



MEDIA PRODUCTION FUND PROGRAM POLICY

This document is a guide to doing business with Media Development (MD) and intended to increase transparency and predictability in dealings between MD and recipients of funding. For details on how this policy is administered, refer to the Business Guidelines.

Where there is a discrepancy between this document and a Transfer Payment Agreement (TPA) between a funding recipient and the Government of Yukon, as represented by the Minister of the Department of Economic Development, the TPA will prevail.

Government of Yukon reserves the right to modify this policy, in compliance with the *Financial Administration Act* and its associated policies, at any time and without notice. Please consult Yukon.ca for the latest news and documentation.

MD retains full discretion in the evaluation of projects receiving funding contributions from MD and the application of these policies. In all questions of interpretation of this document, the interpretation of MD shall prevail.

1 Program Goals

The goals of the Yukon media funding programs are to:

1. Maintain and ultimately increase the level of total independent media production and expenditure in the Yukon;
2. Maximize Yukon employment opportunities for Yukoners resulting from media production in the Yukon; and
3. Encourage sustainable growth in the Yukon media production sector, resulting in a stronger infrastructure of skills and services.

This Media Production Fund provides a predictable source of production funding for Eligible Applicants that have obtained a commitment from an Eligible Trigger and employ at least

three different Yukon Labour in Key Positions. During the production stage, Eligible Costs may include those necessary to produce the Eligible Project. Success in the Media Production Fund will be measured by the number of funded projects and their economic benefit to the Yukon.

2 Application Process

MD will begin receiving applications on a yearly opening date published on Yukon.ca. Processing of applications will be conducted as expeditiously as possible on a first-come, first-served basis until resources for the program are depleted, at which time the program will be closed. If multiple Complete Applications are submitted within 10 business days from the opening date, creating oversubscription, MD will prioritize the submissions according to the criteria published in the MD Business Guidelines.

There is no restriction on the number of applications that may receive funding per Eligible Applicant.

2.1 Complete Application

The following documentation is required at time of submission to submit a Complete Application and must be received prior to the commencement of principal photography of the Project:

- Completed and signed application form;
- Synopsis of the Project and any other existing creative materials;
- Description of activities to be undertaken and deliverables to be completed;
- Description of the production company including its structure and ownership, the names and addresses of shareholders, and incorporation documents;
- Co-production agreements, if applicable;
- Brief biographies of all personnel involved in the Project, noting which positions will be filled by Yukon Residents;
- A letter of commitment, licence agreement or deal memo from an Eligible Trigger;
- Financing plan for production, including letters of commitment equivalent to 100% of the production budget (including MD's funding contribution) which evidence the terms, conditions and value of the contributions from financial sources;
- Production budget, including estimated Yukon Spend in each line item;
- Project schedule that confirms principal photography/key animation will begin within the fiscal year in which it is funded and complete delivery to the Eligible Trigger within 24 months;
- Yukon locations list;
- Related Party Transaction list; and
- Chain of Title showing the Applicant has the rights to exploit the project.

Applications seeking letters of commitment (“comfort letters”) will also be accepted. Applications for a letter of commitment must include the documentation noted above with the exception that they must demonstrate that a minimum of 30% of funding (not including the amount requested from the Media Production Fund) is in place. Letters of commitment will expire four months from date of issue.

Templates for the above documents can be found on Yukon.ca. MD may also ask for other documents considered necessary to confirm eligibility.

Incomplete and ineligible applications will be removed from further consideration. To avoid being removed from the queue and having to resubmit, Applicants are strongly encouraged to contact MD to discuss their questions before submitting a Complete Application.

The decisions of MD are final and feedback will only be provided on the producer’s application. Applicants are welcome to resubmit an unsuccessful application due to oversubscription at a future opening date, provided the planned activities have not commenced.

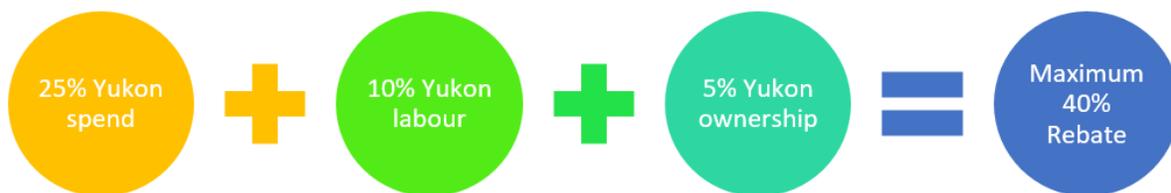
3 Funding Contribution

Eligible Applicants that meet the requirements of the Media Production Fund will receive a minimum rebate of 25% of the approved Yukon Spend.

The 25% minimum rebate will increase by:

- 2% for each Yukon Labour filling a Key Position (beyond the required minimum of three) to a maximum of 10%¹; and
- Up to 5% for projects where there is Yukon Ownership.

The maximum potential rebate per Project is 40% of Yukon Spend:²



After 100% of financial sources are secured (including MD’s funding contribution), the successful Applicant will be required to enter into a TPA with the Government of Yukon in

¹ A Yukon Resident filling multiple Key Positions will only be considered once for either meeting the minimum of three or for increasing the minimum rebate.

² The Department may recommend that the Yukon government consider participating in projects deemed to be of exceptional economic benefit to Yukon on a case-by-case basis.

accordance with the *Financial Administration Act* and its associated policies, on the standard TPA template in use by Government of Yukon at the time of funding approval.

Funding from the Media Production Fund is not a tax credit. It is a grant in the form of a rebate.

Successful Applicants may receive production funding once per Project.

3.1 Returning Series

Returning series may apply once per year. Returning series that do not qualify for the Yukon Ownership rebate may apply a maximum of five times after which the rebate will be reduced by 5% for each subsequent application. The rebate will not be reduced for returning series that qualify for the Yukon Ownership rebate.

4 Definitions

All Applicants must also abide by the MD Business Guidelines which are an integral part of these program policies. The MD Business Guidelines, which will be amended from time to time, are published on Yukon.ca. Where there is a discrepancy between the following definitions and the MD Business Guidelines, the MD Business Guidelines will prevail.

4.1 Eligible Applicants

Only production companies incorporated in the Yukon may access the Media Production Fund. The Yukon production company:

- Is registered to conduct business in the Yukon and in good standing with Yukon Corporate Affairs;
- Has a Yukon business address;
- Is a production company primarily in the business of developing and producing professional media content;
- Is a for-profit company (i.e. a taxable Canadian corporation, within the meaning of Canada's *Income Tax Act*);
- Owns, controls or has optioned rights (including the underlying rights) sufficient to produce and exploit the Project throughout the world for a minimum of 25 years beginning when the Project is completed and commercially exploitable (with appropriate exceptions for a purchased format);
- Retains a reasonable ongoing financial interest in the Project;
- Is not itself, or related to an entity that is, primarily in the business of broadcasting, distributing or otherwise in the business of disseminating content; and
- Is not in default at MD. Media Development will not assess applications received from an Applicant or related parties that are in default with MD.

4.2 Eligible Costs

Eligible Costs are costs set out in the production budget for the Eligible Project plus costs that MD considers necessary and minus costs that MD considers excessive, inflated or unreasonable. MD's participation is calculated on the Eligible Costs of an Eligible Project and assessment of the Eligible Costs is at MD's sole discretion. In general, the following are Eligible Costs for the program:

- Development costs;
- Salary, wages or other remuneration of production personnel;
- Costs for the rental of production equipment;
- Post-production costs;
- Unit publicity costs incurred during production;
- Producer fees and corporate overhead;
- Accounting fees; and
- Arm's-length legal costs.

Costs incurred more than 12 months prior to the Applicant entering into an eligible production funding agreement are not Eligible Costs, with the exception of development costs for a project funded through MD's Development Fund, required to be included in the production budget as per the terms of that program.

We will accept production budgets in the standard Telefilm or Canada Media Fund budget templates. Any costs related to creating content that does not meet the definition of Eligible Project are ineligible and must be tracked separately (i.e. video games, mobile applications, websites, etc.).

4.3 Eligible Projects

The Eligible Project must be a professional film, television or digital media project of economic benefit to the Yukon.

The following are NOT eligible for the Media Production Fund³:

- Interactive content not eligible for licencing by an Eligible Trigger;
- User-generated, non-professional videos by amateurs that have no experience or formal training in professional media production as a paid occupation;
- News, current events or public affairs programming, or a program that includes weather or market reports;
- Sports event or activity;
- Gala presentation or an awards show;
- Production that solicits funds;

³ Relevant genre definitions can be found on [CAVCO's website here](#).

- Pornography;
- Advertising (including commercials and infomercials);
- Production produced primarily for industrial, corporate or institutional purposes;
- Production, other than a documentary, all or substantially all of which consists of stock footage;
- Production in respect of a game, questionnaire or contest (other than a production directed primarily at minors); and

MD recognizes that projects at the production stage may not strictly comply at application with all the requirements of this definition. As such, MD will review all of the components of the Complete Application to ensure there is a reasonable likelihood that the Project will comply with these requirements.

4.4 Eligible Trigger

Eligible Triggers are defined in the MD Business Guidelines. MD reserves the right to independently determine the acceptability of each Eligible Trigger. As broadcasters, distributors, online platforms and channels are rapidly evolving, MD may update and publish the list of Eligible Triggers in the MD Business Guidelines.

4.5 Final Deliverables

Upon completion of the production phase of the Project, the Applicant will deliver to MD:

- Final Cost Documents according to the MD Business Guidelines and TPA;
- Final list of personnel involved in the Project, noting which positions were filled by Yukon Labour;
- Copies of Project materials completed during the production phase, in a format as prescribed in the TPA; and
- Any other required deliverables as outlined in the TPA.

4.6 Key Positions

A list of eligible Key Positions is published in the MD Business Guidelines.

If no qualified Yukon Labour is available to fill a Key Position, then MD in its sole discretion may accept Yukon Labour being trained in a Key Position as meeting this requirement, provided that:

- The trainer in the Key Position is recognized by the appropriate unions as being fully qualified to train for the position;
- Training provided conforms to accepted standards (for example, those established by Canadian unions and guilds);
- The Yukon Labour has demonstrated experience in the same department as the task; and

- The Yukon Labour's training and career opportunities are not well-enough established to be recognized as qualified and experienced in the Key Position.

4.7 Yukon Ownership

Productions may also be eligible for an additional rebate based on the ownership in a completed production.

Productions that retain a minimum of 51% ownership by Yukon Corporations and/or eligible Yukon Residents will be eligible for an additional 5% rebate.

Productions that retain less than 51% of the ownership and control of the project by Yukon companies or eligible Yukon Residents will be eligible for a rebate proportionate to the Yukon ownership and control of the project⁴.

PRODUCERS

Yukon Residents must also be in positions that carry out the functions of a producer, which include having and maintaining responsibility and control over:

- The Project's development. A Project previously conceived outside the Yukon may be eligible subject to demonstrating that, since acquiring the underlying rights, the Yukon production company has substantially developed and scripted the Project;
- The creative, artistic, technical and financial aspects of the Project;
- The selection, hiring and firing of the key artists and creative personnel involved in the Project;
- All expenditures and budget overages related to the Project;
- The Project bank accounts (sole and unfettered cheque signing authority); and
- The negotiation of initial exploitation agreements.

The Yukon production company and Yukon Resident producer(s) must receive fees payable to producers and corporate overhead and be clearly, predominantly and identified in credits on screen in the main titles, all billing blocks and promotion materials in the completed production.

An exemption for a credit for a non-Yukon Resident producer or non-Yukon production company (for example: Executive Producer, Supervising Producer or Associate Producer) may be granted by MD where their function does not interfere with the Yukon production company and Yukon Resident producer(s).

⁴ For example, if the Yukon production company retains 45% of the ownership and control of the Project, the Yukon Ownership rebate of 5% will be reduced to a maximum of 45% of 5% = 2.25%.

CO-PRODUCTIONS

A Yukon production company in co-production with a non-Yukon production company may access the 5% Yukon Ownership rebate provided they retain a share in the ownership and above-listed producer function that is at least equal to the share of funding contributed from Yukon to the total production budget. The Yukon production company and Yukon Resident producer(s) must also receive a share of fees payable to producers and corporate overhead that is at least equal to the share of funding contributed from the Yukon and receive at least equal credit placement to the non-Yukon production company and producer(s).

4.8 Yukon Spend

Yukon Spend includes all monies paid for Eligible Costs to Yukon Labour or business for goods or services:

Plus

- 25% of a trainer's (defined in Section 4.6) wages for the period during which they are actively transferring skills to Yukon Labour being trained in Key Positions. This must be at a rate no more than that of the position next more senior to the one being trained and approved in advance by MD;
- Required filming outside the Yukon, if requested by the Applicant and approved in advance by MD; and
- Expenditures for certain professional services that are not available in the Yukon either as identified in the MD Business Guidelines, or if requested by the Applicant and approved in advance by MD.

Minus

- GST; and
- Deferrals (delayed pay for labour), in-kind contributions, investments from individuals and businesses participating in the Project in excess of the cap.

The Applicant must track Yukon and non-Yukon expenditures separately with supporting source documents.