



CANADA FEATURE FILM FUND
VERSIONING ASSISTANCE PROGRAM
GUIDELINES 2006-2007

These Guidelines are specific to the terms and conditions of the program for the fiscal year of 2006-2007 (which ends on March 31, 2007).

Telefilm Canada may make adjustments to these guidelines from time to time as the need arises.

Please read the guidelines carefully. This document contains essential information on eligibility criteria and the application process.

For a description of how to apply see Annex I.

1) THE CANADA FEATURE FILM FUND (CFFF)

The overall goal of the Canada Feature Film Fund is to increase Canadian audiences in theatres for Canadian feature films, aiming to capture 5% of the domestic box office by 2006.

The CFFF includes the Development, Production and Marketing Programs (Main Program); the Screenwriting Assistance Program (now referred to as Writer's First for the English program); the Low Budget Independent Feature Film Assistance Program; and programs for Complementary Activities, including: Canada Showcase (Canadian film festivals), International Festivals and Markets, Versioning, Alternative Distribution and Awards. Collectively, these programs support the key goal of the CFFF to increase the domestic market share of Canadian films. Guidelines for these programs are available at <http://www.telefilm.gc.ca/> or by contacting any of Telefilm Canada's offices.

In administering the CFFF, Telefilm Canada will seek to support the development, production and marketing of feature films that are owned and controlled by Eligible Applicants and which contain significant Canadian creative elements, including Canadian stories, characters, setting themes, talent and technicians, and which reflect Canadian society and cultural diversity. While Telefilm Canada does not intend to restrict filmmakers in their choices of stories or their natural settings, it will, wherever possible, give priority to projects that present a distinctly Canadian point of view.

2) SPIRIT AND INTENT OF THE VERSIONING ASSISTANCE PROGRAM.

In keeping with the goal of the Canada Feature Film Fund overall, the spirit and intent of the Versioning Assistance Program is to increase the availability of and therefore audiences for Canadian feature films financed through the CFFF intended for theatrical release in English, French and Aboriginal languages.

3) ELIGIBLE APPLICANTS

The applicant must be a Canadian-controlled corporation with its head office based in Canada, as defined in the *Investment Canada Act*. The applicant must also be in good standing (i.e. not in default) with Telefilm Canada. In addition, when assessing an applicant's eligibility, Telefilm Canada may choose to look at such factors as:

- 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 or distribution entity.

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 (Canada)*, or permanent residents within the definition of the *Immigration and Refugee Protection Act (Canada)*.

Eligible production and distribution companies must demonstrate to Telefilm Canada's satisfaction a commitment to producing and/or distributing Canadian feature films and must possess the experience and level of expertise necessary to complete or distribute the production. Telefilm Canada's specific requirements will vary depending on the nature and scope of the project.

Further, if the applicant is a production company, it must be the producer of the feature film project for which it is applying for versioning assistance. If the applicant is a distribution company, it must hold the distribution rights to the feature film project for which it is applying for versioning assistance.

4) ELIGIBLE PROJECTS

4a) Basic Requirements

The project must be a feature film that has received production financing through the CFFF or the CTF-EIP programs. The project must also be completed in its original language.

Telefilm Canada will not usually contribute towards the versioning of a production where a version of that production already exists for commercial release. However, in some cases it may agree to subsidize minor changes to existing versions if the production was versioned in Canada.

4b) Additional Requirements

In addition to meeting the basic requirements, in order to be eligible, the project must be the subject of at least one of the following:

- i) A letter of commitment from a broadcaster to air the versioned production in Canada or abroad within one year of delivery. The letter must specify a broadcast license fee, the market value of which must be fair and acceptable to Telefilm Canada; or
- ii) A letter of commitment from an exhibitor to theatrically release the versioned feature film in Canada within one year of delivery; or
- iii) A foreign sales contract, the market value of which is fair and acceptable to Telefilm Canada.

4c) Ineligible Projects

If one or more production financiers contractually require that the project be versioned into a second language (i.e. it is a delivery requirement) then the cost of versioning that feature film must be included in the original language production budget. In such cases, the project is not eligible for versioning assistance.

5) NATURE AND TERMS OF PARTICIPATION

5a) Acceptable expenses

Telefilm Canada will accept:

- Only the versioning expenses and services carried out in Canada by qualified private-sector companies under Canadian control (as defined in the *Investment Canada Act*), and;
- Only costs related to the versioning of the eligible project that are not included in the original language production budget.

In some cases, Telefilm Canada may finance secondary activities (minimal re-editing, adaptation of songs, etc.) that are indirectly related to the versioning of a Canadian feature film but nonetheless essential to the making of the production. Telefilm Canada will evaluate such requests on a case-by-case basis.

The applicant must provide a versioning budget in accordance with the Telefilm Canada standard format budget (see separate document entitled Standard Versioning Budget Outline) that:

- 1) Defines those activities eligible for financial assistance through this Program, including all tasks from the pre-production phase (receipt of material to be versioned) to the submission of the required version (final copy);

2) Identifies the costs for each of the tasks required. The budget also allows for reasonable administrative expenses incurred by the versioning company, up to a maximum of 5% of the budget (with no pyramiding of fees allowed). In addition, the applicant is allowed to include expenses incurred in coordinating the versioning process up to a maximum of the lesser of 5% of the budget, or \$5,000.

Telefilm Canada reserves the right to request that the applicant obtain multiple quotes from service providers and to assess reasonable costs.

5b) Financial Participation

Assistance will be provided in the form of a non interest-bearing advance.

Telefilm Canada may finance up to 100% of the eligible expenses, subject to the maximum levels of participation detailed in section 5c.

No work carried out without prior written confirmation of funding from Telefilm Canada will be eligible for financial assistance.

5c) Maximum Levels of Participation (CAPS)

Telefilm Canada’s participation will not exceed the maximum levels of participation (i.e., caps) as set out below. All costs exceeding these caps will be the responsibility of the applicant.

Feature Film	Theatrical release	Television release
	\$420/min, to max of \$48,000	\$380/min, to max of \$43,200

5d) Terms of Reimbursement

Telefilm Canada will recoup fifty percent (50%) of the non interest-bearing advance in first position from first revenues (i.e., distribution revenue or license fees) earned by the versioned project, following the deduction of any applicable fees previously agreed to in writing by Telefilm Canada, and before the reimbursement of any promotion expenses, minimum guarantee or other usual costs.

Applicants must guarantee that Telefilm Canada will recoup 50% of its advance by providing a written commitment to that effect from a distributor responsible for the theatrical release of the versioned project.

6) APPLICATION AND PROJECT ASSESSMENT

Applications are evaluated as they are received. Funding is allocated to projects meeting the eligibility criteria as they are received with consideration given to ensuring all regions are able to participate.

7) OTHER CONDITIONS AND REQUIREMENTS

i) Availability of the Dubbed or Sub-titled Version:

In cases where an applicant does not have exclusive distribution rights in all markets for a production, the applicant must guarantee that the production versioned with the assistance of the Program be made available either to the Canadian producer or to any distribution or foreign sales company appointed by the Canadian producer.

ii) Distribution, Partnership and Sub-Distribution:

Any business association or sub-distribution agreement involving the marketing of the versioned production in any market sector and any media in Canada must be made only with companies under Canadian control (as defined in the *Investment Canada Act*) with recognized expertise in these markets.

Such agreement must be filed with Telefilm Canada, and the terms of the agreement must be acceptable to Telefilm Canada.

iii) Companies Active in Specialized Markets:

Telefilm Canada may help finance the versioning of eligible projects to be distributed in specialized markets (i.e., other than commercial theatres or public or private commercial broadcasts). Companies applying for assistance must have proven expertise in marketing in these areas and a sufficient volume of business in this sector.

8) CONFIDENTIALITY OF INFORMATION

Telefilm Canada is required to act in accordance with both the *Privacy Act* and the *Access to Information Act*. The *Privacy Act* protects the personal information of individuals and provides them with a right of access to such information about themselves. All other information may be accessible under the *Access to Information Act*.

9) CONCLUSION

Telefilm Canada may make adjustments to these guidelines from time to time as required, without notice.

While compliance with these Guidelines is a prerequisite to eligibility for funding, unfortunately compliance cannot guarantee entitlement to Telefilm Canada funds due to possible over subscription.

Telefilm Canada has full discretion in administering its programs and in the application of these Guidelines to ensure that its funding is provided to those projects that meet its spirit and intent. In all questions of interpretation of either these Guidelines or of the spirit and intent of the Program, Telefilm Canada's interpretation shall prevail.

ANNEX I

HOW TO APPLY

a) Where to apply:

The Application Form and all supporting material must be sent to the Telefilm Canada office in your region to the attention of the Feature Film Coordinator (See ANNEX II).

Application Forms are available at all Telefilm Canada offices or by visiting the Telefilm Canada website (www.telefilm.gc.ca).

b) When to apply:

There is no application deadline. Complete applications are assessed as they are received. However, applications seeking financing assistance within the current fiscal year (April 1 – March 31) must submit a complete application prior to December 15. This closing date has been established to allow sufficient time to review, contract and provide cash-flow to productions prior to Telefilm Canada's fiscal year-end (March 31st). Applications received after the closing date will continue to be assessed for assistance in the next fiscal provided that the Program is renewed.

Please contact Telefilm Canada's regional offices or consult Telefilm Canada's website for additional information in this regard.

c) Documents required:

To be considered complete, an application must include the following:

i) Completed and signed application form;

ii) A letter of commitment from a broadcaster to air the versioned production in Canada or abroad within one year of delivery. The letter must specify a broadcast license fee, the market value of which must be fair and acceptable to Telefilm Canada; or

A letter of commitment from an exhibitor to theatrically release the versioned feature film in Canada within one year of delivery; or

A foreign sales contract, the market value of which is fair and acceptable to Telefilm Canada.

iii) All documentation demonstrating that the applicant holds all the requisite rights to distribute the versioned production in the target market and can achieve the required terms of reimbursement (i.e., distribution and/or pre-sale agreements);

iv) Standard versioning budget form (please see separate document entitled Standard Versioning Budget Outline) showing breakdown of all anticipated costs, including quotes from the versioning company and other relevant agreements;

v) A copy of the production in video or DVD format for screening purposes.

ANNEX II

TELEFILM CANADA'S OFFICES

<p><u>Quebec Region</u></p> <p>Feature Film Coordinator Telefilm Canada 360 St-Jacques Street Suite 700 Montreal, Quebec H2Y 4A9 Phone: (514) 283-6363 Toll-free: 1 800 567-0890 Fax: (514) 283-8212</p>	<p><u>Ontario and Nunavut Region</u></p> <p>Feature Film Coordinator Telefilm Canada 474 Bathurst Street Suite 100 Toronto, Ontario M5T 2S6 Phone: (416) 973-6436 Toll-free: 1 800 463-4607 Fax: (416) 973-8606</p>
<p><u>Atlantic Region</u></p> <p>Feature Film Coordinator Telefilm Canada 1717 Barrington Street Suite 300 Halifax, Nova Scotia B3J 2A4 Phone: (902) 426-8425 Toll-free: 1 800 565-1773 Fax: (902) 426-4445</p>	<p><u>Western Region, North West Territories and the Yukon</u></p> <p>Feature Film Coordinator Telefilm Canada #410 – 609 Granville St. P.O. Box 10375 Vancouver, British Columbia V7Y 1G5 Phone: (604) 666-1566 Toll-free: 1 800 663-7771 Fax: (604) 666-7754</p>

Telefilm Canada's web site: <http://www.telefilm.gc.ca>

La version française de ce document est disponible dans les bureaux régionaux de Téléfilm Canada et sur son site Web.