



**CMF-SHAW ROCKET FUND
KIDS DIGITAL ANIMATED
SERIES PROGRAM
GUIDELINES
YEAR 1**

1. GENERAL INFORMATION

Interpretation, Application, Disclaimer, and other Important Information

These Guidelines are for the information and convenience of Applicants (as defined in [section 3.1](#)) to this Program. They provide an overview of the objectives of the CMF and Shaw Rocket Fund (“SRF”).

The CMF and SRF have full discretion in the administration of this Program and in the application of these Guidelines, to ensure funding is provided to those projects that contribute to the fulfillment of its mandate. In all questions of interpretation of these Guidelines, the CMF and SRF interpretation shall prevail.

All Applicants and broadcasters (where relevant) must abide by the applicable Accounting and Reporting Requirements (ARR) of the CMF and SRF and follow applicable business policies as created and amended from time to time. CMF Business policies, including the ARR, may be found in [Appendix B](#) of these Guidelines and are also available from the CMF website at www.cmf-fmc.ca. Some information included in Appendices A and B may be an integral part of these Guidelines.

Please note: These Guidelines may be changed or modified as required, without notice. Please consult the CMF website at www.cmf-fmc.ca for the latest Guideline news and documentation.

Provision of Documentation

It is the responsibility of the Applicant to ensure the CMF and SRF receive all documentation relevant to its application, and to update such documentation and information after a material change. The CMF and SRF may request other documentation and information to conduct an assessment and evaluation of the project and, once assessed, to complete file reviews. For the purposes of project assessment and evaluation, the CMF and SRF reserve the right to rely solely on the written and audiovisual materials initially submitted by the Applicant.

Failure to Comply

If an Applicant fails to comply with these Guidelines, as determined by the CMF and SRF, then the CMF and SRF may refuse the application, revoke the eligibility status of the Applicant’s project and may demand repayment of any sums paid to the Applicant.

Misrepresentation

If, at any time, an Applicant, as required by the Guidelines or as requested by the CMF or SRF, provides false information or omits material information in connection with an application, the Applicant may suffer serious consequences.

These may include, among others outcomes:

- Loss of eligibility for funding of the current project;
- Loss of eligibility for funding of future productions;
- Repayment of any funds already advanced, with interest;
- Criminal prosecution, in the case of fraud.

These measures may be imposed not only on the Applicant but also on related, associated and affiliated companies and individuals (as determined by the CMF and SRF at their sole discretion). Any Applicant receiving approval for funding will be required to sign a legally enforceable agreement, which includes further provisions concerning misrepresentations, defaults, and related matters.

2. HOW THE KIDS DIGITAL ANIMATED SERIES PROGRAM WORKS

2.1 INTRODUCTION

The CMF-Shaw Rocket Fund Kids Digital Animated Series Program (“**Program**”) is a collaboration between the Canada Media Fund (“**CMF**” or “**Party**”) and the Shaw Rocket Fund (“**SRF**” or “**Party**”) (the CMF and SRF, collectively the “**Parties**”) to fund the production of Canadian digital animated series for children and youth audiences while encouraging the use of new technology.

Eligible Projects in the Program are administered through a selective process where applications are evaluated according to an evaluation grid (see [section 2.4](#)).

Projects should be directly and solely submitted to SRF who will proceed to the initial analysis. Documentation required at application is described on the SRF’s website found [here](#).

Eligible Projects may receive funds subject to per-project Maximum Contribution amounts (see [section 2.3](#)) and other specified limitations. Maximum Contribution amounts are calculated on a project’s Eligible Costs (see [section 2.3.2](#)).

2.2 NATURE OF FUNDING CONTRIBUTION

Assistance will be provided in the following form:

- A recoupable investment from the CMF’s portion of funding; and
- An equity investment from the SRF’s portion of funding.

2.3 AMOUNT OF FUNDING CONTRIBUTION

2.3.1 Contribution

The total budget of the Program shall be \$3.3 million. The Maximum Contribution provided to a project funded through the Program shall be the lesser of \$525,000 or 75% of the project’s Eligible Costs.

For clarity, the Parties’ contributions to each project will be made on a 2/3 (CMF): 1/3 (SRF) basis.

In the event that a large number of projects are submitted by the same Applicant, the CMF and SRF reserve the right to limit the number of projects submitted per Applicant.

2.3.2 Eligible Costs

Eligible Costs are the budgeted or final costs of the project, as applicable (including both related-party and non-related party costs), plus any costs the Parties consider necessary, minus costs the Parties consider excessive, inflated or unreasonable. Assessment of a project’s Eligible Costs shall be done at the CMF and SRF’s discretion. The CMF and SRF estimate Eligible Costs at the time of application, based on the budget for the project.

For clarity, Eligible Projects may not receive any other funding from any of SRF’s audiovisual programs or CMF Programs.

2.4 PROJECT ASSESSMENT IN THE SELECTIVE PROCESS

Projects in the Program compete for funding through selective process according to the following evaluation grid.

Assessment Criteria	Overall Points	Points details	Notes
Creative Elements	40	Originality, creativity and production value (37) Reflection of Canada's diverse culture or promotion of positive role-modeling (3)	Originality & creativity: Creative elements include the subject matter, scripts, themes, issues narrative and relevance to the intended audience, which are assessed on originality and creativity. The appropriateness of the production budget size to the creative material is also considered.
Program Objectives	45	Discoverability/Promotion Plan (20) Potential to evolve into a subsequent season or longer format (10) Third-party support/strategic partner (10) Use of new animation technologies (5)	Discoverability Plan: must be meaningful (multi-platform) strategy, appropriate for the target audience that meets the criteria set out in the Shaw Rocket Fund Discoverability Toolkit. Third-party support: will include a confirmed financial commitment from, market channel partners, distributors, crowdfunding campaigns and other participants in the financial structure of the project (exclusive of tax credits). Market channel partner: will consider up-front licence payment, proven fruitful revenue-sharing model and the demonstration of recoupment potential. New animation technologies: may include software, hardware, platforms.
Team	15	Track record and experience of the Production and Creative teams (6) 40% of the cumulative positions on the Production and Creative Teams are held by women (3) The Applicant is based in (and has its head office in) the CMF's definition of Canada's "regions" (3) The Applicant is an independent producer who has not previously received funding from the CMF or SRF (3)	The Production Team is comprised of the producers of the project. For clarity, "Producers" shall be defined as either Producer, Executive Producer/Showrunner, Executive Producer, Co-executive Producer, Supervising Producer, Associate Producer, or Creative Producer positions. The Creative Team is comprised of the Writers and Directors on the project. For clarity, "Writer" shall be ascribed the same meaning as commonly understood in the digital media industry and, if applicable, defined in accordance with Guild collective agreements. For clarity, "Director" shall be ascribed the same meaning as commonly understood in the digital media industry and, if applicable, defined in accordance with Guild collective agreements. "Regions" are defined for English-language productions as any part of Canada more than 150km by the shortest reasonable roadway from Toronto and for French-language productions as any part of Canada more than 150km by the shortest reasonable roadway from Montreal.
TOTAL	100		

3. ELIGIBILITY FOR FUNDING

3.1 ELIGIBLE APPLICANTS

An eligible Applicant is either:

- 1) A company that
 - a) Is for-profit: i.e. a taxable Canadian corporation, within the meaning of the Income Tax Act (Canada);
Note: Not-for-profit corporations are not eligible Applicants to the CMF, however coproductions or partnerships between for-profit and not-for-profit corporations may be allowed where the not-for-profit corporation holds a minority interest in the project; in such a case the CMF will only contribute to the Eligible Costs related to the for-profit corporation.
 - b) Is Canadian-controlled as determined for the purposes of sections 26 to 28 of the Investment Canada Act;

and

- c) Has its head office based in Canada.

or

- 2) A Canadian broadcaster, public or private, that is licensed to operate as such by the Canadian Radio-television and Telecommunications Commission (CRTC).

An eligible Applicant must own and control all the rights necessary to produce and exploit the project that is the subject of the application at every stage of the project's life-cycle, including Development; entities that provide services but do not own the applicable rights are not eligible to be applicants to the CMF.

In-house and Broadcaster-affiliated Applicants may apply with a maximum of 1 project per Program year.

Note: For the purposes of these Guidelines, the term Applicant includes all coapplicants, and/or all related, associated, affiliated or parent companies and/or individuals (as determined by the CMF at its sole discretion), as applicable.

3.2 ELIGIBLE PROJECTS

3.2.1 Canadian Elements

An Eligible Project must meet the following criteria:

- a) Its underlying rights are owned, and significantly and meaningfully developed, by Canadians.
- b) It is produced in Canada, with at least 75% of its Eligible Costs being Canadian costs.
- c) It is, and remains throughout its production, under Canadian ownership and Canadian executive, creative, and financial control.

- d) The Applicant retains and exercises all effective controls or approvals consistent with those of a producer. This includes control and final approval of creative decisions and production financing, distribution and exploitation, and preparation and final approval of the budget, subject to reasonable and standard approval rights customarily required by arm's-length financial participants, including Canadian broadcasters and distributors.
- e) The Applicant owns all rights (including copyright) and options necessary for the production and its distribution in Canada and abroad (with appropriate case-by basis).

Coproductions are eligible if they comply with the Framework for international digital media coproduction.

3.2.2 Types of Content

An Eligible Project must be an original, animated series, in its first season, that meets the CMF's definition of Children and Youth programming (found in [Appendix A](#)), created initially for digital distribution¹ on a platform that is meaningfully available to Canadian audiences.

3.2.3 Ineligible Content

The following are types of projects that are ineligible for the Program:

- Falls under any ineligible programming listed in the CMF's "Children & Youth" Genre, detailed in [Appendix A](#).
- Projects which contain elements of excessive violence, sexual violence, or sexual exploitation or elements which are obscene, indecent or child pornography within the meaning of the Criminal Code (as amended from time to time), or libellous or in any other way unlawful.

**Note: Projects using character(s) or brand(s) that are associated, or have been associated, with a film or TV production are not ineligible merely because of the character/brand's association.*

3.2.4 Miscellaneous Requirements

An Eligible Project must meet these criteria:

- (a) It must be protected by all industry-standard insurance policies. The CMF requires that it be named as a party to production insurance policies.
- (b) It must be a new production and has not been broadcast/distributed/presented on any platform prior to its application for CMF funding.
- (c) It must be made available in a meaningful way, on a platform aimed at Children's programming, within 12 months of completion.
- (d) It conforms to the Canadian Association of Broadcasters' (CAB) Code of Ethics and to all programming standards endorsed by the Canadian Radio-television and Telecommunications Commission (CRTC), including the CAB Violence Code and the CAB Equitable Portrayal Code.
- (e) Key animation activities of the project cannot be completed prior to the application deadline date and cannot be scheduled to commence later than 6 months of the deadline date (unless otherwise approved to by the CMF and SRF prior to application).

¹Including subscription video-on-demand services.

3.2.5 Deadline for submission

Applications for financing in this Program must be submitted by April 10, 2019.

APPENDIX A
RECOUPMENT POLICY:
CMF-SHAW ROCKET FUND
KIDS DIGITAL ANIMATED
SERIES PROGRAM

1. INTRODUCTION

This recoupment policy (the “**Policy**”) applies to all projects funded through the CMF-Shaw Rocket Fund Kids Digital Animated Series Program (“**Program**”). The Policy describes:

- The nature of the SRF and CMF contribution in the Program; and
- Details related to the recoupment of the SRF and CMF contribution and, where applicable, their level of participation in profits.

Details of project recoupment not covered in the Policy will be negotiated between successful applicants and the SRF and CMF.

2. RECOUPMENT

2.1 NATURE OF FUNDING CONTRIBUTION

Successful applicants for production funding shall receive funding in the following form:

- CMF: recoupable investment.
- SRF: equity investment

2.2 LEVEL OF RECOUPMENT AND PROFIT PARTICIPATION

After the deduction of applicable exploitation fees and expenses (discussed in greater detail in [subsection 2.3](#) below), the CMF and SRF will recoup their respective investments from revenue generated by exploitation of the project in a manner no less favourable than pro rata on the total Eligible Costs of the project, until the full amount of the CMF and the SRF’s respective investments are recouped.

For greater clarity, “pro rata” includes the concept that the recoupment of the CMF will be proportional to its share of project financing.

2.2.1 Profit Participation

Once the CMF and SRF have recouped 100% of their respective investments, the CMF and SRF will participate in profits generated by exploitation of the project in the same manner in which it recouped its investment and for the CMF only, no longer than (7) seven years from the submission to the CMF of the project’s first exploitation report.

2.2.2 Subsequent Productions

For any Subsequent Productions based on the Production (for clarity, this is defined as a broadcast series, movie or any other derivative property but excludes any Subsequent Season of the web-series or other mutually agreed upon low budget derivatives of the Production), SRF and CMF will be entitled to the following consideration due to their substantial investment in the Production:

- (i) CMF and SRF each to receive a 1% royalty from the locked production budget of any Subsequent Production;

- (ii) CMF and SRF shall each receive a 1% profit participation from Producer's share of Production Revenue from any Subsequent Productions; and
- (iii) CMF and SRF shall also receive an appropriate and meaningful royalty and/or profit participation, to be negotiated in good faith, with respect to derivative works excluded from the Subsequent Productions, and such royalty and/or profit participation shall be shared equally between the Parties.

Any amounts paid to the CMF and SRF from a Subsequent Production shall be in addition to any participation the CMF and SRF would be entitled to for their recoupable or equity investment (as applicable) in any such Subsequent Production.

2.3 EXPLOITATION FEES AND EXPENSES

Before the CMF and SRF recoup their respective shares of revenues, the Applicant is allowed to deduct the following reasonable, actual and verifiable expenses and fees from the project's gross exploitation revenues:

- distribution expenses up to a maximum of 10%
- distribution fees of:
 - 15% for distributors that meet the definition of a "Related Party" pursuant to the CMF's Accounting and Reporting Requirements ("[ARR](#)"); and
 - 30% for distributors that are not considered a "Related Party".

The CMF and SRF will determine appropriate deductions on a case-by-case basis.