
Canada Feature Film Fund

Guidelines

Development Program For English-Language Productions



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1. THE CANADA FEATURE FILM FUND - ENGLISH LANGUAGE

1.1. These Guidelines

These guidelines are for the English-language script development program (the “Program”) of the Canada Feature Film Fund (the “CFFF”). These Program guidelines are designed to reflect the unique realities of the English-language market. Separate guidelines for the French-language market are available on Telefilm Canada’s [website](#).

There are two financing instruments within this Program:

Selective component: The selective component is primarily for producers without a box office track record sufficient to obtain a performance envelope. Telefilm Canada selects from amongst projects in a highly competitive and oversubscribed environment.

Performance component: Resources are reserved for producers who achieve success at the Canadian box office in the form of performance envelopes. Producers with envelopes have greater autonomy, discretion and flexibility in the use of their envelope toward the development, production and marketing of Canadian feature films.

Guidelines for other CFFF programs (including production, marketing and complementary activities), along with application forms, are available at on Telefilm Canada’s [website](#).

Telefilm Canada has committed to a [Service Charter](#) for Telefilm Canada’s Clients.

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

Telefilm Canada may make adjustments to its guidelines and application forms from time to time as required. Telefilm Canada has full discretion in the application of, or exception to, these Program 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 Program guidelines, or the spirit and intent of this Program, Telefilm Canada’s interpretation shall prevail.

1.2. Goal, Spirit and Intent

The overall goal of the CFFF is to increase the Canadian theatrical box office for Canadian feature films.

Development of a diverse portfolio of English-language productions is an important strategy to achieving this goal. In addition to genre diversity, Telefilm Canada encourages diversity in feature film production by supporting a range of budgets, companies and regions.

While Telefilm Canada does not intend to restrict filmmakers in their choices of stories or their natural settings, Telefilm Canada’s policies and decision making process will prioritize projects that demonstrate the highest potential to attract Canadian audiences, contain significant Canadian creative elements and present a distinctly Canadian point of view (for example: Canadian characters, setting, themes, talent and stories reflecting Canadian society and cultural diversity).

The CFFF may provide financing to individual projects of up to a potential cumulative maximum of \$305,000 across three stages of development:

- Scriptwriting stage (see section 5.2.3)
- Packaging stage (see section 5.2.5)
- Greenlight stage (see section 5.2.7)

2. ELIGIBLE APPLICANTS

2.1. Basic Criteria

In order to be considered eligible to apply to this Program, an applicant must be a Canadian-owned and controlled corporation, as determined under sections 26 to 28 of the [Investment Canada Act](#), with its head office based in Canada. In addition, when assessing an applicant's eligibility, Telefilm Canada will take into consideration:

- if the applicant's activities take place in Canada;
- the financial stability of the applicant (with appropriate exceptions for new production companies without established parent companies); and
- whether or not the applicant operates principally as a feature film production entity.

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

Eligible production companies must demonstrate to Telefilm Canada's satisfaction a commitment to developing scripts for Canadian feature films and must possess the experience and level of expertise necessary to complete the project. The track record of the writer, the director and the producer will be taken into account. Telefilm Canada's specific requirements will vary depending on the nature and scope of the project.

3. ELIGIBLE PROJECTS

3.1. Basic Criteria

In administering the CFFF, Telefilm Canada will seek to support the development of feature films that are owned and controlled by eligible applicants.

To be considered eligible to the Program a project must:

- be a script written in English and intended as an English-language feature-length fictional film¹;
- be intended for production in the English-language and aimed primarily at English-language Canadian audiences, and for the Canadian theatrical market;

¹ The project is at least 75 minutes in duration. Projects, whose first window is more likely home video, or television broadcast, are ineligible. Telefilm Canada recognizes documentaries as eligible only when being funded through a performance envelope that has been earned for a documentary project.

- be under Canadian ownership, that is, its copyright must be owned by Canadians;
- be under Canadian financial and creative control, as well as its rights and options necessary for the full and complete exploitation of the project must be held by an eligible production company;
- plan to have Canadians in the roles of scriptwriter and director²;
- plan to have a Canadian in the role of lead performer³;
- with respect to Canadian content certification, plan to be **either**:
 - eligible for certification as a Canadian production, pursuant to the criteria of the Canadian Audio-visual Certification Office (CAVCO), or satisfies the definition of a Canadian program set out by the Canadian Radio-Television and Telecommunications Commission (CRTC) and achieves a minimum of 8 out of 10 points of Canadian content using the CAVCO point scale; **or**
 - eligible to be certified as an official coproduction deemed as qualified under established criteria (see Telefilm Canada's policy document entitled [Official Coproductions: Mandate, Policies and Requirements](#));
- not contain any element of serious and gratuitous or explicit and excessive violence, any element which is predominantly characterized by the undue exploitation of matters of a sexual nature, or matters of a sexual nature and one or more of the following subjects: crime, horror, cruelty and violence, or any other sexual offence under the Criminal Code or any matter which is libelous, obscene or in any other way unlawful.

4. ELIGIBLE DISTRIBUTION COMPANIES

Telefilm Canada will seek to ensure that each project supported at the packaging and greenlight development stages will be produced, marketed and distributed as enthusiastically and effectively as possible.

To trigger funding applications for feature film projects for the packaging and greenlight stages, distribution companies must meet all the eligibility criteria as outlined in the Marketing Program for English and French Language Productions [guidelines](#).

5. THE SELECTIVE COMPONENT

Telefilm Canada selects from amongst projects in a highly competitive and oversubscribed environment. **Priority** is given to eligible applicants not already accessing financing from either a performance envelope, or another Telefilm Canada program.

5.1 Evaluation Criteria

All fictional genres are eligible for development financing including, but not limited to, comedy, mystery, drama, thriller, science fiction/fantasy, romantic comedy and action adventure. Eligible applicants are strongly encouraged to meet with their local feature film executive to discuss the potential for development support at each stage.

² Canada will continue to consider appropriate exceptions to this criteria on a case by case basis particularly where the level of financial request to the CFFF is low, and there are other significant Canadian creative elements (including a distinctly Canadian point of view).

³ Projects considered to be a vehicle for non-Canadian stars are not eligible.

Submitted projects are in competition with other projects from the same region. The regions are: Atlantic, Quebec, Ontario and Nunavut and the Western Region.

As a result of over-subscription, and limited resources, many eligible projects will not be selected for development financing. Telefilm Canada will finance a much broader range of promising projects at the earlier scriptwriting stage, and then narrow its support at the packaging and greenlight stages. Each office, while continuing to place emphasis on the box office potential of a film, will also seek to use its resources to encourage a diversity of voices, genres, budgets and regions as well as assist in the development of emerging talent.

To this end, local feature film executives will base their evaluation on the following criteria:

- I) the originality and quality of the creative materials;
- II) the track record of the creative team, in particular the producer, writer and director (to be attached);
- III) the potential to attract market interest at the production stage and the track record and commitment of any attached eligible distributor at the packaging and greenlight stages and;
- IV) the project's contribution to the diversity of their local development portfolio.

5.2. Financing

5.2.1. Financial Participation

Telefilm Canada's financing will be in the form of a non-interest bearing repayable advance in the amount of 80% of eligible costs⁴ to a maximum of:

Stages	Maximum Participation
Scriptwriting stage	\$80,000
Packaging stage	\$75,000
Greenlight stage	\$150,000
Combined maximum	\$305,000

Telefilm Canada's maximum participation is inclusive of our financial participation in development from this or any other Telefilm Canada programs, initiatives or components.

5.2.2. Official Coproductions

Telefilm Canada wishes to support the development of projects that may become official coproductions, with scripts that reflect the stories, characters and settings of the coproducing countries. Telefilm Canada's participation in such projects will be up to an amount equivalent to the coproducing country's national film financier.

However an advance ruling, or certification as an official coproduction, does not render an applicant or project automatically eligible for funding from the CFFF.

⁴ Please refer to Annex I for eligible costs.

5.2.3. Scriptwriting Stage

The scriptwriting stage provides the opportunity for a producer and writer to develop a project to the point where other essential market elements can be attached.

Financial support for the scriptwriting stage is available for all phases of a project's creative development, from treatment through to the final draft of a screenplay as follows:

Phase	Standard Amount
Treatment to first draft	80% of eligible costs up to \$30,000
2nd and subsequent drafts	80% of eligible costs up to \$25,000 per draft
Project cap	\$80,000 for scriptwriting stage

Eligible costs are outlined in Annex 1 of these guidelines.

5.2.4. Repayment - Scriptwriting Stage

Scriptwriting stage advances are repayable according to the contract that Telefilm Canada and the producer 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.

5.2.5. Packaging Stage

The packaging stage provides support for the subsequent drafts of a screenplay where market elements have been attached. Applications at this stage must have attached a director (as shown by a fully executed director's agreement) and an eligible distributor⁵. Telefilm Canada will provide financial support toward the further development of: a screenplay that incorporates the director's vision and input from the eligible distributor, a business and financing plan as well as a preliminary theatrical marketing plan. The preliminary marketing plan should identify the following: target audience(s), commercial potential and a preliminary theatrical release strategy in Canada.

Eligible distributors who provide their expertise at the packaging stage may be compensated on a fee for service basis, **or** receive right of first negotiation for the Canadian distribution rights to the subsequent feature film, or enter into a standard distribution agreement.

Eligible costs are outlined in Annex 1 of these guidelines.

5.2.6. Repayment - Packaging Stage

Packaging stage advances are repayable according to the contract that Telefilm Canada and the producer 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.

Telefilm Canada may support projects at an amount less than the maximum.

⁵ The criteria for an eligible distributor are outlined in the guidelines for the Marketing Program for English and French language productions.

5.2.7. Greenlight Stage

The greenlight stage advance (the “Greenlight Advance”) is only available for those feature film projects that have already received a commitment letter from Telefilm Canada for production financing.

Telefilm Canada may support projects at an amount less than the maximum.

Applicants should be aware that Greenlight Advance financing is not in addition to Telefilm Canada’s offer of production financing. If an applicant receives a Greenlight Advance, the amount will form part of Telefilm Canada’s total equity investment in a production, as outlined in a commitment letter from Telefilm Canada.

5.2.8. Financial Participation and Repayment - Greenlight Stage

Telefilm Canada’s financial participation at this stage is in the form of an advance against Telefilm Canada’s production financing.

In the event that the project proceeds into production with financial support from Telefilm Canada this Greenlight Advance will be converted into an equity investment in the production.

In the event that the project does 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 at the scriptwriting and packaging stages. In this case, the advances will be repayable according to the contract that Telefilm Canada and the producer 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.

6. THE PERFORMANCE COMPONENT

6.1. The Envelope System

The CFFF recognizes achievement at the Canadian box office by earmarking resources to production companies successful in the English-language market. The minimum value of a production envelope is now set at \$750,000 per fiscal year. If the total amount of the envelope, for which a production company is otherwise entitled does not reach at least \$750,000, the production company will be attributed a development envelope. The value of the development envelope will be the lesser of \$155,000, or the result of the envelope calculation. Please refer to Annex II of the CFFF Guidelines for [Production Program for English-language Productions](#) for the full details about *How a performance envelope is calculated and allocated*.

The following objectives govern the envelope system as a means to achieve the overall goal of the CFFF:

1. envelopes should only be earmarked for those companies with the most distinguished track record of performance at the Canadian box office;

2. performance envelopes must be sufficiently large to avoid the companies having to apply to the selective components for top-up resources; and
3. the envelopes should afford these exceptional companies greater predictability of financial support, decision-making autonomy and greater flexibility in using the resources, as compared to companies that must apply to the selective components.

In the event of changes in management or ownership of a company for which an envelope has been earmarked (that is, sale, merger, change in management, etc.), Telefilm Canada will review the degree to which those involved in creating the exceptional track record in Canadian box office remain involved and, thus, merit the increased autonomy and flexibility as provided by performance envelopes. In the event that Telefilm Canada, in its sole discretion, is not satisfied that the ongoing earmarking of the performance envelope will meet the spirit and intent of the CFFF, these funds will be transferred for use in the selective component to which all production companies will be eligible to apply.

Clients, and especially those producers who have been offered performance envelopes in a given year, are hereby advised that they should not rely on past guidelines and practice for anticipating or predicting an envelope for the following year and beyond.

6.2. Accessing the Envelopes

Producers with performance envelopes for development have conditional privileges that are not provided to companies that must apply to the highly oversubscribed and competitive selective process. **Under no circumstances are the envelopes transferable.** Financing available through a performance envelope must be used during the fiscal year in which the envelope was obtained.

A company that does not meet the eligibility criteria set forth in section 2 of these guidelines at the time a project is submitted shall not have access to any performance envelope generated by the exploitation of the resulting film for as long as that performance envelope shall last. Consequently, if a film is made as a coproduction involving:

1. a (majority) company eligible for the CFFF, having the necessary experience and expertise and whose principal business is film production, and thus qualifying for the CFFF,
AND
2. a (minority) company ineligible for the CFFF, based on the criteria set forth in section 2 of the CFFF guidelines;

and if the exploitation of the film results in a performance envelope, only the company eligible for CFFF funding at the time the project is submitted shall have access to the performance envelope funds.

6.2.1 Meaningful Involvement

Telefilm Canada will ensure that producers access their envelopes in support of projects in which they are meaningfully involved. Telefilm Canada considers meaningful involvement a safeguard to prevent envelopes from being traded as assets. Performance envelopes provide greater autonomy, discretion and flexibility in the use of CFFF funds. Telefilm Canada expects the producer to apply their strong track record of box office performance to the use of their CFFF envelope. The producer must take responsibility and retain decision-making authority for the project from Development to Pre-Production, Production, Post-Production &

Marketing.

Within this context, the following are Telefilm Canada's minimum requirements to demonstrate a producer's meaningful involvement in a project or projects. Telefilm Canada may apply additional requirements to ensure meaningful involvement as deemed necessary.

Producers with performance envelopes:

1. must own no less than *51% copyright ownership* in the eligible project for which they are applying for development financing;
2. receive a share of producer's fees and corporate overhead commensurate with their ownership interest;
3. retain control commensurate with their ownership in the development;
4. must be signatories to the Telefilm Canada agreement.

6.2.2. Accessing Financing from the Selective Component

Producers with envelopes are restricted in their access to the selective component of the Program. Producers with an envelope in excess of \$155,000 are not eligible to apply to the selective component until January should additional funding remain in the selective component of a given fiscal year. Those with envelopes less than, or equal to, this amount can only apply to selective component after their performance envelope is fully committed on eligible projects. Please refer to Annex II, of the CFFF Guidelines for [Production Program](#) for English Language productions.

Development performance envelopes earned for a documentary must be used for the development of a documentary film. Similarly, development performance envelopes earned for a fictional film must be used for the development of a fictional film.

6.3 Financing

6.3.1. Access to Performance Funds for Development

No track record or creative assessment is made by Telefilm Canada of projects submitted for development financing through a producer's performance envelope. Telefilm Canada will limit its assessment of applications to eligibility criteria.

Applications at the packaging stage must have attached a director (as shown by a fully executed director's agreement) and an eligible distributor⁶.

A commitment letter for production financing from Telefilm Canada at the greenlight stage is not required. To be eligible for financing at the greenlight stage, the producer must submit a complete application for production financing, and demonstrate that they have sufficient resources within their envelope to complete the production financing of an otherwise eligible project to which an eligible distributor is attached.

Eligible costs are outlined in Annex 1 of these guidelines.

⁶ The criteria for an eligible distributor are outlined in the guidelines of the Marketing Program for English and French Language productions.

6.3.2. Financial Participation and Repayment

Telefilm Canada's financing will be in the form of a non-interest bearing repayable advance equal to the lesser of:

- (a) The amount requested by the applicant;
- (b) The uncommitted balance of the performance envelope;
- (c) 80% of eligible costs⁷, and;
- (d) The following per stage maximums:

Stages	Maximum Participation
Scriptwriting and/or packaging stage	\$155,000
Greenlight stage	\$150,000
Combined maximum	\$305,000

Telefilm Canada's maximum participation is inclusive of its financial participation in development from this or any other Telefilm Canada program, initiative or component.

Eligible producers may apply, with a single application, for the combined screenwriting and/or packaging stages.

In the event that the project proceeds into production with financial support from Telefilm Canada, financed exclusively through the producer's performance envelope, the advance received at the greenlight stage will be converted into an equity investment in the production. Otherwise, the advance will be treated as a non-equity repayable advance similar to a development advance in the selective component. In this case, the development advance is repayable according to the contract that Telefilm Canada and the producer 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 (including the optioning of the script).

In the event that the project proceeds into production without financial support from Telefilm Canada, or does not proceed into production by a defined date, the advance will be treated as a non-equity repayable advance similar to a development advance in the selective component. In this case, the development advance is repayable according to the contract that Telefilm Canada and the producer 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.

⁷ Please refer to Annex I for eligible costs.

ANNEX I: DEFINITIONS

1. Eligible Costs

Standard development budgets are available from Telefilm Canada's offices or on its Website at www.telefilm.gc.ca.

Producers' fees and overhead (PFOH) respectively may not exceed 20% each of eligible costs (not including approved exceptions, see section 2 below).

Expenses incurred and/or paid previous to submission of the application are not eligible.

Only Canadian costs are eligible, with the following exceptions:

- Non-Canadian costs eligible in an official coproduction, or an intended coproduction (see section 3 below); and
- For all stages of development, non-Canadian script editors and consultants whose services do not result in any copyright ownership in the project.

Eligible costs are as follows:

Scriptwriting stage

Eligible costs for purposes of calculating Telefilm Canada's financial participation include writer's fees and script editor fees (see maximums per phase within standard development budget). However applicants may include, within the development budget, all other costs typically related to developing a screenplay provided they are able to demonstrate sufficient alternative sources of financing.

Packaging stage

Eligible costs include, but are not limited to: those associated with writing and script editing or consulting; costs associated with the attached director and distributor; those related to raising financing, casting, preliminary location scouting and budget breakdown; and all other costs typically associated with the development and packaging of a screenplay.

Greenlight stage

Eligible costs at this stage include those associated with the final polish of the screenplay, closing agreements with financial participants, attaching cast and early pre-production; in other words, generally those costs associated with fulfilling the conditions outlined in the production commitment letter.

2. Requests for Exception to Eligible Costs

In the scriptwriting stage of the selective component, Telefilm Canada will consider requests for exceptions to the eligible costs upon which Telefilm Canada's participation is calculated (and, in turn, the maximum financial participation) where the applicant can demonstrate the potential of the exception to contribute to the national box office objective.

In the scriptwriting and/or packaging stages of the performance component, Telefilm Canada will consider requests for exceptions to the eligible costs upon which Telefilm Canada's participation is calculated (and, in turn, the maximum financial participation) where the applicant is able to demonstrate to Telefilm Canada's satisfaction the reasonableness of such costs in the screenwriting and packaging stages of development.

In the greenlight stage, to assist producers who wish to secure certain “pay or play”⁸ arrangements, and in certain instances where casting will assure the project/film marketplace access, Telefilm Canada will consider participating beyond the published greenlight maximum amount.

To ensure consistency and transparency across the offices, recommendations for exceptions within the selective component would be made by the Local Feature Film Executive for approval by the National Feature Film Executive. Recommendations within the performance component would be made by the Local Business Affairs Lead Analyst for approval by the Director – National Business Affairs.

3. Eligible Costs in Official Coproductions

During the scriptwriting stage, Telefilm Canada will allow writing fees for a non-Canadian writer to be eligible for support when: the project is intended to be an official coproduction, the writer is from the coproducing country, and the equivalent national agency to Telefilm Canada in the coproducing country is also financing the development budget. At the packaging stage, for projects of this type with a non-Canadian writer attached, Telefilm Canada will require that the attached director be Canadian.

⁸ A contractual obligation between the producer and generally actors or directors which provides that the producer will pay a stated amount whether or not the services of the actor or director are performed or required.

ANNEX II: APPLICATION PROCESS

THE APPLICATION PROCESS

All applicants must now apply on-line. Applicants should submit the appropriate application form, duly completed and signed, together with the Telefilm Canada standard budget and all required documentation, to Telefilm Canada by the applicable deadline(s).

1. HOW TO APPLY

Apply on-line

Telefilm Canada will no longer accept applications by mail. To apply, applicants must use the on-line services of [eTelefilm](#). Applicants who do not have the access code for our eTelefilm services can request one online or by contacting eTelefilm's Technical Support available between 8:00 AM to 8:00 PM (EST) at 1-800-567-0890 extension 3911.

eTelefilm offers users a range of secure, simple, and speedy on-line services that are available from anywhere and on any platform, between 6 a.m. and 1 a.m. (EST). Among other functions, eTelefilm allows applicants to submit an application electronically, follow the progress of the file, and have access to the direct deposit of funds. In addition, applications sent to Telefilm Canada via eTelefilm can be submitted until 11:59 p.m. (EST) on the application cut-off date.

Applicants in remote communities without access to the internet may continue to apply by mail and should contact their local office for address details.

The standard budget template for the Development Program for English-language productions can be found on Telefilm Canada's [website](#).

2. WHEN TO APPLY

SELECTIVE COMPONENT

English-language (all regions, except Quebec)

There is no application deadline for English-language development outside of Quebec; applications are evaluated and processed on a case-by-case basis until funds are exhausted.

English-language (in Quebec region)

For deadlines associated with English-language projects in the Quebec region, please refer to the Telefilm Canada's [website](#).

PERFORMANCE COMPONENT

For a detailed explanation of performance envelope disbursement requirements, and relevant dates, please refer to [Date References for Performance Envelope Calculations and Disbursements](#) on Telefilm Canada's website. Please note that Telefilm Canada's fiscal year runs from April 1 to March 31.

Performance envelopes must be fully committed, contracted and no less than 90% drawn down (disbursed) by March 31. For Telefilm Canada's cash management purposes, those companies that have not fully committed their performance envelope by early October

(production), and early January (development) will be required to submit formal applications for funding of projects that will fully draw down any remaining envelope amount by March 31 (save for an amount representing no more than 10% of the total envelope, which is not required to be draw down).

In order to satisfy Telefilm Canada's cash management requirements, that portion of a performance envelope which is not contracted by the required date will no longer be available to the company. Furthermore, that portion of the performance envelope that is not expected to be drawn down⁹ by March 31 will no longer be available to the company. That portion of a performance envelope that will not be contracted and drawn down by March 31 will be reallocated to the selective component.

Any amount that is undertaken to be drawn down, and is not, will no longer be available to the company. Should such a company qualify for a performance envelope for a subsequent fiscal year, an amount equal to the amount not drawn down¹⁰ will be deducted from the envelope to which the company would otherwise be entitled. For those companies that do not qualify for an envelope in a subsequent fiscal year, Telefilm Canada may consider restricting such companies' access to the selective component of the CFFF for the following fiscal year.

⁹ Save for a maximum of 10% of the total performance envelope that need not be drawn down

¹⁰ As per footnote above