that is produced by creators who are Indigenous and/or have engaged in meaningful research, collaboration, and cooperation with Indigenous communities impacted by their projects[2].
- creative teams who are from underrepresented communities and /or who have engaged in meaningful research, collaboration, and cooperation with the communities impacted by their projects.
- content creation that helps advance sustainable production practices and that encourages environmental responsibility.

Resources within the Canada Feature Film Fund ("**CFFF**") are allocated on a linguistic basis which maintains approximately one third of funding for French-language projects.

[1] Telefilm acknowledges that terminology is subject to change and evolving language will be part of the ongoing and inclusive dialogue with the industry.

[2] Telefilm encourages all applicants to respect the guiding principles outlined in the "On-Screen Pathways and Protocols: A Media Production Guide".

1. ELIGIBILITY CRITERIA FOR APPLICANTS

1.1. Basic Eligibility Criteria for Applicants

An applicant must meet all the following eligibility criteria:

a) be a **Canadian-controlled corporation**, as determined under sections 26 to 28 of the Investment Canada Act;

b) have its **head office and** carry out its **activities in Canada**; and

c) operate as an **audiovisual production company**.

Furthermore, individual producers and other key production personnel exercising creative and financial control over the project submitted to Telefilm must be Canadian citizens, within the definition of the Citizenship Act, or permanent residents within the definition of the Immigration and Refugee Protection Act.

1.2. Broadcaster-Affiliated Companies

Broadcaster-affiliated production companies based outside of Quebec that meet the basic eligibility criteria are eligible to apply. A company is considered to be broadcaster-affiliated if it, or a corporate group of which it is a member, receives more revenue from CRTC-regulated operations (including without limitation, broadcasting, cable, satellite) than from combined production and distribution operations. For the purposes of the above, corporate group means two or more affiliated corporations. Telefilm will use the definition of affiliate set out in the Canada Business Corporations Act.

2. ELIGIBILITY CRITERIA FOR PROJECTS

2.1. Basic Project Eligibility Criteria

To be eligible, a project[3] must meet all the following eligibility criteria:

a) be a **feature length** (at least 75 minutes long) fictional film to be produced or completed primarily in French, English, an Indigenous language or, for artistic imperatives, in another language[4];

b) be **aimed primarily at the Canadian theatrical market** while maximizing distribution on alternate platforms;

c) be under the **ownership** of the **Canadian** applicant(s);

d) be **produced by a producer with relevant audiovisual industry experience**, i.e., the producer must have

[3] The term **eligible project** is used interchangeably with **film** or **project** throughout the guidelines.

[4] Audiovisual Treaty coproductions may be in any language, subject to compliance with the applicable treaty(ies).

previously produced at least either a short film that screened at a Qualifying Festival[5] or one hour of television and received either a Producer or Co-Producer credit or have equivalent producing experience. Telefilm's expectations in terms of producing experience are in keeping with the project's scope.

e) have its **copyright owned by Canadians** (unless the project is an audiovisual treaty coproduction);

f) be under the **financial, creative and distribution control of the eligible applicant(s)**; as well, all the rights and options necessary for the full and complete exploitation of the project must be held by the eligible applicant(s);

g) with respect to Canadian content certification, upon completion be **either**:

- certified by the Canadian Audio-visual Certification Office (CAVCO) as a "Canadian film or video production" with a **minimum of 8 out of 10 points** under the provisions of the Income Tax Act (Canada); **or**
- recognized as an audiovisual treaty coproduction by the Minister of Canadian Heritage (refer to Telefilm's guidelines on Audiovisual Treaty Coproductions).

h) be **solely written by Canadian citizens**, within the definition of the Citizenship Act, **or permanent residents**, within the definition of the Immigration and Refugee Protection Act (unless the project is an audiovisual treaty coproduction);

i) be **solely directed by Canadian citizens**, within the definition of the Citizenship Act, **or permanent residents**, within the definition of the Immigration and Refugee Protection Act (unless the project is an audiovisual treaty coproduction);

j) be **budgeted at no less than $250,000**;

k) if a **post-production** application, be submitted **following rough assembly and prior to picture-lock**[6];

l) if the **total budget of the project is $3.5M or more,** have a **firm commitment for a theatrical release in Canada within two years of completion and delivery from a Canadian distribution company that meets the minimum criteria set out in the Appendix**.

NOTE : It is no longer required for distributors to apply to Telefilm to be recognized as an Eligible Distribution Company under the Marketing program to trigger a Big Budget application. Instead, distributor eligibility will be evaluated in the context of each production application in accordance with the elements set out in the Appendix.

[5] The list of Qualifying festivals is available on the Program webpage.

[6] Any point in the post-production process that still involves picture cutting and/or editing. Once all picture editing is complete, the film's visual elements are considered locked (picture lock) and post-production can move to the next phase, the sound edit and mix.

m) 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 not contain any element that is an offence under the Criminal Code, is libellous or in any other way unlawful;

n) For **minority coproductions[7] where the Canadian share is 30% or less**: have at least **65%** of the total financing confirmed (exclusive of producer's reinvested Producer Fees and Corporate Overhead) and at least one source of **selective foreign financing** confirmed.

2.2. Ineligible Project Types

The following non-exhaustive list provides examples of the types of projects that are not eligible under the Program:

- projects done on contract for, or produced by, a government agency;
- projects produced primarily for industrial, corporate or institutional purposes;
- advertising;
- student projects;
- projects using film as a tool to record or document existing artworks;
- documentary or non-fiction projects;
- conventional forms of television entertainment, such as pilots, movies-of-the-week, news reports; and,
- projects not destined for a theatrical or festival audience.

2.3. Limitation on the Number of Applications for the Same Project

Starting in fiscal 2023-2024, a project that receives three (3) negative decision letters from Telefilm under this Program may not be submitted for funding again.

Telefilm may, in its discretion, consider exceptions to this rule when there have been material changes to the project. For more information on what is considered a material change, please see the Essential Information Guide on the Program webpage.

Further, a project may only be submitted once in the same fiscal year, unless the project is primarily produced in French and 60% of its financing structure, including SODEC, is confirmed[8].

2.4. Audiovisual Treaty Coproductions

Please note that projects that are recognized as audiovisual treaty coproductions are eligible to apply to this Program but are not guaranteed funding. The determination of eligibility of applicants and projects will be adapted to reflect the conditions set out in the applicable treaty(ies) while meeting the spirit and intent of these guidelines.

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[7] For the purposes of this document, audiovisual treaty coproductions in which the Canadian coproduction company has a majority share are referred to as "majority coproductions", and those in which the Canadian coproduction company has a minority share are referred to as "minority coproductions".

[8] Inclusive of tax credits, but exclusive of producer's deferral and investment in excess of producer fees and corporate overhead and exclusive of cast and crew deferrals and investments.

2.5. Compliance with Telefilm's AI Policy

All projects submitted to this Program must comply with Telefilm's policy on the use of generative artificial intelligence. The use of AI must notably preserve the role of humans at the heart of creation and allow producers to meet Telefilm's intellectual property ownership requirements. See Telefilm's Business Policy on the Use of Generative AI in Projects, for more information.

3. EVALUATION CRITERIA AND DECISION-MAKING PROCESS

3.1. Description of the Process

Advisory committees will evaluate projects based on the evaluation criteria described below and submit their recommendations to Telefilm. Advisory committees may be composed of internal members, external members, or a mix of internal and external members.

There may be different advisory committees for different portfolios based on considerations such as language market, budget level, region and stream.

Each advisory committee will use an evaluation grid[9] to score the eligible projects and will recommend a priority ranking of the projects that it considered.

Note that, in the event of a high volume of applications, a shortlisting process may be applied to facilitate timely decision-making.[10]

➢ Diversity of Voices

The decision-making process takes into consideration Telefilm's objective to foster a diversity of voices in the industry to ensure that Telefilm funds a balanced portfolio of productions reflecting a variety of genres, budgets and company sizes, regions across the country, and different viewpoints.

As part of fostering diversity of voices, Telefilm may prioritize projects whose key creative personnel (i.e., director(s) and/or screenwriter(s) and/or producer(s)) are members of communities supported through its Inclusion Initiatives:

- Indigenous;
- Black people;
- People of Colour;
- 2SLGBTQIA+ individuals;

[9] Available on Telefilm's website.

[10] See Essential Information Guide for more information on the shortlisting process.

- Gender-diverse identities and expressions;
- Persons with disabilities;
- Members of Official Language Minority Communities (OLMC).

Gender parity will continue to be a priority across all programs. Prioritization also considers the intersectionality of identities as a way to better reflect a large spectrum of lived experiences.[11]

➢ Official Language Minority Communities

As part of Telefilm's Official Languages Action Plan, Telefilm will invest in projects that amplify the voices of OLMC creators and production companies. As such, a budgetary allocation has been earmarked for OLMC-produced projects to be allocated across all Telefilm's production and development programs. [12]

➢ Canadian Point of View

Telefilm aims to support the production of feature films which contain significant Canadian creative elements. While Telefilm does not intend to restrict filmmakers in their choices of stories, or their natural settings, it will, wherever possible, give priority to projects that present a distinctly Canadian point of view[13].

3.2. Evaluation Criteria

➢ Creative Elements

For production applications, Telefilm evaluates the creative elements of the projects including the originality, production readiness of the script, the director's vision for the film, and the community engagement plan.

For postproduction applications, the artistic quality and potential of the film to reach audiences will be evaluated based on the rough cut, the completion plan and the community engagement plan.

➢ Track record of the Key Creative Personnel (Producer(s), Director(s) and Screenwriter(s))

Telefilm evaluates the screen-based industry experience of the key creative team, primarily the producer(s), director(s), and screenwriter(s), including critical acclaim and audience success.

Telefilm also considers the track record of the key creative team based on past and current performance including their full range of industry experience and level of expertise as it relates to the nature and scope of the project, as well as the applicant's history in fulfilling its contractual obligations towards Telefilm.

Lastly, Telefilm considers any relevant complementary expertise of the creative team. Telefilm's expectation in terms

[11] Telefilm acknowledges that terminology is subject to change and evolving language will be part of the ongoing and inclusive dialogue with the industry.

[12] See Essential Information Guide for more information.

[13] In the case of audiovisual treaty coproductions, this criterion will be adapted to reflect the treaties and to ensure that the spirit and intent of these production guidelines are met.

of experience is in keeping with the project's scope.

➢ Project Viability

Telefilm evaluates the financial feasibility and creative viability and, where relevant, the level of committed market interest.

Telefilm may prioritize projects that are likely to start principal photography during the current fiscal year.

➢ Cultural Impact and Audience Reach Potential

Telefilm considers the applicant's promotional strategy to make the film discoverable and accessible to its intended audience, via community, social media, festival and theatrical releases in Canada, and the project's potential to appeal to Canadian and international audiences.

Furthermore, the project's potential for cultural resonance (e.g., critical reviews, film festival acclaim, adding to representation in content, generating new perspectives and cultural conversation, etc.) and to distinguish itself in the current Canadian feature film landscape is also taken into consideration.

➢ Audiovisual Treaty Coproductions

For audiovisual treaty coproductions, Telefilm also assesses the potential investment optimization, capacity building and visibility and promotion of Canada's audiovisual industry.

Specific Evaluation Criteria for Minority Coproductions with a Canadian Share of 30% or Less

Due to the nature of these projects, different weighing of the evaluation criteria listed above will apply for minority coproductions where Canada's contribution is at 30% or less. Greater emphasis will be placed on the project's viability in terms of treaty compliance, financing proposal, and production readiness, amongst others.[14]

4. TERMS OF FUNDING

4.1. Amount of Telefilm Financing

Telefilm's financing may not exceed:

- For projects whose **Canadian budget is less than $1.5 million**: the lesser of 49% of eligible Canadian production costs or $500,000;
- For projects whose **Canadian budget is between $1.5 million and less than $3.5 million**: one third of eligible Canadian production costs;
- For projects whose Canadian budget is $3.5 million and more:
    - the lesser of 49% of eligible Canadian production costs or $3.5 million for French-language

[14] See Evaluation Grid available on our website.

projects

- the lesser of 49% of eligible Canadian production costs or $4 million for projects in other languages;

- For projects that are minority coproductions where the Canadian share is 30% and less: $500,000.[15]

For projects with budgets of less than $3.5 million, Telefilm may, in its discretion, exceed the caps listed above in certain situations where there is demonstrated need. For more details, please see the Essential Information Guide available on the Program webpage.

Telefilm typically aims for its participation to be approximately one third of eligible Canadian production costs.

Telefilm will strive to support projects at the requested amount but may, in its discretion, recommend a different amount than requested (subject to the overall availability of funds and portfolio objectives).

4.2. Funding Method

The form of Telefilm's financial participation will vary depending on the amount of its financial participation and on the Applicant's choice from among the following options:

➢ Telefilm financial participation of $500,000 and less:

Choice between a non-repayable contribution or an equity investment repayable at a rate of 10% of the Applicant's share of all production revenues that the applicant received, for a period of seven years from the starting date of the project's commercial exploitation.

➢ Telefilm financial participation over $500,000

Choice between a repayable advance or a repayable equity investment.

Note: Should Telefilm's financial participation be provided in the form of an equity investment, Telefilm will acquire a proportionate share of the copyright in the production.

The applicant's choice of the form of Telefilm's financing may affect the amount of federal or provincial tax credits that the producer is eligible to receive in connection with the production. Consequently, the producer must determine, in consultation with the producer's professional tax advisors, which form of Telefilm financing is optimal for the project. However, the producer must clearly indicate the choice of funding at the time of application and such choice will be finalized at the time of contracting.

4.3. Encoding and Availability in Both Official Languages

All projects funded by Telefilm must:

- be made available in **both official languages**, in either subtitled or dubbed versions;

[15] This cap can be exceeded at Telefilm's discretion if there is a Canadian scriptwriter or director attached.

- have a **closed-captioned version** for the hearing impaired available as widely as possible; and
- be made available on **digital platforms** no later than **two years** after their theatrical exploitation or after their completion if a theatrical release is not required.

Please note that both **encoding and subtitling or dubbing costs should be included in production budgets** and it is deemed to be the producer's responsibility to ensure that both versions are produced. Dubbing costs included in the production budget will not be eligible for funding under the Canada Feature Film Fund (CFFF) Marketing Program.

4.4. Greenlight Financing

➢ Greenlight Pre-Production Advances

A greenlight advance is only available **at Telefilm's discretion** in two cases:

a) The project received an offer of financing of at least $200,000 from Telefilm but needs to incur costs associated with fulfilling the conditions outlined in the production commitment letter.

In such case, the greenlight financing will be provided as an advance of no less than $50,000, and no more than 25% of the amount of financial participation indicated in the production commitment letter, up to a maximum of $500,000.

Such advance is not in addition to Telefilm's offer of production financing. Should the project proceed into production with financial support from Telefilm, this greenlight advance will be considered as part of Telefilm's total funding and take the same form as Telefilm's total funding.

b) The requested amount is equal to or higher than $200,000 and the applicant received a notification from Telefilm that its application has been put on hold and may be given further consideration should funds become available.

In such case, the greenlight financing will be provided as an advance of no less than $50,000, and no more than 25% of the amount requested at time of application, up to a maximum of $500,000.

Note: Please note that applicants who receive a greenlight advance from Telefilm while their project was put on hold by Telefilm pending availability of funds are not guaranteed that their application to the Program will be successful or that their project will ultimately receive production funding from Telefilm.

➢ Eligible Costs

Eligible costs for a greenlight advance include those associated with the final polish of the script, closing agreements with financial participants, attaching cast and early pre-production.

➢ Repayment

Should the project proceed into production with financial support from Telefilm, the greenlight advance will be considered as part of Telefilm's total funding and take the same form as Telefilm's total funding.

Should the project proceed into production without financial support from Telefilm or not proceed into production by a defined date, the greenlight advance will be treated as a non-equity repayable advance similar to a development advance. In this case, the advance will be repayable according to the contract that Telefilm and the applicant enter into, generally on the earlier of: the first day of principal photography (or any other use of the script) or the sale, assignment or other disposition of the rights to the project.

5. INDIGENOUS STREAM

Telefilm will set aside funds for projects that are created, owned and controlled by Canadian Indigenous filmmakers to increase the diversity of the projects it supports and to support Canadian Indigenous creators who face a variety of unique barriers in the audiovisual industry.

In addition to the applicant and project eligibility criteria set out in sections 1 and 2 of these guidelines, applicant companies applying for funding under this Stream must meet the following criteria:

a) 100% of the rights of (or at least 51% if there is more than one applicant) of the project's copyright must be held by a production company majority-owned and controlled by Indigenous persons;

b) the project must be under the creative, financial and distribution control of Indigenous persons;

c) two thirds of the key positions in the creative team (producer(s), director(s) and screenwriter(s)) must be held by Indigenous persons.

Projects with International Indigenous filmmakers in co-key creative positions should contact Telefilm to confirm their eligibility.

Advisory committees composed of external and internal Indigenous industry professionals, will evaluate the projects submitted to the Indigenous Stream based on the evaluation criteria described above and submit their recommendations to Telefilm. There may be different advisory committees for different portfolios based on language market and budget.

Each advisory committee will use an evaluation grid to score the eligible projects and will meet to discuss and recommend a priority ranking of the projects for its portfolio. Projects submitted under this Stream will be assessed based on the criteria set out in section 3 above. The objectives of narrative sovereignty outlined in the On-Screen Pathways and Protocols: A Media Production Guide will also be a factor in the consideration of all Indigenous projects and content.

The methods of funding set out in section 4 are also applicable to projects submitted under the Indigenous Stream.

In order to help achieve the objectives of this Stream, projects that are shooting in a remote location or implementing capacity-building programs, are eligible to apply for an additional $100,000 towards the remote location shoot and/or capacity-building program. However, the total Telefilm funding shall not exceed 49% of the eligible Canadian production costs.

Please note that applicants who qualify under the Indigenous Stream are not required to submit projects under this Stream and may choose to submit their projects to any other stream under which they are eligible.

Please carefully review all requirements found here, in the Essential Information Guide, and the list of required

application materials regarding the Indigenous Stream.

Indigenous applicants who have questions about submitting their project are encouraged to contact the Feature Film Executive, Indigenous Content and Development at Telefilm **prior** to submitting their application.

6. RECOUPMENT

This section applies only if Telefilm's financial participation takes the form of a repayable advance or equity investment, regardless of the stream under which the project is submitted.

6.1. Projects with a financial participation of $500,000 and less

If Telefilm's financial participation is in the form of a repayable equity investment, the Applicant shall pay to Telefilm 10% of the applicant's share of all production revenues that the applicant received at any time during a period ending 7 years after the start of the project's commercial exploitation.

6.2. Projects with a financial participation of more than $500 000

Telefilm will recoup its financing according to the contract it enters into with the applicant. The calculation of Telefilm's entitlement to recoupment will not be affected by the form of Telefilm's financial participation.

➢ Minimum Recoupment Practices

For projects receiving a financial participation of more than $500,000 from Telefilm, Telefilm will recoup its financial participation no less favourably than pro rata and pari passu[16] with all other financial contributions[17] (except as noted below for Priority Financing and private investors), including: producer investments, investments from broadcasters and other CRTC licensees, funds established as a requirement of the CRTC, provincial agency financing, craft and creative deferrals (whether or not by related parties), any form of distributor-related financial participation which is directly or indirectly supported by payments from the budget and any form of producer-related financial participation which is directly or indirectly supported by producer fees, corporate overhead or federal or provincial tax credits.

For projects where the financing structures include distribution advances/minimum guarantees, presales for non-Canadian territories or other similar forms of participation including gap financing, Telefilm is to receive a deal that will not limit Telefilm's ability to recoup its financial participation.

Although a producer may sell worldwide distribution rights to approved entities in return for a distribution advance/minimum guarantee to be included in the project's financial structure or arrange a gap loan for unsold territories ("**Priority Financing**"), the Priority Financing may not be recouped from worldwide revenues 100% ahead of Telefilm's financial participation (except as noted below). Telefilm shall have on its own a corridor of 5% of worldwide revenues, recouped pro rata and pari passu with the Priority Financing ("**Telefilm's Corridor Percentage**").

Telefilm will allow other financiers (including producer investment/deferrals) to recoup pro rata and pari passu with the Priority Financing, but only to the extent that the Priority Financing's recoupment position on first tier is not lowered to

[16] Please note that if another financial participant is granted a premium, Telefilm will require an equivalent premium.

[17] Telefilm acknowledges that public agencies in certain provinces/territories have recoupment policies that may differ from Telefilm's practices and, in such instances, may in its own discretion grant more favorable terms than pro rata and *pari passu*.

less than 80% of the first tier.

Telefilm does not accept open territories in lieu of a corridor on first revenues or catch-up tiers.

The Priority Financing may be recouped from worldwide revenues 100% ahead of Telefilm's financial participation if:

- Telefilm's financial participation is $1.5M or less; or
- The Priority Financing is no more than $250,000.

In all circumstances, the fees, expenses, and premiums of the Priority Financing shall be reasonable. Telefilm may impose caps or limitations on deductible distribution and gap lending fees and expenses. Telefilm may require that any amounts allocated to distributors or sales agents in excess of their Priority Financing amount shall be paid from the applicant's share of recoupment and remain subject to Telefilm's premium requirements as set in footnote 16 above; Telefilm's share of recoupment shall be calculated on receipts prior to the deduction of any additional amounts.

When a distribution advance/guarantee/gap is provided by a company related to or affiliated with the applicant, Telefilm may require a recoupment position for the advance/guarantee/gap that is more consistent with that of other financial contributions (i.e. *pro rata* and *pari passu*).

Unless agreed to in writing by Telefilm in advance, all gap/bridge/interest/other loan financing costs are to be included in the production budget.

Unless they operate as bridge financiers and have a track record as such, any investor, distributor, producer or coproducer, gap financier and similar financial participant in a project shall not also be accepted as a bridge financier or similar high-risk lender/financier on that same project, nor shall any of those companies' related parties be accepted in such a manner.

Any entity that previously held ownership/copyright in a project may not be accepted as a third-party financier and said entity and any of its related parties shall be assessed consistently with the treatment of a producer financing source as noted above.

Approved budget overruns may be recouped only after Telefilm has recouped.

For productions where Telefilm deems certain budget items to be excessive (including producer's fees and corporate overhead, finders' fees, financing fees, and third-party cast, crew, or service deferrals), Telefilm may require a recoupment position for such costs that ensures that such items do not negatively affect Telefilm's recoupment.

Applicants are expected to ensure that international agreements will not limit the Canadian share of production revenue (example: a premium granted by a foreign coproducer may only apply to the foreign producer's share of production revenue).

➢ Incentive to Encourage Private Financing

In order to encourage producers seeking non-traditional sources of private financing for their projects, Telefilm will offer the following incentive to productions benefiting from such funding:

- Until full recoupment of eligible private financial participations, on recoupment tiers on which there is no advance/guarantee/gap recouping as referenced above, eligible private participants may receive up to 50% of revenues on said tiers. The other 50% will be shared *pro rata* and *pari passu* between Telefilm and the remaining

equity/repayable advances.

On recoupment tiers on which there is an advance/guarantee/gap, eligible private financial participants may receive a corridor of up to 15% *pro rata* and *pari passu* with the Priority Financing and Telefilm, but only to the extent that the Priority Financing's recoupment percentage on first tier does not become less than 80%. Telefilm's Corridor Percentage on the first tier will be maintained.

Such a preferred position will not apply to: producers, production companies, affiliates or related parties of the applicant, suppliers deferring payments, broadcasters and other CRTC licensees, funds established as a requirement of the CRTC, and Canadian participants eligible to receive accompanying benefit from their participation, such as distribution or licensing rights, payment for services provided to the production or the fulfillment of regulatory requirements, or entities receiving a producer credit, nor to any related party to any of the aforementioned entities. Furthermore, any portion of such private participation that is directly or indirectly supported by remuneration from the budget may not recoup more favourably than Telefilm's participation.

Applicants wishing to take advantage of this incentive are strongly advised to contact the Canada Revenue Agency for details on how third-party loans, investments and other financings may affect qualification for tax credits.

6.3. Summary Table – Recoupment Practices

Telefilm's Financial Participation	Recoupment	Specific Conditions
$500 000 or less	Non-repayable contribution **Or** 10% of the applicant's share of all production revenues that the applicant received for a period of seven years from the starting date of the project's commercial exploitation.	
Over $500 000 and up to $1,5M	*Pro rata pari passu* after approved MGs[18]	*Applicants are expected to ensure that international agreements will not limit the Canadian share of production revenue (example: a premium granted by a foreign coproducer may only apply to the foreign*
Over $1,5M	Corridor for Telefilm of 5% of worldwide revenues (if there is an international MG of more than $250 000)	

[18] Please note that if another financial participant is granted a premium, Telefilm will require an equivalent premium. Telefilm acknowledges that public agencies in certain provinces/territories have recoupment policies that may differ from Telefilm's practices and, in such instances, may in its own discretion grant more favorable terms than pro rata and *pari passu*.

	Then, Pro rata pari passu[19]	*producer's share of production revenue).* *Please note that if another financial participant is granted a premium, Telefilm will require an equivalent premium unless such premium is paid from the foreign producer's share of production revenue.*

7. APPLICATION PROCESS

7.1. How to Apply

All applicants must apply online using Dialogue and must submit all applicable documentation described in the Required Document list found on Telefilm's website. All documentation required to be submitted after the application is submitted must also be submitted on-line through Dialogue.[20] If you have technical difficulties, please contact your regional coordinator. If required, please consult the Service Charter.

Please note that applications for audiovisual treaty coproductions recommendations must be done separately at the earliest of: 40% of the financing confirmed (exclusive of tax credits) or after an offer of financing from Telefilm has been received and, in all cases, no later than 30 days before the start of principal photography (60 days for coproductions with Poland, Hungary or Hong Kong).

7.2. When to Apply

Please refer to the Program webpage for the opening and closing dates for applications for the different project budget levels and streams. Telefilm recommends that applications for production financing be submitted well in advance of the commencement of principal photography. Applications for completion funding must be submitted prior to picture lock.

8. GENERAL INFORMATION

While compliance with the guidelines is a prerequisite to eligibility for funding, compliance does not guarantee entitlement to Telefilm funds. Telefilm may adjust 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.

[19] Idem

[20] Applicants will be advised if their application is incomplete and will be given five (5) business days to provide missing documentation, following which additional documentation will not be accepted. No updates to creative material are accepted after submission. Please see the Essential Information Guide the Program webpage for details.

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

All Telefilm programs are subject to the availability of funding from government and other sources.

APPENDIX

Minimum Criteria for Distribution Companies Attached to Big Budget Projects ($3.5M and above)

Distribution Companies attached to Big Budget projects must meet the following criteria*:

Category	Requirement
Corporate Structure	Canadian-controlled and owned corporation, as determined under sections 26 to 28 of the Investment Canada Act.
Canadian Operations	Have its head office in Canada and carry out its activities in Canada.
Rights Ownership	Hold or will hold all relevant Canadian distribution rights for the project.
Organizational Capacity	Demonstrate the experience, resources, and organizational capacity required to execute the marketing plan presented in the targeted market.
Distribution Catalogue	Maintain a catalogue of at least **5 feature narrative (or a combination of narrative and documentary) films** for which it holds or has held distribution rights, not solely films produced by the company or affiliated companies.
Theatrical Distribution Experience	As a company, have distributed at least **5 feature films in Canadian theatres** within the last **3 years;** or as a team, have the relevant equivalent experience.
Industry Expertise	Demonstrate access to qualified distribution, marketing, publicity, or theatrical booking expertise in the language and market targeted by the project, through internal personnel or external service providers.
Definition of Qualified Expertise	Minimum **5 years of relevant professional experience** and participation in the release or marketing of at least **3 feature films.**
Financial Stability	Demonstrate sufficient resources to properly support the necessary financial commitments for P&A and minimum guarantees (if applicable).

**If a distributor does not clearly meet one or more of the above criteria, or if there is uncertainty regarding its eligibility, applicants are encouraged to contact Telefilm as soon as possible ahead of applying. This will allow Telefilm to assess whether the distributor has the level of expertise required to support the project and deliver the degree of success expected for productions with budgets over $3.5 million. Additional documentation may be required to assess distributor eligibility.*