



# **CANADA FEATURE FILM FUND**

PRODUCTION PROGRAM

ESSENTIAL INFORMATION GUIDE

AS OF MARCH 5, 2020

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## ELIGIBILITY

### **1. What clients are eligible for the Production Program?**

Any production company that meets the basic criteria is eligible. Eligibility however, does not mean that an applicant will receive funding.

### **2. What are the maximum budgets allowed in the Production Program?**

There is no restriction on the maximum size of budgets for film projects submitted to Telefilm. There is, however, a minimum budget level of \$250,000 for production funding.

### **3. If an applicant is the minority coproducer of an audiovisual treaty coproduction is the project still eligible?**

Yes, projects that are recognized as audiovisual treaty coproductions are eligible to apply to the Program but are not guaranteed funding.

Projects must 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). However, in the case of audiovisual treaty coproductions, the determination of eligible applicants and eligible projects will be adapted to reflect international treaties and to ensure that the spirit and intent of the production guidelines are respected.

Please note that applications for treaty coproduction 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.

### **4. Why are broadcaster-affiliated production companies only eligible to apply with English- language projects? Is this criterion applicable to French-language market broadcasters as well?**

Historically, broadcaster-affiliated companies have not been eligible to apply for production funding in the French language market. This does not represent a change to current practice.

### **5. The budget of my project is less than \$2.5 million. Do I need a firm commitment from an eligible Canadian distributor for a theatrical release in Canada within one year of delivery for my project to be eligible?**

No. You do not need to have a firm commitment from an eligible distributor if your project has a budget less than \$2.5M. Distributors attached to projects at this budget level will be evaluated by Telefilm on a case by case basis.

**6. I received a firm written commitment from a Canadian distributor for the theatrical release of my project. However, the distributor is not considered an eligible Canadian distributor under the guiding principles. Is my project eligible?**

The answer depends on the project's budget:

- **Budget of less than \$ 2.5 million:** Yes. Telefilm does not require a firm commitment from an eligible distributor for a theatrical release for these projects to be eligible. However, if you have a distributor attached, whether at the time of application or during or following production, that distributor, and the distribution plan, must be approved by Telefilm. Note: the distribution agreement must comply with Telefilm's Distribution Terms and Contracts Policy.
- **Budget equal to or greater than \$ 2.5 million:** No. In order to be eligible, projects must have a firm written commitment from an eligible Canadian distribution company for theatrical release in Canada within one year of delivery. The criteria for an eligible distributor are outlined in the CFFF Marketing program [guidelines](#).

**Note:** on a case-by-case basis, for projects submitted under the Indigenous Stream, Telefilm reserves the right to accept a firm written commitment from a non-eligible Canadian distribution company.

## EVALUATION

**7. How will projects be evaluated once they are submitted?**

The projects will be evaluated based on the evaluation guiding principles outlined in the guidelines. The main factors that Telefilm will consider in evaluating submitted projects are:

- i) The creative elements;
- ii) The feasibility of the project within a reasonable timeframe (ex: readiness of the project, overall financial viability of the project, confirmed financing, date of start of principal photography);
- iii) The promotion strategy and potential audience reach;
- iv) The level of Market Interest in the financial structure;
- v) The track record of the production company;
- vi) The track record of the creative team (i.e., primarily the producer, the director and the screenwriter).

**8. The guidelines state that, for projects of equal quality, Telefilm will prioritize projects whose key creatives reflect the diversity of the country. What does this mean?**

Telefilm is committed to have a representative and diversified feature film portfolio that reflects gender, cultural diversity and Canada's Indigenous communities, including a portfolio that

reflects gender parity in each of the key roles of director, screenwriter and producer.

In order to meet this objective, Telefilm collaborates and exchanges information with the audiovisual industry in order to identify the areas where our collective efforts should be placed in priority. Based on the information that we collect, we will re-evaluate each year what our priorities should be in order to reach our global diversity objective.

**9. How will the overall financial viability of the project be evaluated?**

When evaluating a proposal, Telefilm will take into consideration the viability of the project with respect to its budget and financing structure. While it is not necessary to provide commitment letters from all financial sources at the time of submission, a proposed financial structure must be realistic and attainable. As such, applicants must be able to demonstrate the capacity to close the financing within a realistic timeframe.

**10. How will Telefilm recognize the challenges underrepresented groups face in closing their financing?**

Telefilm acknowledges that underrepresented groups may have challenges in raising/closing financing, particularly in middle and higher budget projects, and Telefilm will take those challenges into account when deciding the level of our financing.

As indicated in the guidelines, Telefilm aims for its participation to be approximately 30% of eligible productions costs. However, Telefilm may exceed this cap on certain projects when, in its estimation, the project needs this additional support. Projects with women in the key creative roles are, and will be given, such consideration pending the budget of the project.

**11. What should be included in the Director's vision?**

Every Director's vision statement is different, although a more visually dynamic document is often useful. The Director's statement often includes (but is not limited to):

- A personal statement from the director which discusses their connection to the material, and their motivations for making the film.
- Notes on their unique approach to visual and sound elements which will elevate the film beyond what can be understood in the script.
- Discussion of any unique processes that may be important to the film's execution (e.g. non- traditional casting, shooting during certain times of day, etc.)

**12. What is the expectation in terms of the experience level and track record of the creative team?**

It is expected that the key members (producer, screenwriter and director) have the experience to carry out both the creative and business aspects of the project. . The producer or producing team should have relevant experience delivering projects of a similar scope. At a minimum, the director should have directed a short film or other audiovisual works that reflect the level of

skill necessary to deliver the vision of the proposed feature.

### **13. What is a Community Engagement Plan, and what should be in it?**

A Community Engagement plan is an opportunity for filmmakers to talk about their process of working with under-represented communities impacted by the production of their film. Appropriate engagement will depend on the content of the film, the knowledge of the team, and the territories and communities being represented onscreen. This is a tool to help answer questions that jury members and decision makers may have about the filmmaker's approach to marginalized communities and potentially sensitive content. In most cases, decision makers want to see evidence that the filmmaker has considered the potential impact of their production and that they have a plan to work in ways that are collaborative and respectful of impacted communities. Engagement plans can be a simple statement from a filmmaker saying that they don't believe the production of their film requires any particular kind of community engagement. Other times, filmmakers will talk about doing a number of things, including (but not limited to) hiring advisors, involving community members in their creative team, having counsellors on set, hiring local crew, and entering into written agreements with communities. The plan depends entirely on the needs of the project, the communities involved, and what the filmmakers deem is appropriate for their project.

### **14. Who makes the decisions on which projects Telefilm will support?**

The Project Financing team at Telefilm includes National and Regional Feature Film Executives located in Telefilm's offices across the country. They are responsible for achieving a balanced and diversified portfolio which has a strong potential for success. Some decisions are influenced by contributions from juries.

## **MARKET INTEREST**

### **15. What do you mean by "Market Interest"?**

Market Interest is defined as arms-length monies used in the financing of the production of the film from the following entities:

- a. domestic and/or international distributors or sales agents recognized by Telefilm as having a track record in theatrical distribution;
- b. Canadian and/or international broadcasters providing license fees that are part of the financial structure;
- c. Recognized lenders providing gap financing;
- d. Private for-profit financiers; and/or
- e. Sponsors

For the purpose of calculating Market Interest, Telefilm will exclude producer investment, provincial agency financing, Canadian broadcaster investment (either directly or by way of an affiliated private fund), craft, service, or creative deferrals (whether or not by related parties), and any form of financial participation which is directly or indirectly supported by payments from the production budget (including to related parties), tax credits, or tax benefits.

**16. Is it obligatory to have Market Interest in order to obtain any Telefilm funding? If so, is there a minimum level required?**

**Regular Stream:**

Lower budget projects (previously known as low budget or regional), defined as productions with budgets under \$2.5 million, will not be required to have Market Interest in the financial structure. Telefilm's financial participation in films without Market Interest and with budgets below \$2.5 million will be limited to a maximum of \$500,000.

Higher budget projects are expected to have Market Interest commensurate with the nature of the project, budget size and commercial potential.

**Indigenous Stream:**

There is no Market Interest requirement for projects at any budget level submitted under the Indigenous Stream.

**17. With respect to audiovisual treaty coproductions, is the expectation of Market Interest based on the total global budget or the total Canadian budget?**

In the case of audiovisual treaty coproductions, the calculation will consider ALL Market Interest as it relates to the total global budget.

**INDIGENOUS STREAM**

**18. Telefilm has committed to support Indigenous creators via targeted funding for Indigenous productions. What is considered as an Indigenous project?**

For a project to be eligible as an Indigenous project, it must meet the following criteria:

- 2 out of 3 members of the key creative team (producer, director, screenwriter) must be Indigenous within the definition provided in the 2006 Statistics Canada census for Aboriginal Identity<sup>1</sup>;
- The main applicant must be an Indigenous production company, meaning:
  - o It must own at least 51% of the copyright of the project (or 100% if it is the sole applicant);
  - o The majority shareholder of the applicant company must be Indigenous.

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<sup>1</sup> Persons who reported identifying with at least one Aboriginal group, that is, North American Indian, Métis or Inuit, and/or those who reported being a Treaty Indian or a Registered Indian, as defined by the Indian Act of Canada, and/or those who reported they were members of an Indian band or First Nation).

## **19. How will Indigenous projects be evaluated?**

Indigenous projects will be assessed by a jury comprised of Indigenous creators and experts from the industry, who will make recommendations to Telefilm. In its assessment, the jury will consider the overall portfolio of projects to strive for a diversity of voices reflected in the choices. This takes into account: gender parity, regional balance, a balance of Indigenous nations to be reflected, official languages, Indigenous languages, and budget levels. All projects will be evaluated based on the evaluation criteria set out in Telefilm's production program's guidelines.

Track record, for the purposes of the Indigenous jury, is assessed by an evaluation of the team's previous success. This is based on the team's CVs, which should outline their:

- Ability to get previous film projects financed and completed
- Amount of experience in their proposed role (e.g. Producer, Director)
- Artistic, critical, and market success of their past work. (e.g. Festivals, awards, national and international sales & distribution, broadcast, box office, etc.)

## **20. What is considered a remote location?**

A remote location is generally defined as a location 350km or more from a city with an active film industry, or any region where production expenses are expected to be significantly higher as a result of a location's remoteness.

## **21. How do I qualify for remote location additional funding?**

The jury may choose to dispense additional funding for indigenous projects being shot in a remote location when the production expenses are higher due to the remoteness of the region and the additional funding is considered essential to the success of the project.

## **22. What is meant by Capacity building?**

Telefilm recognizes the need to support Indigenous filmmakers in the growth of new Indigenous talent. To this end, applicants to the Indigenous stream may submit proposals for projects that will use the production of their film to train, mentor, and otherwise develop Indigenous production talent.

## **23. It is possible to request additional funding for remote location and for capacity building for the same project?**

Yes. However, the cumulative additional funding cannot exceed 100 000\$ and the total financial participation of Telefilm shall not exceed 49% of the eligible Canadian production costs.

## **24. What does it take to qualify for an additional funding for capacity building?**

Only projects submitted under the Indigenous Stream are eligible for this additional funding. The applicants submitting a request for additional funding for capacity building must be able to



demonstrate the training/mentoring efforts put in place on the project, the additional costs incurred for the capacity building efforts and the measurable outcomes.

## SUCCESS INDEX AND FILMOGRAPHY SCORE

### **25. What are the expectations in terms of the experience level and track record of the creative team? Are these expectations the same as for the Development Program?**

No, the expectations are different for the Production and Development programs. It is expected that the key members (producer, screenwriter and director) have the experience to carry out both the creative and business aspects of the project as presented. The producer or producing team should have relevant experience delivering projects of a similar scope. At a minimum, the director should have directed a short film or other audiovisual works that reflect the level of skill necessary to deliver the vision of the proposed feature.

The track record model seeks to measure a film's score, which in turn generates a company's score along with an individual's filmography cumulative score (producer, director, screenwriter). A benefit of the Program is that it will recognize success at all budget levels and include non-commercial success measures. It is taken into account in the evaluation of the potential of success of the project along with, amongst other, the Market Interest, the financial viability and the promotion strategy and audience reach potential of the project.

The track record variables that are currently taken into account, for film scoring purposes, are:

- Box Office in Canada for all Canadian theatrical films; (maximum 40 points)
- Other sales, both domestic (maximum 10 points) and international (maximum 10 points), for Telefilm-supported films;
- For all Canadian theatrical films, selections at Telefilm-recognized film festivals and the awards won at those festivals (58 at this time), as well as nominations and wins at recognized Awards competitions (e.g., the Genies, the Oscars, etc.) (maximum 30 points).

The track record refers to a company's track record that is based on the films released theatrically in the last 5 years. It does not refer to the cumulative career score attributed to the filmography of key creative individuals, i.e. producer, director, screenwriter.

#### **Company Score:**

Is the average of all scores from eligible<sup>2</sup> films; it is calculated on an ongoing basis as the data becomes available; each film score in a company portfolio is weighted according to the score sharing determined by all Canadian coproducers in the form *Designation of Main Applicant and Sharing of Project Score* (for projects already produced that are still in the reference period but where no score sharing was determined by the coproducers, the score will be weighted according to the level of the Canadian share of copyright owned by each company);

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<sup>2</sup> An eligible film is fictional or documentary feature film that has achieved at least 6/10 CAVCO points and whose initial Canadian theatrical release (as evidenced by the Movie Theatre Association of Canada [MTAC]) has occurred no earlier than July 1, 2015.

## **Film Score:**

A film score is the sum of all component points – as per above.

### **26. How are the track record variables being calculated and the weightings applied?**

Points are allocated to each film according to a set of [conversion tables](#) for commercial and cultural results. The values in the conversion tables are based on actual results observed over the last ten years. The elements of the Success Index are used to measure the project's score (commercial, cultural and industrial).

A company's score is the average score of all its films scores attained during a rolling 5-year period weighted by the score sharing determined by all Canadian coproducers in the form *Designation of Main Applicant and Sharing of Project Score* (or by the company's Canadian share of copyright for previously produced projects that are still in the reference period). This is updated regularly.

### **27. Why is the time period for calculating the track record limited to five (5) years?**

To clarify: the reference period for production companies is 5 years; the reference period for individuals (e.g. producers, directors, and screenwriters) will cover their career achievements (cumulative), dependent upon data availability.

Our goal is to measure performance over a period of time that is significant enough to be meaningful, yet also strikes a balance between established companies and new/emerging players. This helps us to better identify and address the needs of our clients.

The reference period is a balance between recognizing past successes and facilitating the emergence of new successful companies. The shorter the period, the better a new company can increase its chances of accessing financing by demonstrating a solid track record. Conversely, the longer the reference period, the more difficult it is for new entrants to establish a competitive track record. The 5 year reference achieves a balance.

### **28. What is the reference period for determining which production companies are eligible to the fast track stream?**

In order to ensure a transition from the performance envelope system, the reference period for determining which production companies are eligible to the fast track stream spans over a period of 5 years, from July 1 to June 30. The reference period for fiscal year 2020-2021 will therefore be from July 1, 2015 to June 30, 2020. The data regarding the films included in the reference period will be computed in mid- October in order to allow these films to have a sufficient exploitation period. A film released after June 30, 2020 may be added to a company's track record if the film raises the company's score. Note however that a film cannot be considered in a company's track record for a period longer than 5 years.

**29. How many production companies are considered “fast tracked”?**

Telefilm will determine the number of production companies that are fast tracked based on funding sources for each language market. For the 2020-2021 fiscal year, Telefilm intends to give access to 4 companies for the French language market and to 4 companies for the English language market.

**30. How are coproductions between two or more eligible Canadian companies (interprovincial coproductions) treated in the company score calculation?**

The score of a coproduced film will be prorated based on the score sharing determined by all Canadian company signatories to the form Designation of Main Applicant and Sharing of Project Score (or based on the split of copyright between the coproducers for past projects where no such score sharing was determined).

**31. How are audiovisual treaty coproductions treated in the company score calculation?**

Treaty coproductions are treated the same as any other Canadian film. Telefilm only considers the track record of the Canadian production companies.

**32. Why do only those festivals and awards recognized by Telefilm count in the filmography score calculation?**

The list of festivals and awards used to measure cultural results is a balance of nationally and internationally renowned events, and they factor in diversity and audience reach. Festivals are a means to obtain critical acclaim and an indicator of cultural impact.

Telefilm’s goal is to compile a representative list of festivals that cover genre, linguistic market and other key components of the diversity we are seeking to achieve. With this in mind, we have also weighted the relative impact of certain festivals by targeting performance measured by prizes or selections/prizes.

It is impractical from a resource perspective for Telefilm to track and validate the performance of films at each and every national and international festival. As a starting point however, Telefilm has expanded the list to include 58 national and international festivals and 7 award ceremonies.

Having said this, the list will be open to modification over time, as Telefilm continuously monitors the most representative events.

**33. How does Telefilm validate the accuracy and completeness of the score variables it has for each producer?**

Historically, box office information has been provided by a third-party supplier (MTAC), which has proven to be a reliable source. Sales revenue information for Telefilm supported projects is supplied to Telefilm directly by producers and/or distributors (and is subject to the verification provided for in our contracts).

#### **34. Can certain films be excluded from a company's track record?**

Yes, under certain circumstances, a film can be excluded from the track record of a company by Telefilm.

A film may be excluded from the filmography of a company if Telefilm did not participate in the financing of the production (at the production or post-production stage).

This film will also then be excluded from the determination of whether the company qualifies for the Fast Track stream.

Furthermore, production companies whose eligible track record includes more than 3 films as a lead production company in the past five years may see film(s) excluded from their filmography in the following circumstances:

- The film was a minority audiovisual treaty coproduction, and the Canadian producer was the minority coproducer and held less than a 20% stake in the coproduction, and Telefilm's financial participation (in production) did not exceed \$500,000,
- The film had a total production budget less than \$2.5M and Telefilm's financial participation (in production) did not exceed \$500,000; or
- Telefilm did not invest in the production of the film.

In order to qualify for eligibility under the Fast Track stream, a production company may not have less than 3 films within their track record as the lead production company (net of any excluded films).

#### **35. Will I have an opportunity to verify my track record and make any appropriate adjustments?**

Yes. The filmography of a production company is under "My Organization" in Dialogue. Each production company is accountable and responsible for the updating and the accuracy of the information in its Organization profile in Telefilm's Dialogue platform. (This applies to filmography information as well as other Organization information such as address and contact details, related companies, etc.) If there are discrepancies in the information for an Organization in Dialogue, please contact your local Coordinator. Note: You may be required to submit supporting documentation.

#### **36. How do you identify the lead production company?**

The lead production company has to be clearly identified at the time of application for production financing (see the form *Designation of Main Applicant and Sharing of Project Score*). In cases where there is more than one production company involved, Telefilm will not make any assumptions in that regard and will rely on the coproducers' joint declaration of intentions provided at time of application. Once this designation is confirmed to Telefilm, it cannot be modified.

For those films that have already been produced but are still in the reference period, Telefilm

will accept an agreement between all coproducers that identifies the lead production company. If the coproducers cannot agree, Telefilm will designate who the lead production company is based on criteria that include:

- Which company applied to Telefilm
- Which company developed the project
- Each Production company's copyright share

Telefilm can accept an arrangement wherein two partners share the lead production company designation equally.

## CONTRACTING

### **37. I have received an offer of financing. What happens next?**

The Business Affairs team will work with you to translate this offer into a firm contractual commitment. It is your responsibility to review all the conditions to commitment in the decision letter. We strongly suggest you review each of them with the investment analyst assigned to your file to make sure you understand all the requirements. Pay special attention to the expiry date: if all conditions to commitment are not met by that date, the financing that has been conditionally reserved for your project could be reallocated without further notice.

### **38. What happens if I don't proceed to production by the date specified in my Telefilm agreement or if I'm unable to fulfill any of the other conditions in my Telefilm agreement?**

It is the applicant's responsibility to update Telefilm with any changes to its project. Please contact your investment analyst and Feature Film Executive as soon as possible if there are updates to your project.