



Broadcasting Regulatory Policy CRTC 2023-90

PDF version

Reference: 2022-182

Ottawa, 23 March 2023

Change to the treatment of stock footage costs as part of the evaluation of applications for Canadian program certification

Summary

The Commission amends the treatment of stock footage costs by moving them from the “Services” category to the “Other costs” category when calculating the cost breakdown of a production. The [Canadian Program Certification Guide](#), as well as related forms and documents, will be amended accordingly. This amendment will align the Commission’s policies with those of the Canadian Audio-Visual Certification Office, which will ensure consistency between the assessment criteria for defining a production as “Canadian,” as well as between the certification processes of both organizations.

In addition, due to the change in the treatment of stock footage costs, some of the Commission’s regulations and regulatory policies will need to be revised to reflect this amendment.

The revised regulatory policies are set out in the appendices to this regulatory policy. Specifically, Appendix 1 of this regulatory policy replaces the appendix to Broadcasting Regulatory Policy 2010-905 and Appendix 2 of this regulatory policy replaces Appendix II of Public Notice 2000-42.

The Commission will also initiate a proceeding to update the *Television Broadcasting Regulations, 1987* and the *Discretionary Services Regulations*.

The amendment set out in this regulatory policy shall be effective as of the date of publication of this policy.

Background

1. Pursuant to section 4 of the *Television Broadcasting Regulations, 1987* and section 2 of the *Discretionary Services Regulations*, licensees of conventional television services, discretionary services and on-demand services are required to broadcast a certain percentage of Canadian content. In order to monitor compliance, the Commission requires licensees to keep program logs for the programs they broadcast and that Canadian programs produced by independent producers be designated with a certification number. These programs are considered Canadian if they are certified by the Canadian Audio-Visual Certification Office (CAVCO) or if they meet the criteria established by the Commission in different regulatory policies.
2. Among these mandatory criteria to be met are minimum Canadian spending thresholds for a production. As such, at least 75% of a production’s services costs

must be paid to Canadians, and at least 75% of the post-production and laboratory costs must be paid for services provided in Canada by Canadians or Canadian companies. Currently, service costs include all costs that are incurred for services provided in respect of the making of the production, including costs related to the copyright or script acquisition rights, stock footage and music rights, as well as remuneration for non-key production personnel.

Broadcasting Notice of Consultation 2022-182

3. In Broadcasting Notice of Consultation 2022-182, the Commission sought comments on the change to the treatment of stock footage costs to move these costs from the “Services” category to the “Other costs” category. Specifically, this change would exclude stock footage costs from the calculation of the 75% threshold of the Canadian “Services” costs required for a production to be considered Canadian.
4. The Commission issued Broadcasting Notice of Consultation 2022-182 following CAVCO’s adoption of this same change to the treatment of stock footage¹ to seek comments on whether it should also adopt this change to its Canadian program certification criteria.

Interventions

5. The Commission received ten interventions as part of this public process: four from individuals, two from production companies, three from organizations representing various interest groups (the Documentary Organization of Canada [DOC], the Association québécoise de la production médiatique [AQPM] and the Canadian Media Producers Association [CMPA]) and one from Blue Ant Media Inc. (Blue Ant). All interveners were generally supportive of the change to move stock footage costs to the “Other costs” category when calculating the cost breakdown of a production.
6. For its part, Blue Ant stated that it agrees with the proposal to change the treatment of stock footage, but expressed the view that the choice of category (i.e., “Services” or “Other costs”) should be left to the producers, otherwise there would be no benefit to using stock footage from Canadian sources. As such, Blue Ant would support an option to allow producers to continue to categorize stock footage as “Services” costs in order to encourage them to use stock footage from Canadian sources. It added that this approach would benefit both producers and Canadian suppliers of stock footage.

Commission’s analysis

7. The Commission is responsible for the Canadian certification of film and television productions, dubbed versions of Canadian and foreign programs, and international co-

¹ Following a public process, CAVCO adopted changes to the treatment of stock footage by moving stock footage costs from the “Services” category to the “Other costs” category to allow producers greater creative flexibility.

ventures (international co-productions that are not included under the treaties administered by Telefilm Canada). As noted above, one of the Commission's Canadian program certification criteria requires that at least 75% of a production's services costs be paid to Canadians and that at least 75% of the post-production and laboratory costs be paid for services provided in Canada by Canadians or Canadian companies, in order to encourage the use and development of Canadian artists.

8. As noted by several interveners, Canadian producers, particularly documentary producers, have concerns about meeting the Canadian "Services" cost test, since they must sometimes use stock footage from non-Canadian sources, depending on the subject matter of the documentary or the availability of stock footage from Canadian sources. This use of stock footage from non-Canadian sources can sometimes call into question the Canadian certification of their production. Thus, the Commission is of the view that moving the costs of stock footage from the "Services" category to the "Other costs" category would provide greater flexibility to producers who must use stock footage from non-Canadian sources to meet the criteria for Canadian program certification.
9. Notwithstanding this increased flexibility for producers, the Commission is of the view that the main purpose of the proposed amendment is to align the Commission's Canadian program certification criteria with those of CAVCO to ensure consistency between the assessment criteria for defining a production as Canadian, as well as between the certification processes of the two organizations. In addition, the comments on the public record are strongly supportive of the Commission's proposal, and the interveners are mostly players involved in documentary production. Finally, the Commission is of the view that the change in categorization could result in the creation of more documentary productions, especially documentaries that previously did not meet the minimum service cost threshold because of the use of stock footage from non-Canadian sources. Therefore, the Commission is of the view that, all factors considered, producers will benefit from this new categorization.
10. In regard to Blue Ant's proposal that producers have the option of reporting stock footage as either "Services" or "Other costs", the Commission is of the view that this change would create a distortion between CAVCO's guidelines and the Commission's guidelines, which would bring only marginal benefits to documentary producers. In addition, Blue Ant also proposed several other changes in the calculation of certain expenses for Canadian certification purposes. To that end, the Commission is of the view that these amendments are beyond the scope of the proposal described in Broadcasting Notice of Consultation 2022-182. As a result, the Commission considers that they should not be addressed in this process.

Conclusion

11. In light of the above, the Commission amends the treatment of stock footage costs by moving them from the "Services" category to the "Other costs" category when

calculating the cost breakdown of a production. The [Canadian Program Certification Guide](#), as well as related forms and documents,² will be amended accordingly. This amendment will align the Commission’s policies with those of CAVCO, which will ensure consistency between the assessment criteria for defining a production as “Canadian,” as well as between the certification processes of both organizations. The Commission is of the view that this new approach will have an immediate beneficial effect on documentary production and production in general.

12. In order to ensure that the Commission’s processes and CAVCO’s processes are aligned as quickly as possible, the implementation of the amendment to the treatment of stock footage is effective as of the date of publication of this regulatory policy.
13. In addition, some of the Commission’s by-laws and regulatory policies will need to be revised to reflect this amendment.
14. The revised regulatory policies are set out in the appendices to this policy. Specifically, Appendix 1 of this regulatory policy replaces the appendix to Broadcasting Regulatory Policy 2010-905 and Appendix 2 of this regulatory policy replaces Appendix II of Public Notice 2000-42.
15. The Commission will also initiate a proceeding to update, under this policy, the term “Canadian program” in the *Television Broadcasting Regulations, 1987* and the *Discretionary Services Regulations*. While the Commission will be amending the regulations in the near future, it specifies that in the meantime, it will certify programs that meet the new criteria, unless an applicant wishes to be certified under the existing criteria.

Secretary General

Related documents

- *Call for comments regarding the change to the treatment of stock footage costs as part of the Canadian program certification*, Broadcasting Notice of Consultation CRTC 2022-182, 6 July 2022
- *Revision of the definition of a Canadian program to include Canadian programs that have been dubbed in Canada and outside Canada*, Broadcasting Regulatory Policy CRTC 2010-905, 3 December 2010
- *Certification for Canadian Programs –A revised approach*, Public Notice CRTC 2000-42, 17 March 2000

² Specifically: [Animation, Breakdown of Costs \(BOC\) – Appendix 5A](#); [Guide to Appendix 5A: Breakdown of Costs \(BOC\) – Animation](#); [Appendix 5b: Breakdown of Costs \(BOC\) – Live Action](#); and [Guide to Appendix 5B: Breakdown of Costs \(BOC\) – Live Action](#).

Appendix 1 to Broadcasting Regulatory Policy CRTC 2023-90

Material excluded from certification as a Canadian program (see *Definitions for new types of priority programs; revisions to the definitions of television content categories; definitions of Canadian dramatic programs that will qualify for time credits towards priority programming requirements, Public Notice CRTC 1999-205, 23 December 1999*)

- Infomercials, promotional and corporate videos/films, such as those produced by groups and businesses for public relations reasons, recruitment, etc. (category 14 – see the appendix to *Definitions for television program categories, Broadcasting Regulatory Policy CRTC 2010-808, 1 November 2010*).
- Other forms of advertising material.

Programs generally recognized as Canadian without formal certification

Programs produced solely by a licensee and which meet the Canadian program certification criteria set out in Appendices 1 and 2 to *Change to the treatment of stock footage costs as part of the evaluation of applications for Canadian program certification, Broadcasting Regulatory Policy CRTC 2023-90, 23 March 2023* (Broadcasting Regulatory Policy 2023-90), will be recognized as Canadian. Licensees need not apply for such certification or submit production information for such productions unless the drama credit is requested, or unless the Commission requests that licensees do so. This practice will also be applied to Interstitials (category 12) and Public Service Announcements (category 13) that meet the criteria and are not produced solely by a licensee.

News and public affairs programs produced solely by licensees are automatically recognized as Canadian programs, and not subject to the certification criteria.

Final certification

The Commission will issue final certification (“C” number) or special recognition (“SR” number) to a licensee, producer or property rights holder, where the program meets the definition of a Canadian program. The production must be underway, with all key creative personnel under contract and committed budgets in place.

Certification by the Canadian Audio-Visual Certification Office

Programs certified as Canadian by the Minister of Canadian Heritage on recommendation by Telefilm Canada or the Canadian Audio-Visual Certification Office (CAVCO) will also be recognized as Canadian by the Commission.

Criteria: Certification for Canadian programs

I. Basic definition of a Canadian program

The Commission will certify a Canadian program, a live, videotape or film production that meets the requirements listed in sections A, B and C, set out below:

A. Producer

The producer must be Canadian, must control and be the central decision-maker of a production from beginning to end. The producer must be prepared to demonstrate full decision-making power by submitting, upon request, ownership documents, contracts or affidavits. The producer must also submit, upon request, an independent legal opinion confirming that financial and creative control of the production is Canadian. Any person fulfilling a producer-related function must be Canadian.

By exception to this rule, non-Canadians may receive courtesy or vanity credits for producer-related functions as described in the current CAVCO guidelines, providing:

- the remuneration to the Canadian producer must exceed the aggregate remuneration to foreign executive producers; and
- foreign executive producers must limit their time on the set to 25% of principal photography, and their role solely to that of observers.

The duties of foreign executive producers shall be limited to non-creative, non production-related functions. Such functions could include arranging financing and foreign distribution. The CAVCO guidelines provide a fuller description of the “individual production-related positions and screen credits.” The Commission will not, however, adopt CAVCO’s exemption for the writer credit.

B. The point system

A live action production or continuous-action animated production must earn a minimum of six points based on the key creative functions below being performed by Canadians. (A separate point system for other forms of animation is set out in Appendix 2 to Broadcasting Regulatory Policy 2023-90.)

- **Director** – 2 points
- **Screenwriter** – 2 points
- **Lead Performer**
(or **first voice**) – 1 point
- **Second Lead Performer**
(or **second voice**) – 1 point

- **Production Designer or Art Director** – 1 point
- **Director of Photography** – 1 point
- **Music Composer** – 1 point
- **Picture Editor** – 1 point

Notwithstanding the above, at least one of the director or screenwriter positions and at least one of the two lead performers must be Canadian.

Determination of lead performers will take into account billing, screen-time and remuneration. In non-dramatic productions, the second lead must have at least 50% of the on-screen time (or off-screen time where narrators or interviewers are involved) and 50% of the remuneration of the first lead, plus billing appropriate for a second lead. Individuals not meeting these criteria will be considered as filling minor roles.

A production in which non-Canadians are the only lead performers will not be certified as Canadian. The addition of Canadians in minor roles will not be sufficient for a production to qualify.

In category 7, 8, and 9 programs (Drama & Comedy, Music & Dance, Variety) the leads will be the performers, i.e., actors, singers, dancers, etc. In other program types, the leads will usually be the host, narrator, commentator, moderator, interviewer, quizmaster, etc.

The host of a documentary is normally compensated; the subject is not. In a documentary series, the same subject is not usually prominent in every episode, whereas the host is.

Upon application, where an applicant has provided compelling reasons why a production should receive certification as an exception, the Commission may certify as a Canadian program, a production in which the positions of either:

- a. director and writer are non-Canadian, or
- b. both lead performers are non-Canadians,

as long as Canadians fill all other key creative functions.

Interpretation notes may be found in section X below.

C. Expenditures

Services Costs represent the total cost of a production, minus the costs listed below. At least 75% of services costs must be paid to Canadians.

- Remuneration for producer(s) and co-producer(s) (except for producer-related positions);

- Remuneration for key creative personnel eligible for points;
- Costs for the acquisition of stock footage;
- Post-production/laboratory costs;
- Accounting and legal fees;
- Insurance brokerage and financing costs;
- Indirect expenses;
- Contingency costs;
- Goods purchased, such as film/videotape supplies; and
- Other costs not directly related to production.

Post-production/laboratory costs

At least 75% of such expenses must be paid for services provided in Canada by Canadians or Canadian companies. This does not include costs attributed to the picture editor.

The Commission may require audited statements and affidavits in support of an application. Where the Commission does not have detailed specific descriptions or interpretations, those set out in the CAVCO certification guidelines may be used.

II. Series

A series means a program with two or more episodes produced by the same production company or producer. The principal photography for all the episodes must be completed within a 12-month period. The program must have a title, theme, and situation or set of characters common to each episode. Each episode must have the same duration.

The production elements of a series can vary, and some individual episodes might not meet the minimum requirements of the point system. The Commission has therefore determined that, in order for a licensee to claim Canadian certification for any episodes in a series which might not meet the six-point requirement,

- at least 60% of the series' episodes must meet or exceed this requirement;
- the episodes are broadcast or otherwise distributed at equitable times; and
- the entire series must attain an average of six points per episode.

For live action or continuous-action animated series, each episode must meet the two mandatory requirements for writer or director, and first or second lead performer

(minimum of three points). For animated series, each episode must fulfil the three mandatory requirements for scriptwriter and storyboard supervisor or director, first or second voice/performer, and key animation (location) (minimum of three points).

The 150% dramatic program time credit is unavailable to productions that require the application of the series averaging rule (60%) to obtain Canadian certification.

Episodes that are ineligible for certification for any reason will not be segregated from the remainder of the episodes.

III. Pre-1984 productions

Canadian certification will be granted to productions that were completed prior to 15 April 1984 if credible evidence is provided that the producer was Canadian, and that the production would have qualified under the point system, had it been in effect when the production was completed. The expenditure rules will not be applied. Productions certified under the pre-1984 definition will continue to be recognized as Canadian.

IV. Sports events

Live or live-to-tape productions of sports events or tournaments will be considered Canadian if a Canadian production company exercises control over the production and provides the commentators. If the event takes place outside Canada, the production will qualify only if Canadian-based teams or athletes participate. Additionally, in all cases one of the major on-camera personalities (commentators, analysts or hosts) must be Canadian.

One quarter (25%) of the program time of broadcasts of sports events originating outside Canada, involving non-Canadian teams or athletes, shall be recognized as Canadian if a Canadian producer or production company provides a commentary in a language other than English.

Other types of sports programs are assessed under the point system and the expenditure rules.

V. Music video clips

Definition of a Canadian music video clip:

Music video clips are short films, videotape productions or concert excerpts (clips) not produced primarily for the program in which they are presented, and which normally contain one musical selection with visual material. Music video clips played in their entirety will be considered as Canadian where they meet the requirements of item 5 below, as well as one of the requirements or elements set out in paragraphs 1, 2, 3 or 4, below.

1. The music video clip meets at least two of the following audio conditions a) through e):

- a. the music is or lyrics are performed principally by a Canadian;
 - b. the music is composed entirely by a Canadian;
 - c. the lyrics are written entirely by a Canadian;
 - d. consists of a live performance that is wholly recorded in Canada;
 - e. the performance was recorded after 1 September 1991, and a Canadian who has collaborated with a non-Canadian receives at least 50% of the credit as composer and lyricist according to the records of a recognized performing rights society;
2. The music video clip is an instrumental performance of a musical composition that meets the conditions set out in 1b) or c) above;
 3. The music video clip is a performance of a musical composition that a Canadian has composed for instruments only;
 4. The music video clip has already been qualified as a Canadian music video clip under the regulations previously in effect; and
 5. The music video clip meets at least one of the following conditions a) through c):
 - a. the video director or producer is Canadian;
 - b. the video production facilities are located in Canada; and
 - c. the video has already been qualified as a Canadian selection under regulations previously in effect.

To be considered Canadian, all performances exceeding five minutes in length, including commercially released music videos appearing outside music video clip programs and logged as category 8(b) (Music video clips), require a certification number from the Commission.

In order to be certified, a Canadian music video clip must be played in its entirety. It will not be credited if played in part as an opening, a bridge or a closing, or as a backdrop for program credits.

Music video programs:

Canadian program certification will be awarded to programs consisting predominately of music video clips and, in some cases including a host and other programming elements, if all elements other than the music video clips qualify as Canadian, and a minimum of 30% of the music video clips are Canadian. This provision is not applicable to music specialty services.

VI. Dubbing

Where a program recognized as Canadian by the Commission is dubbed in Canada in either official language of Canada or in Indigenous language by a process of lip synchronization or voice-over translation using Canadian resources, the dubbed version of the program shall be awarded a supplementary time credit of 33%³ of that for the original version. This time credit is valid for a period of two years from the date of first broadcast of the dubbed version. After this period, the dubbed version shall be awarded the same time credit as the original version.

Where a program recognized as Canadian by the Commission is dubbed outside of Canada, the dubbed version of the program shall be awarded the same time credit as the original version.

Where a foreign program is produced in either official language of Canada or in an Indigenous language, and the audio portion of that program is converted in Canada into the other official language of Canada or an Indigenous language by a process of lip synchronization or voice-over translation, using Canadian resources, the dubbed version of the program shall be awarded a time credit of 33% of program time.

Where a foreign program is produced in a third language and the audio portion of that program is converted in Canada into either official language of Canada or an Indigenous language by a process of lip synchronization or voice-over translation, using Canadian resources, the dubbed version of the program shall be awarded a time credit of 50% of program time (to a maximum of 50 hours during each six-month reporting period).

VII. Special recognition for co-ventures

Co-ventures are defined as international co-productions not included under the treaties administered by Telefilm Canada. These include all ventures with co-producers of a foreign country that does not have a film or television production treaty with Canada. These also include ventures with co-producers of a treaty country, where such ventures are not specifically covered by a treaty. Even where some of the producer functions are performed by non-Canadians, certification of the program as Canadian is possible.

When broadcast or distributed by a licensee of the Conseil, such co-ventures will qualify for special recognition if co-venture agreements and other documentation substantiate that the Canadian production company:

- has no less than an equal measure of decision-making responsibility with other co-venture partners on all creative elements of the production; and
- is responsible for the administration of not less than the Canadian element of the production budget.

³ In Broadcasting Regulatory Policy 2015-86, the Commission increased the time credit to 33%.

An application for Canadian certification must be submitted by the Canadian production company and must be accompanied by signed agreements or contracts between the co-venture partners. Such agreements or contracts will be kept confidential.

The decision-making responsibility for the production will be considered to be in the hands of a Canadian production company when that company:

- has sole or co-signing authority on the production bank account. For co-ventures shot entirely in Canada, the production bank account must be in Canada; for those shot partially in Canada, a Canadian bank account is required for the portion of the production shot in Canada. In the case of co-ventures shot entirely outside Canada, a Canadian bank account must exist, for payment of the Canadian elements of the program;
- has financial participation in the production and the entitlement to profit sharing. As of 1 September 2001, the Canadian production company must retain a financial participation position of at least 50% and a 50% share of the profits;
- is at financial risk and has budgetary responsibility; and
- has at least an equal measure of approval over all elements of the production with the co-venture partners, regardless of the number of foreign persons fulfilling the functions of executive producer or producer.

A co-venture involving a co-producer from a Commonwealth or French-speaking country, or a country with which Canada has a film or television production treaty, may be considered for special recognition. Canadian certification will be granted if, in addition to meeting the foregoing requirements, the program attains five points, at least 50% of the costs for services are paid to Canadians, and at least 50% of post-production and laboratory costs (except for picture editor) are paid for services provided in Canada by Canadians or by Canadian companies. Notwithstanding the above, the director or the writer and at least one of the two lead performers must be Canadian. All other criteria for certification of a Canadian program apply to such co-ventures.

Any other co-venture will be required to meet the same point and expenditure minimum requirements as a domestic production (i.e., six points and 75% expenditure rules.)

VIII. Production packages

A “production package” is defined as two or more co-productions or co-ventures, undertaken by a Canadian production company, together with one or more non-Canadian production companies, where a production with minor foreign involvement that qualifies as a Canadian production is matched with a foreign production with minor Canadian involvement.

A “twinning” involves matching a fully Canadian production with a foreign production, with virtually no Canadian involvement other than a financial one.

The Commission will be prepared to accept production packages and twinings as Canadian, under the following conditions:

- a. the Canadian copyright for both productions must be held by Canadians;
- b. the budgets of both Canadian and foreign productions must be approximately equal, within 15%;
- c. co-production agreements/contracts between the Canadian production company and foreign producers must be submitted to the Commission with the applications;
- d. the Canadian production company must have financial participation and profit sharing (at least 20%) in the Canadian and foreign productions;
- e. a broadcaster may receive credit for a production with fewer Canadian elements, if it broadcasts the production with more Canadian elements at an equitable time;
- f. all productions in a production package must fall within the same program category;
- g. production package programs are acceptable only in the categories of drama and comedy, variety, documentary and children's. Animated productions are excluded;
- h. matched (or twinned) productions must be approximately equal in duration;
- i. matched (or twinned) productions must receive equitable scheduling on the same Canadian station or network; and
- j. ten-point productions in production packages will not qualify for the dramatic program time credit of 150%.

While there is no requirement that the production with major Canadian involvement receive exposure in the other country, the Commission expects that the Canadian co-producer would include such an arrangement in its agreement with the non-Canadian co-producer.

IX. Dramatic program credit

Live action or continuous action animated dramas broadcast by a licensee may be awarded a 150% time credit. In order to qualify, a drama must meet the following criteria:

- a. it is produced by a licensee or a Canadian production company after 15 April 1984;

- b. it is recognized as a Canadian program (receives a “C” or “SR” number from the Commission) and achieves ten points;
- c. it is broadcast between the hours of 7:00 p.m. and 11:00 p.m., or, in the case of a dramatic program intended for children, at an appropriate children’s viewing time; and
- d. it contains a minimum of 90% drama content.

A licensee will receive a 150% time credit for each showing of a qualifying drama within a two-year period from the date of the first program broadcast. Series will be eligible for the credit for a single, two-year period for each cycle of the series, commencing with the broadcast of the first episode of that cycle. As announced in *Building on successes – A policy framework for Canadian television*, Public Notice CRTC 1999-97, 11 June 1999, as of 1 September 2000, this credit will become unavailable to the largest multi-station ownership groups as identified in that notice.

Programs that fail to achieve ten points will not be eligible for the credit, even if a Canadian fills each applicable position.

X. Interpretation notes

- A. **Citizenship/Date of Landing:** A Canadian is a person who is a Canadian citizen as defined in the *Citizenship Act*, at the time of the commencement of the person’s duties in relation to the production, and for the entire course of the filming or taping and post-production. Also eligible are permanent residents (landed immigrants who are not yet Canadian citizens) who have received their “Record of Landing” Certificate at the time described above.
- B. **Canadian production company:** A Canadian production company is defined as a licensee of the Commission, or a Canadian company carrying on business in Canada, with a Canadian business address, owned and controlled by Canadians, and whose principal business is the production of film, videotape or live programs for distribution on television or in theatrical, industrial or educational markets.
- C. **Point System:** In productions where some of the key creative positions are not utilized, and fewer than six points are therefore possible, certification will be granted if Canadians perform all key creative functions.

Points will be awarded in respect of a particular position only if all persons sharing the duties of that position are Canadian.
- D. **Producer:** The producer is expected, among other things, to be involved in acquiring and developing the story, selecting and engaging the key creative personnel, budget preparation, financing, control of expenditures and distribution of the production.

- E. **Writer:** Writer is defined to include screenwriter, script writer and, in the case of animation where applicable, storyboard supervisor.

All individuals involved in any stage of developing the screenplay (including outline or treatment, various drafts, dialogue polishing, and final shooting script) must be Canadian, or alternatively, the principal writer must be Canadian, and the screenplay must be based on a work authored by a Canadian and published in Canada.

To assess the qualification for this position, the Commission will examine on-screen credits, including the following:

- Story Editor (Executive, Senior, Junior);
- Creative Consultant;
- Story Consultant, Executive Story Consultant; and
- Creative Producer.

- F. **Production Designer:** For a live action or continuous action animated production, the Art Director will be considered equivalent to Production Designer.

- G. **Director of Photography or Technical Director:** If there is no Director of Photography, the equivalent is Chief Camera Operator. The position of Lighting Director is equivalent to Technical Director for videotape productions.

- H. **Music Composer:** The point is awarded only if a Canadian has been commissioned to compose the original music specifically for the production. The rearrangement of existing music, even if it is Canadian, utilizes the position but does not earn the point. Existing stock, library, or archival music may be used in addition to the original music. The position of Music Director is not accepted as equivalent to Music Composer.

- I. **Picture Editor:** Means Film Editor. The positions of Sound or Music Editor will not be acceptable in the place of Picture Editor. For videotape productions, the equivalent to Picture Editor is the Off-Line Editor.

- J. **Other matters:** With the exception of documentaries, productions that are made up predominantly of existing footage (stock, archival, library, B-roll, etc.) produced by a foreign producer will not be certified as Canadian, even if assembled or edited in Canada with Canadian narration.

Existing foreign productions or program segments will not be certified as Canadian or as Canadian documentaries by repackaging or adapting them using some or all of the following:

- excerpts from an original foreign production;

- the use of a significant portion of the original foreign production in essentially unedited chunks; and
- the mention of the original foreign production in the credits.

Productions that have not used such mechanisms require more intense editing of stock footage. Relatively short portions of such footage are carefully selected from a variety of sources to illuminate and develop the subject.

Appendix 2 to Broadcasting Regulatory Policy CRTC 2023-90

Criteria: Certification for Canadian animated programs (other than continuous action animation)

I. Types of animation

Animation is the process of creating the illusion of motion through the use of inanimate or still images. Animation can be produced using either traditional methods or digital synthesis in computer-assisted or computer-generated animation.

A. Computer animation

- i. **Computer-assisted animation:** Refers to the technique of revising existing animated material using computer technology.
- ii. **Computer-generated animation:** Refers to the technique of generating animated movement principally or wholly through digital image synthesis using computers and computer programs.

B. Traditional animation

Traditional animation is referred to as either “continuous” or “frame-by-frame.”

- i. Continuous action animation refers to the process of filming real figures, shapes or objects as they are manipulated using mechanical or other devices. When the film or the recording is played, the rapid projection of the multiple images gives the illusion of movement.

For the purpose of Canadian program certification, continuous action animation will be treated in the same manner as live action programs, and will continue to be subject to the definition of Canadian program outlined in Appendix 1 to *Change to the treatment of stock footage costs as part of the evaluation of applications for Canadian program certification*, Broadcasting Regulatory Policy CRTC 2023-90, 23 March 2023 (Broadcasting Regulatory Policy 2023-90).

- ii. Frame-by-frame animation refers to the process of filming or otherwise recording a series of poses of figures, objects or shapes, or drawings, each slightly displaced from the preceding pose, or of drawing them in sequence on successive frames of recording material, one or more frames at a time. When the film is projected or the recording is played, the rapid projection of the multiple images gives the illusion of movement.

Among the many types of traditional animation are the following:

1. **Cell animation:** “Cell” refers to a single piece of transparent celluloid material on which a drawing is made and subsequently recorded, exposing one or more frames of film for each such cell.

2. **Puppet animation:** Puppet animation is accomplished by two methods. In the first method, sometimes referred to as stop-motion animation, the manipulation of two- or three-dimensional figures is recorded frame-by-frame. In the second method, real figures controlled by a puppeteer are filmed continuously in real time. This latter form of animation is subject to the same criteria as live action programs.
3. **Pixilation animation:** This technique uses live action shots of real people in real locations, manipulated to achieve the effect of having actors jump, jerk or twitch as if they were being animated. The three ways to obtain this effect are:
 - a. by editing live action film to remove single frames;
 - b. by taking single-frame photographs of actors posed as puppets; and
 - c. by taking one frame at a time during normal action (speed-up) or slowed-down action (normal).
4. **Camera-less animation:** This technique involves drawing or painting directly on film frames.
5. **Other forms of traditional animation:** Less common forms of traditional animation include pin-screen, silhouette, anaform and sand (drawing and form) techniques. The Commission will generally consider these styles to be frame-by-frame animation.

II. The inapplicability of certain sections of Appendix 1 to Broadcasting Regulatory Policy 2023-90

The criteria outlined in Appendix 1 to Broadcasting Regulatory Policy 2023-90 apply to both live action and animated productions, except in the following areas:

- the point system, including the mandatory positions;
- the services and post-production/laboratory expenditure requirements;
- the dramatic program credit; and
- the interpretation notes regarding the Production Designer and the Director of Photography.

The criteria set out below apply to animated productions (excepting continuous action animation).

III. The assessment of animated productions

Depending on the nature of the production, computer-assisted animation is assessed using either the criteria for frame-by-frame animation or those for continuous action animation / live action set out in Appendix 1 to Broadcasting Regulatory Policy 2023-90.

Computer-generated animation is assessed on a case-by-case basis, generally using the criteria for frame-by-frame animation.

Sometimes productions include mixes of animation and live action. The Commission will approach such productions on the basis of the following considerations:

A documentary on or including animation will be dealt with as a documentary under the live action criteria; a documentary exclusively in animation form will be dealt with as an animated production.

Non-documentary productions with scenes combining live action and animation in each of those scenes will generally be considered as live action for purposes of applying the point system. Productions combining different forms of traditional animation or less commonly used forms of traditional animation will be dealt with on a case-by-case basis according to the most applicable scheme for traditional animation (e.g., cell, puppet, pixilation or camera-less).

Productions that mix animation and live action will be assessed according to the criteria of the predominant format. If the minor format exceeds 20%, both sets of criteria will be used.

IV. The point system

To be certified as Canadian, an animated production must earn at least six points based on the following key creative functions being performed by Canadians, or, where applicable, in Canada, or both. In the case of camera operator (person) and operation (location), both must be met to earn the point.

Director - 1 point

Scriptwriter and Storyboard Supervisor - 1 point

First or Second Voice (or **first or second lead performer**) - 1 point

Design Supervisor - 1 point

Layout and Background (location) - 1 point

Key Animation (location) - 1 point

Assistant Animation/In-Betweening (location) - 1 point

Camera Operator (person) and **Operation** (location) - 1 point

Music Composer - 1 point

Picture Editor - 1 point

Determination of first and second voice (or first and second lead performer) may take into account billing, on-screen time (or off-screen time for voices), number of lines and payment.

Where the point is assigned to a number of persons rather than an individual, the point will be awarded only if all of those sharing the duties of that position are Canadian;

where the point is assigned to a location, it will be awarded only if all of that function is performed in Canada.

In productions that employ scriptwriters or storyboard supervisors, but not both, the point will be awarded only if all persons performing the function are Canadian.

The Commission will, for most types of animation, consider it mandatory that the following persons or locations or both be Canadian:

- director or the combination of scriptwriter and storyboard supervisor (persons);
- key animation (location) (excluding pixilation);
- first or second voice (or first or second lead performer); and
- camera operator (person) and operation (location), for pixilation only.

V. Dramatic program credit

A 150% time credit will be awarded for an animated dramatic production (other than continuous action animation) that meets all of the following criteria:

- is produced by a Canadian independent production company or licensee of the Commission after 15 July 1988;
- is certified as a Canadian program (receives a “C” or “SR” number from the Commission) and achieves ten points;
- is broadcast
 - i. between the hours of 7:00 p.m. and 11:00 p.m., or
 - ii. in the case of an animated dramatic production intended for children, at an appropriate children’s viewing time; and
- contains a minimum of 90% dramatic content.

The Commission will grant a 150% time credit each time a certified animated dramatic production is broadcast, within a two-year period from the date of the first broadcast. A licensee will receive the credit for an animated series for a single, two-year period for each cycle of the series, commencing with the broadcast of the first episode of that cycle. As announced in *Building on successes – A policy framework for Canadian television*, Public Notice CRTC 1999-97, 11 June 1999, as of 1 September 2000, this credit will become unavailable to the largest multi-station ownership groups as identified in that notice.

VI. Descriptions of the various functions in animated productions

A. The following functions are eligible to receive points:

- i. **Director:** The director has overall control of the artistic and creative aspects of the production; establishes the instructional workbook for the production from script and storyboard; times the action and supervises the creative and technical aspects of the work in the various stages of production; provides shot-by-shot and frame-by-frame details of the camera movement and shot punctuation by preparing the timing of each individual scene at the storyboard stage; prepares the bar-sheets or exposure sheet instructions for the animator.

These functions may also be performed in collaboration with, or by the key animator or animation director.

- ii. **Scriptwriter:** The scriptwriter provides the written treatment; outlines the continuity of the story, dialogue or action and the parts the various characters will play in it; elaborates upon the script during the process of visual development at the storyboard stage.
- iii. **Storyboard Supervisor:** Depending on the type of production and studio organization, the storyboard supervisor (either in co-operation with or instead of the writer) creates a series of pictures to illustrate the development of the story in parallel with the written text; determines the flow of action from one scene to another; creates a series of drawings with associated continuity showing the major action and scene changes.
- iv. **First or Second Voice:** Lead or second lead actor reading a character voice.
- v. **Design Supervisor:** The design supervisor is responsible for style, visual character, colour theme and colour continuity; develops the tones of the backgrounds, figures and textures; can sometimes create the actual characters jointly with the director; prepares visual proportion charts of the characters to safeguard uniformity during the production. (This position is sometimes referred to as Art Director or Character Designer.)
- vi. **Layout (location):** Working from the storyboard, the layout artist outlines the graphic organization in the form of line drawings of background environment and staging of action for the animators' and background artists' reference. The layout artist also draws up camera field references. In feature work, the layout artist will also provide a detailed tonal rendering for the background department. (A related position is that of the poser. The poser, however, is an animator whose work is preliminary and ephemeral and does not form part of the final print.)
- vii. **Background (location):** Provides finished backgrounds for individual scenes of a film.

- viii. **Key Animation** (location): The animator is primarily responsible for the creative vitality of the production, draws the key phases of movement that determine the life and expression of the characters; creates the movement of figures or objects; roughs out the timing path or sequence of the animation; and provides on dope sheets technical information to the camera operator about the order in which individual animation phases should be photographed. The animator depicts extremes of movement to provide key drawings and sets the style and character of the sequence. The key animator's work is part of the final print. (This position is sometimes also referred to as the animator.)
- ix. **Assistant Animation/In-Betweening** (location): The assistant animator and in-betweener complete the breakdown drawings and in-between work once the key characters or figures have been determined by the animator and the animation has been completed. Breakdown drawings are the main drawings between the key animation drawings that help to define the path of action. In-between drawings are done after the main path of action breakdown drawings are completed.
- x. **Camera Operator (person) and Operation** (location): The camera operator operates the camera for the purpose of recording the sequences of cells and backgrounds according to instructions from the director.
- xi. **Music Composer**: The point is awarded only if a Canadian has been commissioned to compose the original music specifically for the production. The rearrangement of existing music, even if it is Canadian, utilizes the position but does not earn the point. Existing stock, library, or archival music may be used in addition to the original music. The position of Music Director is not accepted as equivalent to Music Composer.
- xii. **Picture Editor**: The picture editor assembles individual shots and sequences in continuity and fits them to the various soundtracks; provides the sound effects track; analyzes the characteristics of the music or dialogue track; provides information to animators in terms of timed film frames; supervises the dubbing, the separate soundtracks; and liaises with laboratories to obtain prints.

B. While the following functions play a significant role in animation, no points are attached to them:

- i. **Tracer/Photocopier**: The tracer/photocopier copies the animated line drawings onto acetate sheets, or does the equivalent using electronic methods.
- ii. **Opaquer**: The opaquer applies paint to the inked-in outlines of acetate drawings or cells, or does the equivalent using electronic methods.
- iii. **Animation Director**: For large feature productions, this function is sometimes created to supervise the animation of entire sequences. For television specials and series, the animation director will sometimes be responsible for supervising the entire production (see Director, above).

Chart 1**Overview of point system and mandatory position/location requirements**

The following chart summarizes current and new guidelines for explanatory purposes only.

POSITIONS (not all positions are eligible for points)	MANDATORY REQUIREMENTS (in addition to meeting minimum point requirements)	ELIGIBLE POINTS Live Action	ELIGIBLE POINTS Animation
PRODUCER(S) / CO-PRODUCER(S)	Must be Canadian (exceptions for international co-ventures)	N/A	N/A
EXECUTIVE PRODUCER(S)	Must be Canadian (some exemptions available)	N/A	N/A
DIRECTOR(S) / CO-DIRECTOR(S)	For live action, at least one of the director or writer positions must be filled by Canadians.	2	1
WRITER(S) / STORY CREATOR(S) <ul style="list-style-type: none"> • and Storyboard Supervisor (for animation) • or Choreographer (for dance productions) • for live action, <ul style="list-style-type: none"> a) all the writers must be Canadian, or, b) the principal writer and the author of original work on which production is based must be Canadian 	For animations, the director or the writer and the storyboard supervisor must be Canadian(s).	2	1
PRODUCTION DESIGNER(S) (live	N/A	1	1

action) / DESIGN SUPERVISOR(S) (animation)			
PICTURE EDITOR(S)	N/A	1	1
MUSIC COMPOSER(S) (cannot be replaced by use of, or rearrangement of existing music)	Point earned if Canadian is commissioned to compose original music specifically for a production	1	1
DIRECTOR(S) OF PHOTOGRAPHY (film) / or TECHNICAL DIRECTOR(S) (video)	N/A	1	N/A
1st LEAD PERFORMER (live action) 2nd LEAD PERFORMER <ul style="list-style-type: none"> For performance categories (7, 8, 9) the Leads will be the performing artists, not the host (unless the host also performs) For other program types (including documentaries, sports, magazines, talk shows, game shows, etc.), Leads will usually be the host, narrator, commentator, moderator, interviewer, 	The 1st Lead or 2nd Lead Performer must be Canadian	1 (1st Lead) 1 (2nd Lead)	N/A N/A

quizmaster, etc.			
1st or 2nd VOICE/PERFORMER (animation)	At least one of the 1st or 2nd voices/ performers must be Canadian	N/A	1
CAMERA OPERATOR(S) & OPERATION (persons and location) – (for pixilation only)	Persons and location must be Canadian	N/A	1
CAMERA OPERATOR(S) & OPERATION (persons and location) – (for all other animation)	N/A	N/A	1
LAYOUT & BACKGROUND (location)	N/A	N/A	1
KEY ANIMATION (location) – (does not apply to pixilation)	Location must be Canadian	N/A	1
ASSISTANT ANIMATION / IN- BETWEENING (location)	N/A	N/A	1
MAXIMUM POSSIBLE POINTS	N/A	10	10

- **To earn points for Person** – position must be filled/shared by Canadians
- **To earn points for Location** – work must take place in Canada
- **Special Rules for Series, Sports Events, and Music Videos.**

Chart 2

Canadian Expenditure Requirements

The following information summarizes current and new guidelines.

	PRODUCER/ KEY CREATIVE PERSONNEL (excluded)	SERVICES Minimum % of total services that must be paid to Canadians	POST- PRODUCTION/ LABORATORY Minimum % of total Post- production/ Laboratory that must be done in Canada by Canadians	GOODS PURCHASED AND OTHER INDIRECT EXPENSES (excluded)
LIVE ACTION (DOMESTIC)	N/A	75%	75%	N/A
ANIMATION (DOMESTIC)	N/A	75%	75%	N/A
Foreign Co- Ventures with Co-Producers from Commonwealth, French-speaking or Treaty Countries	N/A	50%	50%	N/A
Foreign Co- Ventures with Co-Producers from “Non- Treaty” Countries	N/A	75%	75%	N/A

Producer and key creative personnel costs

These costs include remuneration and related fringe or employee benefits, travel and living for the producer and all key creative personnel (i.e., those positions that are eligible for points). These positions are assessed via citizenship and/or points and are excluded from the expenditure requirements.

Services

Services expenditures include the remaining costs after subtracting the costs for the producer, key creative personnel, acquisition costs for stock footage, post-production/laboratory, goods purchased and other costs not directly related to production. Generally, services include the “non-key” creative personnel (i.e., production labour, executive producers), rentals and acquisition rights, except those related to costs for stock footage.

Post-production/laboratory

This includes all costs for the post-production, including laboratory work, sound recording, sound and picture editing (but excludes the costs for the Picture Editor).

Goods purchased and other expenses not related to production

These costs include the costs of all goods purchased, and those indirect costs (costs not directly related to production), such as corporate overhead, financing, interest, legal, insurance, auditing, contingency, distribution and publicity, etc.

Notes:

Canadian expenses are all expenses (remuneration, fringe or employee benefits, travel and living) paid to or in respect of Canadians (or permanent residents with Landing Certificates issued prior to the commencement of the production) or for services rendered by Canadian companies in Canada. This includes travel and living expenses for Canadians, even if spent outside of Canada.

Non-Canadian expenses are those expenses paid to or in respect of non-Canadians, or paid to non-Canadian companies. This includes any remuneration (and fringe/employee benefits) paid to non-Canadians, even if earned in Canada. This also includes travel and living expenses for any non-Canadians involved in the production, whether spent inside or outside of Canada.