

SHORT-TERM COMPENSATION FUND FOR CANADIAN AUDIOVISUAL PRODUCTIONS (STCF)

ESSENTIAL INFORMATION GUIDE

FREQUENTLY ASKED QUESTIONS GUIDE (FAQ)

1. What does the STCF provide coverage for?

Coverage is limited to reasonable Canadian production costs (hereinafter “Eligible Costs”) that are incurred and contractually payable as the direct result of an interruption of more than one day of filming or of a producer’s abandonment of a production prior to the end of principal photography that occurs after the execution of a Pre-Eligibility Agreement with Telefilm, with the interruption/abandonment being due to:

- (i) a confirmed diagnosis (of COVID-19) for an actor or director declared on the insurance policy covering the project; or
- (ii) any other confirmed outbreak (of COVID-19) on set that requires a complete production shutdown in accordance with current standards required by the applicable authorities.

The STCF does not provide production funding. It is compensation paid against costs directly related to interruption/abandonment due to COVID-19 and includes a deductible if a claim is approved.

2. Are animation productions eligible to apply for the STCF?

Yes. Please refer to section 3.1. of the STCF guidelines for the complete list of eligibility requirements.

3. The guidelines state that coverage is limited to costs caused by an interruption of more than one day of production. Do these need to be consecutive days?

Yes.

The objective of the coverage offered under the STCF is to minimize the consequences of interruptions and abandonment of filming that occur during the filming process. Projects scheduled to shoot for a single day are therefore not considered eligible for the purposes of entering into a Pre-Eligibility Agreement for the STCF, and any application with only one day of production will be rejected.

4. Section 3.1. of the guidelines states that “*Applications will be processed on a first-come, first-served basis, based on the earliest date of the start of principal photography.*” Does this mean that a project that started shooting earlier than another project, but that applied for STCF coverage later than the other project, will be given priority over a project that submitted an application earlier but started shooting later?

Yes, all things being equal, priority will be given to productions with earlier shooting dates.

5. We have received a verbal commitment from one of our financing partners for our project, for which we will be receiving a letter of intent shortly. Although the project is eligible for the 2 provincial tax credits, we will not

have an acknowledgement of financing from those financial participants for at least 2-3 weeks. Filming is scheduled to begin in the next few weeks. Are we eligible for the STCF?

To be eligible for the STCF, the financial structure of the project must be confirmed. The Attestation Form requires the signatory to attest to a confirmed financial structure for the project as one of the eligibility criteria.

6. We have our quote for production insurance and are ready to move forward with it, but given that we are awaiting CFFF participation commitment, we have not yet obtained the insurance. Does that need to happen before we can be pre-approved or is it enough to apply with our quote?

Applications will not be processed until they are complete. Incomplete applications will be dated and treated according to the date the application is complete. The insurance documents along with the other documents listed in Section 4 of the Guidelines, are required before the application will be considered complete.

7. Will the program cover any postproduction costs?

Yes, but only postproduction costs that are directly related to an interruption or abandonment of the production during principal photography will be covered. Postproduction costs incurred after principal photography has ended will not be covered.

8. If a production had a case of COVID-19 in the past, is it still eligible?

Yes, the production is still eligible to apply for the STCF. As stated in the Attestation Form, it is important that there are no active cases of COVID-19 among the cast and crew prior to signing the agreement and as stated in the STCF guidelines, the diagnosis must occur during principal photography.

9. We would like to apply with more than one project and want to confirm if separate organizations must be created on our Dialogue account for each production company or if we can apply with all projects under our parent company?

We ask that you apply with the single-purpose company that constitutes the entity which owns the production rights. In other words, each production should be submitted by its single-purpose company and not a parent company.

10. When applying for the STCF, do you have to provide a complete and confirmed list of cast and crew with the application?

In accordance with the STCF guidelines, you will not be covered for interruptions or abandonment of filming due to the confirmed diagnosis (of COVID-19) of any of the director(s) or key actors that are not declared on the insurance policy covering the project. However, you could still be covered in the case of any confirmed outbreak (of COVID-19) on set that requires a complete production shutdown in accordance with current standards required by the applicable authorities.

11. In the STCF Attestation Form, we are asked to submit “Proof of a comprehensive producer’s insurance policy and the Applicant’s comprehensive general liability insurance policy for the Project, including the names of the actors and directors covered.” Our project is a documentary and/or reality show; are narrators and key subjects covered by the STCF as well?

Yes. In the case of documentaries and/or reality shows, narrators and key subjects will be covered if they are listed in the insurance documents as named insured individuals.

12. Our production starts principal photography before March 31, 2022 but ends after April 1, 2022. Are we eligible for the STCF?

Yes, you are eligible to apply. However, costs incurred after March 31, 2022, will not be covered by the STCF program as the current program expires as of that date.

13. If we have a production that starts principal photography after March 31, 2022, would we still be eligible to apply for coverage now?

No. Only productions that have a principal photography start date before March 31, 2022, are eligible to apply.

14. Does the coverage end for all productions on March 31, 2022, or is that the date on which Telefilm will stop accepting applications, even if funds are still available?

Any interruptions that occur after March 31, 2022, will not be covered by the STCF. Depending on the number of applications, we may have to stop accepting applications if and when the available funds are exhausted. The fund is managed on a first-come, first-served basis.

15. Since non-Canadian costs are not included when calculating the maximum STCF-insured amounts for an interrupted or abandoned production, will the non-Canadian costs be included in the calculation of the 15% of the production budget expenses that are required to have been incurred in the event of a claim?

No.

16. Our film is a minority Canadian coproduction shot entirely outside of Canada, with post-production in Canada and abroad. If there is an interruption during filming outside of Canada, would eligible Canadian costs, such as the salaries of the Canadian team on site abroad, be covered by the fund?

No. Only costs pertaining to production that takes place in Canada are covered by the STCF. You will need to submit a budget that indicates the Canadian costs only.

17. Our budget is 100% Canadian, but we will be filming a portion of the series in another country. Should we be submitting a total budget covering all locations or only a budget of costs that occur in Canada?

Submit the total budget for the 100% Canadian project, however, the STCF does not cover any costs incurred due to an interruption or abandonment of the project caused by Covid-19 that takes place while shooting outside of Canada.

18. What type of document needs to be submitted as proof of insurance? Should it be a certificate of insurance, a letter from our insurance provider or the binders of insurance?

A certificate of insurance demonstrating the production has Commercial General Liability and a Producer's Policy (i.e. Entertainment Package) is sufficient. The certificate(s) needs to include the list of cast and director(s) that are insured, or you need to provide a separate cast log issued by the insurer listing any cast and director(s) that are covered by the policy. Note: in the case of a documentary, the host/narrator or key subject could replace key cast if they are listed on the provided insurance document.

19. Does the STCF policy cover shutdowns mandated by civil authorities due to COVID-19?

No. As per section 5.2. of the STCF guidelines, the fund does not cover civil authority shutdowns.

20. To accommodate additional costs arising from the pandemic, i.e. hiring of a dedicated health expert in preproduction and on set, as well as costs of personal protection equipment (PPE), etc., is there any funding assistance available?

No, as per section 5.2 of the STCF guidelines, the fund does not cover these types of expenses.

21. In order for a claim related to an outbreak (COVID-19) on the set, as confirmed by a medical authority, to be eligible under the STCF, is it necessary that there be a complete shutdown of production, in accordance with the applicable standards required by the applicable authorities?

Yes, as set out in the STCF guidelines, the STCF will indemnify eligible producers for reasonable Canadian production costs resulting directly from an interruption of more than one day in filming or the producer's abandonment of the production prior to the end of filming, which is directly caused by any outbreak (COVID-19), confirmed by a medical authority, on set that requires a complete production shutdown in accordance with current standards required by the applicable authorities.

We invite you to refer to the STCF guidelines for all the conditions and criteria applicable to the STCF.

22. Can you explain the following question from the Attestation Form: "Does the Applicant have a COVID-19 safety plan in accordance with the current applicable sanitary requirements in force in all the jurisdictions in which it operates?"

We request that you have and apply a COVID-19 safety plan in accordance with the current applicable sanitary

requirements and ensure that the project and all its participants systematically comply with the sanitary safety measures throughout the filming in accordance with this plan and keep such plan updated. Among other things, this plan must provide for the implementation of measures in situations where social distancing is not possible and identify a person responsible for its application.

Furthermore, the Attestation Form requires that you provide the name the safety coordinator/supervisor. In the event you do not know the name of the person(s) responsible at the time of application, you will need to provide the name to Telefilm prior to a Pre-Eligibility Agreement being issued.

We invite you to refer to the STCF guidelines for all the conditions and criteria applicable to the STCF.

23. Would a project that is required to be preventively interrupted due to a threat of an exposure to COVID-19, based on and in compliance with applicable sanitary requirements, without a case of COVID-19 (as confirmed by a medical authority) or a COVID-19 outbreak (as confirmed by a medical authority) on set, be eligible for coverage under the STCF?

No. As stated in the STCF guidelines, the STCF is intended to indemnify eligible producers for reasonable Canadian production costs resulting directly from an interruption of more than one day in filming or the producer's abandonment of the production prior to the end of filming, which is directly caused by:

- (i) a diagnosis (COVID-19), confirmed by a medical authority, of an actor or director declared on the insurance policy covering the project, as declared to Telefilm on the starting date of the coverage period; or
- (ii) any outbreak (COVID-19), confirmed by a medical authority, on set that requires a complete production shutdown in accordance with current standards required by the applicable authorities;

and, in both cases, occurring during the coverage period, as indicated in the pre-eligibility agreement under the STCF between the applicant and Telefilm.

Therefore, if the principal photography of a project were to be preventively interrupted due to the threat of an exposure to COVID-19, in accordance with the applicable sanitary requirements, without a case of COVID-19 (as confirmed by a medical authority) or a COVID-19 outbreak (as confirmed by a medical authority) on set, the project would NOT be considered eligible for compensation under the STCF guidelines.

We invite you to refer to the STCF guidelines for all the conditions and criteria applicable to the STCF.

24. If an application is denied, are applicants able to re-apply assuming that the reason for denial is rectified?

Yes.

25. Are there deductibles or costs that clients will be required to cover when a claim is accepted?

As indicated in the guidelines, the compensation provided by Telefilm under this Fund shall take the form of an indemnity equal to the total of the Eligible Costs indicated in subsection 5.1.1 less a deductible equal to the lesser of the following amounts: (i) 15% of said Eligible Costs; or (ii) \$100,000.

Also, the costs relating to the analysis of the claim are the responsibility of the applicant, even if the claim for compensation is refused in whole or in part. These costs will be deducted, where applicable, from the amount of compensation offered by Telefilm or, in the event of refusal of compensation, payable by the applicant upon receipt of an invoice from Telefilm to this effect.

26. Will each episode of a series be considered as a separate production?

Each episode of a series cannot be considered as a separate production. Clients will need to submit an application with one budget and one financial structure for the whole series.

However, if there are production blocks/hiatus periods of four (4) weeks or longer, each block will require a separate application. For example, a production with a schedule that shoots June 1 – July 15, 2021, followed by a five (5) week break in production that resumes shooting August 27-September 30, 2021 would need to submit two (2) separate STCF applications.

27. I applied to the STCF but due to Covid-19 challenges, the production dates have been delayed. Can I still receive a Pre-Eligibility Agreement?

If the applicant can provide a confirmed, revised production schedule the application will continue to be processed, however, since the program takes the applicant's first day of principal photography as the start date of coverage, the continued evaluation of the application may be put on hold until 4-6 weeks prior to the beginning of the new first day of shooting.

However, if the new shooting dates are unknown, Telefilm will reject the application and ask that you re-submit once the production dates are confirmed.

28. What do I do if I have problems with enrolment of my company in Dialogue?

Please send all enquiries concerning enrolment to: enr@telefilm.ca