

SUMMARY OF CHANGES 2024-2025

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The following is a non-exhaustive list of changes to 2024-2025 CMF Program Guidelines.

Applicants are required to review the actual Core Guidelines, Program Guidelines, Appendices, Schedules, Addendums and applicable required application documents prior to application.

Changes applicable to all Programs

Introduction of New Pillars for the Reorganization of CMF Program Offerings

 In 2024-2025, the CMF is moving away from the Convergent and Experimental Streams model and will no longer divide Programs based on the specific platform where the project is ultimately consumed. Instead, Programs will be divided based on the different *stages* of (i) linear and (ii) interactive digital media projects.

CMF Programs and activities from "Convergent", "Experimental", and "Sector Development" will be divided into three new pillars on our website: "Ideation", "Creation", and "Industry".

Each of the Ideation and Creation pillars will contain Programs that support both Linear and IDM content.

The "Industry" pillar will list the additional support the CMF provides to industry stakeholders (e.g., research/market trends, data collection, sector development, promotion) under one vertical.

• See <u>CMF website</u>

Revised Format for CMF Guidelines – Core Guidelines and Program Guidelines

 In 2024-2025, the CMF is creating a set of Core Guidelines (for Iteration and Creation) for all Linear Content and IDM Programs detailing the main rules and requirements that apply to all Programs and a separate set of distinct Program guidelines for each specific Program.

Applicants must read the suite of documents comprised of (i) the Core Guidelines, (ii) the applicable Program Guidelines, (iii) Appendix A, and (iv) Appendix B, before applying to any CMF Program. These documents are available on the CMF website.

• See <u>CMF website</u>

Changes applicable to Development and Predevelopment Funding Programs

Combining Development and Predevelopment

The following Programs will be consolidated into one set of Guidelines under the new Development and Predevelopment Guidelines:

- Predevelopment
- Indigenous Program Predevelopment and Development
- Program for Racialized Communities Predevelopment and Development
- Francophone Minority Development
- Northern Development Incentive, and
- Quebec French Regional Development

Where different eligibility requirements exist, they have been separately enumerated.

• See <u>Linear Content Programs – Core Development and Predevelopment Guidelines</u> and the <u>Development and Predevelopment Funding Guidelines</u>

Changes applicable to the Development Envelope and the Performance Envelope Programs

Combining Development Envelope Program and Performance Envelope Program

- To provide Canadian Broadcasters with more flexibility and to further simplify its Programs, the CMF is combining the Development Envelope Program and Performance Envelope Program into a single Envelope system under the new Broadcaster Envelope Program English and French Guidelines. Where different eligibility requirements exist, they have been separately enumerated.
 - o See Broadcaster Envelope Program English and French Guidelines

Combining all Envelope Programs into One Manual

- In 2024-2025, the Development Envelope and Performance Envelope Manuals will be consolidated into the Broadcaster Envelope English and French sections of the Broadcaster Envelope Manual.
- The Diverse Languages Envelope Program (detailed below) will also be included in the Broadcaster Envelope Program to form one Envelope Manual for all programs in the CMF envelope system.
 - See <u>Broadcaster Envelope Manual</u>

Changes applicable to the Anglophone Minority Incentive (AMI) and the Francophone Minority Program (FMP)

Combining the AMI and the FMP into the Official Language Minority Communities (OLMC) Production Funding

- The Anglophone Minority Incentive and Francophone Minority Program have been consolidated into one set of Guidelines under the new OLMC Production Funding Guidelines. Where different requirements exist, they have been separately enumerated.
 - o See <u>OLMC Production Funding Guidelines</u>

Changes applicable to Accelerator Partnership, Early-Stage Development, Digital Linear Series and Versioning Programs

• In 2024-2025, the CMF will not be offering these specific content Programs, but will offer support through Sector Development, Partnerships with other Funds/agencies, and revisions to existing CMF policies.

Changes applicable to all Linear Content Programs

Flexibility for Indigenous-led Projects

Beginning in 2024-2025, the CMF is introducing three new flexibility measures to reflect the experiences of Indigenous Peoples to Canada (defined in <u>Appendix A</u>) and to recognize the unique circumstances of the Indigenous production community. These measures will apply to all CMF Linear Content Programs across all phases of production and will be allowed on a case-by-case basis.

Indigenous Applicants in the Circumpolar North¹

Essential Requirement #1 Flexibility

Eligible Projects that are owned and controlled by Eligible Applicants who are First Nations, Inuit or Métis in Canada's North will be allowed to fill CAVCO scale positions by individuals in the Circumpolar North (as defined in <u>Appendix A</u>) who are not Canadian, provided the majority of the Project's CAVCO scale positions are filled by Canadians. This flexibility will apply to all CMF programming genres (but Applicants should check with the CAVCO office for all applicable tax credit implications).

Eligible Triggering Commitment Flexibility

Eligible Projects that are owned and controlled by Eligible Applicants who are First Nations, Inuit or Métis in Canada's North will be allowed to have non-Canadian Broadcasters from the Circumpolar North contribute to a Project's Eligible Triggering Commitment Threshold (either in combination with Canadian Broadcasters and Eligible Canadian Distributors, or acting as a sole trigger provided the Project is made available in Canada within 18 months of completion and delivery of the Project)

All Indigenous Applicants

Genre Flexibility

Provided an Eligible Project meets all other requirements of the Documentary definition in <u>Appendix A</u>, documentaries from production companies owned and controlled by individuals who are First Nations, Inuit or Métis may include "how-to" programming related to Indigenous cultural elements (e.g., content related to Indigenous food, dance, language, etc.).

• See Schedule A to the <u>Core Production Guidelines</u> and <u>Core Development and Predevelopment</u> <u>Guidelines</u>

¹ As defined by the <u>University of the Arctic</u> (UArctic).

Expanded Market Triggers

- Beginning in 2024-2025, the CMF will expand the existing Canadian Broadcaster market trigger to allow Canadianowned and controlled Eligible Canadian Distributors to contribute to the minimum threshold required to unlock CMF production funding in all Linear Content (production) Programs, provided a Canadian Broadcaster is also contributing towards threshold.
- For all CMF Linear Content Programs where a Canadian Broadcaster is contributing Envelope financing, a Canadian Broadcaster must represent the largest share of the Project's threshold to trigger CMF financing.
- Eligible Canadian Distributors' contribution to a Project's threshold may only be for the Project's International Territory Exploitation Rights.
 - See section 3.2.4.1 of the <u>Linear Content Core Production Guidelines</u> and Eligible Triggering Commitment Thresholds in applicable Program Guidelines

Flexibility Measures in 2024-2025

- Introduced in May 2020 as response to the COVID-19 pandemic, the CMF offered operational and policy flexibility measures for its Programs and policies. In 2024-2025, the CMF will revert to all previous applicable Program requirements with the exception of the following:
 - 100% Flex: the 100% flex allowance which allows Canadian Broadcasters to license projects in any of the CMF's four programming genres.
 - See sections A.1 and B.2 of the <u>Broadcaster Envelope Manual</u>
 - Accounting and Reporting Requirements: the waiving of a notarized affidavit for Phase II/Final Costs for Linear Content and IDM Projects with budgets under \$250K. Now, the Applicant's signed affidavit alone (without notarization) will be acceptable. This measure will now be permanent.
 - See <u>Appendix B</u> Accounting and Reporting Requirements.

Changes applicable to the Broadcaster Envelope Program (English and French)

Introduction of New Factors and Weights for 2025-2026 Envelope Allocations

The CMF will introduce the following new factors and weights:

- Diverse Community (Key Personnel) Production Licences Factor: 5%
- Gender Balance (Ownership) Production Licences Factor: 5%
- International Participation: 5%
- Development Historic Performance :10%

Adjustment of Existing Factors and Weights for 2025-2026 Envelope Allocations

The CMF will adjust the following existing factors and weights:

- Audience Success Total Hours Tuned in the English Envelopes will decrease from 35% to 30%;
- Audience Success Original First Run will be eliminated in both the English and French Envelopes
- Historic Performance will be eliminated in the English Envelopes and reduced from 20% to 10% in the French Envelopes;
- OTT First Run Licences will be eliminated in both the English and French Envelopes; and
- Diverse Community (Ownership) Production Licences will be increased from 10% to 15% in both the English and French Envelopes.
 - See section F of the <u>Broadcaster Envelope Manual</u>

Changes to 2024-2025 Genre Allocations:

• The CMF is making the following adjustments to the Envelope Genre allocations:

	ENGLISH ENVELOPES		FRENCH ENVELOPES	
	2023-2024	2024-2025	2023-2024	2024-2025
DRAMA	60%	56%	54%	51%
DOCUMENTARY SERIES	16%	13%	17%	13%
DOCUMENTARY ONE-OFFS		6%		7%
CHILDREN AND YOUTH	21%	22%	21%	22%
VARIETY & PERFORMING ARTS	3%	3%	8%	7%

Of note, in addition to the above increases and decreases to genre allocations, there is a split in the Documentary genre calculation between (i) one-off documentaries and (ii) documentary series.

• See section E.6.1 of the <u>Broadcaster Envelope Manual</u>

Changes applicable to the Diverse Languages Program (DLP)

New Selection Method – Envelope Program

Beginning in 2024-2025,

- The DLP will shift from a selective program to an automatic envelope Program for Canadian Broadcasters who have frequently licensed Eligible Projects in this Program over the years. This will give Diverse Languages Broadcasters more autonomy and predictability in their funding.
- Broadcaster Envelope allocations in 2024-2025 will be based solely on the historic performance of each Broadcaster in the Program over the past five (5) years. An Alternative Access option will be available for Broadcasters that do not earn an envelope allocation.
- o In 2025-2026, Envelope allocations will be based on
 - Historic Performance (3 years): (80%)
 - Diverse Community (Key Personnel) Production Licences (10%)
 - Gender Balance (Key Personnel) Production Licences (10%)
- See sections E.8 and F the Broadcaster Envelope Manual

Changes applicable to all Linear and Interactive Digital Media Selective Programs

Evaluation Grid – All Selective Programs

Beginning in 2024-2025 the CMF is reallocating some of the Narrative Positioning points in the Evaluation Grid to the following new criteria:

- Under the Creative Elements section, consideration will be given if the Project adds cultural significance and adds greater representation of voices from Diverse Communities, and
- Points will be awarded for Applicants who have committed to concrete measures to create the content responsibly and thoughtfully through Community Engagement and Sustainability activities.
 - See the Evaluation Grid of the applicable Program Guidelines

Changes applicable to Indigenous Programs

Indigenous Production, Development and Predevelopment – Collaboration with the Indigenous Screen Office (ISO)

 Beginning in 2024-2025, as part of a multi-year process, the CMF will formalize its collaboration with the ISO in administering the CMF's Indigenous Programs. In year one, the ISO will work with the CMF and the CMF's Program Administrator (CMFPA) at Telefilm Canada to select the jurors that will be evaluating projects in this Program and will determine and share best practices, precedents, Guideline interpretation, and reporting requirements necessary to effectively administer the CMF programs.

Indigenous Production – Evaluation Grid – Diversity Points

- Beginning in 2024-2025, the CMF is awarding Diversity points in this Program for key positions engaged on a project where at least 40% of the cumulative paid positions on the Production and Creative Teams are held by members of a Diverse Community (excluding members of the particular Program community).
 - See the Evaluation Grid of the Indigenous Program

Changes applicable to the Pilot Program for Racialized Communities

Program Title

• Beginning in 2024-2025, the CMF will no longer include "Pilot" from the title of this Program and it will now be referred to as the "Program for Racialized Communities" (PRC).

Evaluation Grid – Diversity Points

- Beginning in 2024-2025, the CMF is awarding Diversity points in this Program for key positions engaged on a project where at least 40% of the cumulative paid positions on the Production and Creative Teams are held by members of a Diverse Community (excluding members of the particular Program community).
 - See Evaluation Grid in the <u>PRC Guidelines</u>

Changes applicable to Anglophone Minority Incentive (AMI)

- Beginning in 2024-2025, the CMF will introduce the following changes to AMI:
 - Up to 75% of AMI funds may be made available for the Program's First Closing Date;
 - For Eligible Applicants where the original language of production for the majority of their development and production slate is in English:
 - A minimum of 37.5% of First Closing Date funds shall be reserved for these Applicants:
 - Eligible Projects submitted by these Applicants may receive the lesser of 25% of a Project's Eligible Costs or the following dollar amounts:
 - \$600,000 for live-action Drama feature films; or
 - \$900,000 for all other Project types.
 - Eligible Projects submitted by Applicants where the original language of production for the majority of their development and production slate is not in English may receive the lesser of 15% of a Project's Eligible Costs or the following dollar amounts:
 - \$600,000 for a Live-action Drama feature films; or
 - \$900,000 for all other Project types.
 - See <u>OLMC Guidelines</u>

Changes applicable to Francophone Minority Program (FMP)

Coproductions with Ineligible Applicants to the FMP

- Beginning in 2024-2025, for coproductions between an Eligible Applicant to the Program and an ineligible Applicant, the maximum CMF contribution amounts will be applied to the entire budget and then adjusted according to the copyright ownership of the Eligible Applicant in the Project.
- Beginning in 2024-2025, the selective grid used in cases of severe oversubscription to the Program will be changed as follows:
 - o Projects from the same genres will be evaluated against one another; and
 - The Creative Elements criterion representing 100% of the evaluation weight will be reduced to 75% and Market Interest will be weighted at 25%.
 - See <u>OLMC Guidelines</u>

Changes applicable to all Linear Content Programs

Artificial Intelligence (AI)

5.

Recognizing the rapid advance of technology and the use of Artificial Intelligence (AI) in our work and in our daily
lives, the CMF has established AI Guiding Principles for the use of AI in the creation of CMF-funded content. The
CMF seeks to advance our understanding of how AI is being used in the screen-based industry and the impact AI
has on content.

The CMF reminds all Applicants that they must ensure that (i) all underlying rights to Eligible Projects are owned and meaningfully developed by Canadians, and (ii) Eligible Projects have unobstructed access to all underlying rights.

• See section 3.2.5 of the CMF Core Guidelines and <u>CMF website</u>

Versioning Expenses

- Beginning in 2024-2025, the CMF will support versioning costs normally incurred by distributors to assist in foreign market sales of an Eligible Project. The CMF will support up to 90 minutes of versioning costs (that are reasonable and industrystandard) for foreign market sales, which will be subject to the Marketing Expenses cap.
 - See Versioning and Marketing Expenses sections of the CMF Core Guidelines

Feature-Film Dramas

- Beginning in 2024-2025, the CMF will implement a maximum cap of 35% of the specific Program budget for feature films in the Drama programming genre for specific CMF Linear Content Programs.
 - See applicable Program Guidelines.

Changes applicable to First-Come, First-Served (FCFS) Development Programs

Maximum CMF Contribution

- In 2024-2025, to address inconsistencies and to simplify the Development Programs, the CMF will standardize
 most of the Maximum Contribution amounts in its FCFS Development Programs (except for the Northern
 Development Incentive allocation, which will remain the same) to the lesser of 75% of a project's Eligible Costs or
 \$100K.
 - o See <u>Development and Predevelopment Funding Guidelines</u>

Changes applicable to the POV Program, OLMC Production Funding, Regional Production Funding and the Broadcaster Envelope Program (English & French)

Eligible Triggering Commitment Threshold ("Threshold") – French-Language Documentaries

• Beginning in 2024-2025, for the French market, the following Thresholds will apply to Documentaries in the POV Program:

FRENCH	All Eligible Projects (with the exception below)	Lesser of 15% of Eligible Costs or \$60K per hour
	Feature-length documentary	Lesser of 10% of Eligible Costs or \$60K per project

- See Eligible Triggering Commitment Threshold (section 3.2.3) of <u>POV Program Guidelines</u>
- The CMF will apply the above feature-length documentary threshold in the POV Program to feature-length documentaries in the Broadcaster Envelope Program (English and French), OLMC Production Funding and Regional Production Funding to create more alignment between Programs.
 - See Eligible Triggering Commitment Threshold (section 3.2.1) of the <u>Broadcaster Envelope</u> <u>Guidelines (English and French)</u>

Changes applicable to the English Regional Production Bonus (ERPB)

In-house Programming and Broadcaster-Affiliated Programming

- Beginning in 2024-2025, the CMF is limiting the number of applications and Program allocations to In-house and Broadcaster-Affiliated Programming Applicants as follows:
 - These Applicants will only be able to apply with one project per year in this Program; and
 - No more than 15% of funds in the ERPB will be allocated to Projects from these Applicants.

Tax Credits at Application

- To help with oversubscription to the Program and to ensure a level playing field, beginning in 2024-2025, the CMF's contribution in this Program will be calculated based on the Applicant including 90% of available tax credits in its project's financing.
 - See Tax Credit Policy in <u>Appendix B</u>.

Artificial Intelligence (AI)

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lives, the CMF has established AI Guiding Principles for the use of AI in the creation of CMF-funded content. The
CMF seeks to advance our understanding of how AI is being used in the screen-based industry and the impact AI
has on content.

The CMF reminds all Applicants that they must ensure that (i) all underlying rights to Eligible Projects are owned and meaningfully developed by Canadians, and (ii) Eligible Projects have unobstructed access to all underlying rights.

• See <u>CMF website</u>

Changes applicable to the Innovation and Experimentation Program and Commercial Projects Program

Evaluation Grid - Better Distinguish Program Objectives

• Beginning in 2024-2025, the CMF will offer more distinctions between the two programs and reframe how the Innovation and Experimentation Program rewards innovation by clarifying that it also includes innovation in content, form and story.

Changes applicable to the Production Budget Template

- In 2024-2025, documentary footage used in non-broadcast demos for Development may be included in the production, provided the CMF does not pay for the same expenses twice.
 - See Budget template on the <u>CMF website</u>

Changes applicable to Appendix A

- In 2024-2025, standard definitions that apply to most CMF Linear and IDM Programs will now be included in Appendix A. Definitions that apply to specific Programs (e.g. Eligible Applicants) will be included in those particular Program Guidelines.
 - See <u>Appendix A</u> CMF Definitions

Changes applicable to Appendix B

Distributor Business Policy

- Beginning in 2024-2025, the CMF will introduce a new chapter detailing the business policies that will apply to Eligible Canadian Distributors who trigger CMF funding in Linear Programs.
 - See <u>Appendix B</u> Distributor Business Policy (Chapter 9)

PFCO Policy

Beginning in 2024-2025, the CMF will introduce the following changes to the PFCO Policy:

- Increase the PFCO Dollar Cap: the CMF is increasing the PFCO dollar cap from \$2M to \$2.5M.
- Exception to the 20% PFCO Cap: the CMF is extending the higher 30% cap to one-off, feature-length documentaries and projects that meet the Region definition for the Northern Production Incentive (see Schedule A to the Regional Production Funding Guidelines), but may not receive funding through the Northern Production Incentive.
- Ownership Interest: Under the PFCO Cap, instead of including fees paid to people occupying a producer role (as
 described in the CMF's PFCO Policy in Appendix B) who have any Ownership Interest in the Project, in 2024-2025,
 the CMF will only include fees paid to people occupying a producer role who have an Ownership Interest of more
 than 10% in a project in the Cap.
- Multiple Roles for Documentaries: The CMF will allow producers who are occupying multiple producer-related roles for One-off Documentary projects to have their producer fees outside the PFCO Cap, within reason and at the CMF's discretion.
 - See <u>Appendix B</u> PFCO Policy (Chapter 3)

Accounting and Reporting Requirements (ARR) – Producer Travel

- More flexibility will be allowed for travel by documentary producers to include travel costs in Sections B+C of the budget due to the nature of this particular genre as outlined in section 4.2 (Eligible Costs) of the Linear Content – Core Production Guidelines
 - See <u>Appendix B</u> Producer Expenses (section 4.3.2 of the ARR)