

DENTONS

# Producing in Canada

A guide to Canadian film, television and interactive digital media incentive programs



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# Introduction

Canada is recognized as a major player in film, television and interactive digital media production. The growth of Canada's multibillion-dollar production industry is attributable to our high-standard facilities, competent workforce, physical and cultural proximity to the United States, as well as many favourable economic factors. These include lower location and production costs than in the US and Europe, a good exchange rate, and advantageous government tax incentives and funding policies.



At Dentons, we know the advantages associated with producing in Canada, such as the various tax incentives provided by both federal and provincial governments. Producing in Canada—our comprehensive guide to Canadian film, television and interactive digital media incentive programs—provides an overview of some of the available incentives and the criteria that must be satisfied to qualify for them. Although each financing program is described separately for ease of reference, any given production may qualify for two or more programs.

The information provided in this printed edition of Producing in Canada is current as of June 2026. The online version of our guide—available at dentons.com—will be updated on a regular basis.

Further, Dentons understands that deciding how to structure the financing and production of an audio-visual production in Canada can be complicated. That is why Dentons is pleased to provide a comparison chart that aims to simplify the process by identifying the primary structuring considerations, and how they differ from each other: Canadian content, production services, co-ventures and international treaty co-productions. The comparison chart can be found here.

To find out more about Canadian film, television and interactive digital media incentive programs, or structuring productions, **please contact one of the lawyers listed at the end of this document**.



**CA$10.17 billion**
Total volume of film and television production in Canada in 2024/25.

- Source: *Profile 2025: Economic report on the screen-based media production industry in Canada,* Canadian Media Producers Association (CMPA)

**CA$6.19 billion**
Value of foreign investment in production in Canada in 2024/25.

- Source: *Profile 2025, CMPA*

# Summary of provincial and federal government tax credits

A more detailed description of the federal tax credits can be found beginning on page 15, with an outline of the provincial tax credits beginning on page 52.

| Jurisdiction | Tax credit, Rebate , Grant, and other Funding Program |
|---|---|
| **FEDERAL** | |
| **25%** of QLE CAP | **Canadian Film or Video Production Tax Credit**<br>• 25% of eligible labour expenditures[1] capped at 60% of production budget (approximately 15% of budget). |
| **16%** of QLE NO CAP | **Film and Video Production Services Tax Credit**<br>• 16% of qualifying Canadian labour expenditures. |
| **ALBERTA** | |
| **22% Or 30%** of Eligible costs | **Film and Television Tax Credit**<br>• 22% or 30%of qualifying Alberta production costs depending upon certain eligibility criteria.[2] |
| **BRITISH COLUMBIA** | |
| **40%** of QLE CAP | **Film Incentive British Columbia**<br>• Basic: 40% of eligible British Columbia labour expenditures up to a maximum of 60% of total eligible production costs.<br>• Regional: For live action productions, 12.5% of eligible British Columbia labour expenditures pro-rated by the number of days of principal photography outside the designated Vancouver area, divided by the total number of days of principal photography in British Columbia. The production must have at least five days of principal photography outside the designated Vancouver area and over 50% of the British Columbia principal photography days must be outside the designated Vancouver area. For a television series, this double threshold applies for a minimum of three episodes as a group (the qualifying episodes) and the Regional Tax Credit is further pro-rated by the number of qualifying episodes to the total number of episodes. |

1 Please note that the amount of the actual federal tax credit will reduce the base number for the calculation of many provincial tax credits. Please consult the applicable legislation to confirm.

2 "Labour expenditures" for the federal tax credit are defined as the labour expenditures incurred from the final script stage to post-production directly attributable to the production, reasonable in the circumstances and included in the cost to the corporation. For the provincial tax credits, a similar definition is used, but such labour expenditures must be paid to residents of that province. Eligible expenditures can be incurred as early as two years before principal photography begins so that in-house development labour costs of a script are eligible.

| Jurisdiction | Tax credit |
|---|---|
| | • Distant Location: For live action productions, an additional 6% of eligible British Columbia labour expenditures prorated by the number of days of principal photography done in a distant location in British Columbia within a prescribed area, divided by the total number of days of principal photography in British Columbia. The production must be eligible for the Regional Tax Credit above and have at least one principal photography day in a distant location. For a television series, this requirement applies to the qualifying episodes and the Distant Location Tax Credit is further pro-rated by the number of qualifying episodes to the total number of episodes.<br>• Training: The lesser of 30% of trainee salaries or 3% of eligible British Columbia labour expenditures.<br>• Scriptwriting: 35% of screenwriting labour expenditures.<br>• Combined benefit of above four tax incentives is the amount of eligible labour capped at 60% of total production costs.<br>• Digital Animation or Visual Effects (DAVE) Incentive: 16% of eligible British Columbia labour costs directly attributable to digital animation or visual effects and post-production activities. |
| **36%** of QLE NO CAP | **Provincial Production Services Tax Credit (PSTC)**<br>• Basic: 36% of accredited qualified British Columbia labour expenditures.<br>• Regional: For live action productions, 6% of accredited qualified British Columbia labour costs prorated by the number of days of principal photography in British Columbia outside of the designated Vancouver area to the total days of principal photography in British Columbia. The production must have at least five days of principal photography outside the designated Vancouver area and over 50% of the British Columbia principal photography days must be outside the designated Vancouver area. For a series, the Regional Tax Credit is assessed on a per episode basis. Animated productions that start principal photography on or after June 1, 2024, are excluded from the Regional Tax Credit.<br>• Distant Location: For live action productions, 6% of accredited qualified British Columbia labour expenditures prorated by the number of days of principal photography in British Columbia within a prescribed area to the total days of principal photography in British Columbia. The production must be eligible for the Regional Tax Credit above and have at least one principal photography day in a distant location. For a series, the Distant Location Tax Credit is assessed on a per episode basis.<br>• Digital Animation or Visual Effects (DAVE) Incentive: 16% of accredited qualified British Columbia labour costs directly attributable to digital animation, visual effects and post-production activities.<br>• Major Production Tax Credit: 2% top up of accredited qualified British Columbia labour expenditures is available for completed productions with B.C. production costs greater than $200 million. |
| **25%** of QLE NO CAP | **Interactive Digital Media Tax Credit**<br>• 25% of qualified British Columbia labour expenditure for eligible registered corporations that develop interactive digital media products. Products that enable gambling with currency do not qualify as interactive digital media products. |

| Jurisdiction | Tax credit |
|---|---|
| **MANITOBA** | |
| up to<br>**65%** of QLE NO CAP<br>Or<br>**38%** *All spend<br>NO CAP | **Cost-of-Salaries Tax Credit**<br>• Basic rate of 45% of qualified Manitoba labour expenditures, which may be combined with the following:<br>• Frequent filming credit: 10% frequent filming bonus.<br>• Rural Filming Bonus: 5% bonus for location filming outside of Winnipeg.<br>• Producer credit: 5% Manitoba Producer bonus.<br>**Cost-of-Production Tax Credit**<br>• Basic rate of 30% of eligible Manitoban labour and other non-labour expenditures.<br>• 8% bonus for productions which use an eligible Manitoban production company. |
| **40%** of QLE | **Interactive Digital Media Tax Credit**<br>• 40% of Manitoba qualified labour expenditures, and some marketing and distribution expenses, incurred in the development of eligible interactive digital media products. |
| **NEW BRUNSWICK** | |
| **50%** or **40%** of development budget CAP<br>**40%** of eligible salaries CAP<br>or<br>**25%** or **30%** | **New Brunswick Film, Television and New Media Industry Support Programs [Note that this is a grant, not a tax credit]:** There are 2 streams which are determined by the spend in New Brunswick. Under CA$3 Million can apply under the Foundation Stream, and projects over that threshold can apply under the NB Growth Industry Stream, Both streams have access to the following incentives:<br>• **Development Incentive:** Dramatic feature films, made-for-tv movies, dramatic tv series, and mini-series are eligible for up to 50% of the approved development budget, up to a maximum of CA$120,000 per project. All other eligible genres of projects are eligible for up to 40% of the approved development budget to a maximum of CA$50,000. A maximum of 20% of the development costs for producer's fees and corporate overhead is allowed.<br>**Production Incentive:**<br>• **EITHER a Labour-Based Incentive:** maximum of 40% of eligible salaries paid to New Brunswick residents which cannot exceed 50% of the eligible costs of production.<br>• **OR an All-Spend Incentive:** maximum of 25% of all New Brunswick expenditures for variety and service productions, or to a maximum of 30% of all New Brunswick expenditures for New Brunswick-based productions or co-productions. |
| **N/A – Funding Program** | **Short Film Venture Program**<br>• **25% of the total cost of the project up to a maximum of CA$4,000 for digital projects and CA$6,000 for celluiod** |

| Jurisdiction | Tax credit |
|---|---|
| **NEWFOUNDLAND AND LABRADOR** | |
| **40%** of QLE CAP | **Labour Based Tax Credit**<br>• 40% rebate on eligible resident labour expenditures to a maximum of 25% of total eligible production budget, with a single corporation credit limit of CA$5 million. |
| **40%** of QLE CAP | **All Spend Film and Video Production Tax Credit**<br>• 40% tax credit which applies to total qualified production costs with a maximum tax credit of CA$10 million annually per project. |
| **40%** plus **65%** of QLE CAP | **Newfoundland and Labrador Interactive Digital Media Tax Credit**<br>• 40% tax credit on qualifying expenditures, which consist of eligible salaries plus 65% of eligible remuneration paid, with a credit value limited to CA$40,000 per employee per year and CA$2 million per company for all taxation years ending in a calendar year. The IDM tax credit is available for the development of eligible interactive digital media products. |
| **CA$35,000** CAP | **Development Loan Program**<br>• Production companies can apply for up to three phases of development for one single project to a maximum of CA$35,000 in total over all phases or for larger projects, the full CA$35,000 can be accessed in one phase. |
| **20%** CAP | **Equity Investment Program (Newfoundland and Labrador-based productions)**<br>• Up to 20% of a production's financial structure, which is recoupable from earned revenue from production. |
| **33% CAP** | **Low Budget Production Program**<br>• Up to 33% towards an eligible project's production financing for projects with production budgets of CA$150,000 or less. |
| **50%** CAP<br><br>up to CA$2,000 | **Professional Learning and Sponsorship Program**<br>• Travel Sponsorships: 50% reimbursement of eligible receipts, up to a maximum of CA$2,000<br>• Professional Learning Sponsorships: up to CA$2,000.<br>• Professional Learning Sponsorships: up to CA$2,000 for professional learning opportunities (e.g., job shadowing, on-set training opportunities, financing of short films).<br>• Industry Partner Sponsorship: wide range of industry partner opportunities (e.g., festivals, workshop offerings, organizations, etc.). |
| **NORTHWEST TERRITORIES** | |
| **N/A** - Rebate Program (not a tax credit) | **Film Rebate Program [Note: Not a tax credit]**<br>• NWT Expenses – rebate of 40% for Scripted Projects, 30% for Non-scripted Projects, and 20% for Commercial Projects.<br>• Travel rebate: 50% on scheduled airline travel within the NWT, including cargo, but excluding helicopter trave. |

| Jurisdiction | Tax credit |
|---|---|
| **NOVA SCOTIA** | |
| **25%-32%** of QLE CAP | **Film and Television Production Incentive Fund [Note: Not a tax credit]**<br>• Stream I – Indigenous/co-production: Base amount of 26% of the eligible Nova Scotia (NS) expenses for companies with 50-100% NS ownership and control.<br>• Stream II – Foreign/service production: Base amount of 25% of the eligible NS expenses for companies with less than 50% of NS ownership and control.<br>• Additional percentages/bonuses are available for regional shoots, longer shoots and productions that meet NS content incentive criteria.<br>• Distant Location Incentive (effective as of April 1, 2024 onwards): Up to 10% percentage points of additional funding will be granted for shoots that film days of principal photography in a Distant Location. The Distant Location Incentive is tiered based on the distance from Halifax City Hall:<br>  • Tier 1 (Zone A): 7% for distant locations greater than 100 kilometres from Halifax City Hall prorated on the number of days of principal photography in the distant location to the total days of principal photography.<br>  • Tier 2 (Zone B): 10% for distant locations greater than 150 kilometres from Halifax City Hall prorated on the number of days of principal photography in the distant location to the total days of principal photography. |
| **Lesser of 50%** or **25%** + **65% of QLE** and<br><br>Lesser of **50%** or **25%** of QLE | **Digital Animation Tax Credit**<br>• 17.5% of Nova Scotian Animation QLE The basic tax credit is equal to the lesser of: 50% of the eligible Nova Scotia labour expenditure less the value of any assistance received; or,<br>• 25% of eligible Nova Scotia labour expenditure plus eligible overhead expenditure (calculated as 65% of the eligible Nova Scotia labour expenditure) plus 65% of eligible remuneration less twice the value of any assistance.<br>• Nova Scotian Animation Labour: An additional tax credit of 17.5% is available on eligible Nova Scotian animation labour expenditures (i.e., labour directly related to animation specific activities).<br><br>**Digital Media Tax Credit**<br>• The basic tax credit is equal to the lesser of: 50% of qualifying Nova Scotia expenditures or 25% of total expenditures made in Nova Scotia<br>• Area Bonus: 10% geographic area bonus on labour expenditures (5% bonus on total expenditures) is available for products developed outside the Halifax Regional Municipality<br>• Marketing and Distribution: Corporations may also be eligible to receive credit on marketing and distribution expenditures up to a maximum CA$100,000 per product. |

| Jurisdiction | Tax credit |
|---|---|
| **NUNAVUT** | |
| **N/A** - Rebate Program (not a tax credit) | **Nunavut Spend Incentive Program [Note: Not a tax credit]**<br>• 27% (Spending Stream 1) or 17% (Spending Stream II) of the eligible costs of production goods and services purchased and consumed in Nunavut.<br>• Rebate ≠ Tax program.<br>• Under the Spending Stream I, for eligible *non-profit production companies* with a head office in Nunavut, the applicable spend rebate will be 17% (plus bonuses) of the total eligible costs of production goods and services purchased and consumed in Nunavut. Funding will be capped at CA$75,000 for the first six months of the fiscal year after which time the cap will be removed for the remainder of the fiscal year.<br>• Enhancement Incentive for Training Key Creative Personnel: Eligibility may be enhanced by employing and training residents if Nunavut in key creative positions. A bonus equal to 1% of the applicant's total eligible Nunavut costs will be paid for every individual hired to fill one of the eight key creative positions in the eligible production. Alternatively, the applicant has the option of filling one of the eight key creative personnel with trainees. Under this enhancement provision, a maximum total bonus of 3% applies to each spending stream.<br>• Inuktut Language Incentive: Funding may be further enhanced if the completed production is produced or versioned into Inuktut language; provided that, the applicant distributes and/or broadcasts the production in Nunavut. A bonus of 10% of the Nunavut spend up to a maximum of CA$40,000 for original productions in an Inuit Language; or, a bonus of 5% for versioning in an Inuit Language up to a maximum of CA$20,000. |

| Jurisdiction | Tax credit |
|---|---|
| **ONTARIO** | |
| **35%** of QLE NO CAP | **Film and Television Tax Credit**<br>• Basic: 35% of eligible labour expenditures.<br>• First-time producers: 40% on the first CA$240,000 of eligible labour expenditures.<br>• Regional bonus: An additional 10% of eligible labour expenditures for a total of 45% of labour expenditures (minimum of five location days in Ontario, 85% of which must be outside of the Greater Toronto Area). |
| **21.5%** "All spend" NO CAP | **Production Services Tax Credit**<br>• Basic: 21.5% of all qualifying production expenditures incurred in Ontario (includes qualified labour costs and additional eligible expenses). |
| **18%** of QLE NO CAP | **Computer Animation and Special Effects Tax Credit**<br>• 18% of eligible labour expenditures related to computer animation or special effects activities. |
| **40%** of QLE NO CAP | **Interactive Digital Media Tax Credit**<br>• 40% of eligible labour expenditures and eligible marketing and distribution expenses incurred for the development and marketing of applicant's own interactive digital media products, capped at CA$100,000 per product.<br>• 35% of eligible labour expenditures related to interactive digital media products for corporations that are developing products under a fee-for-service arrangement.<br>• 35% credit on eligible labour expenditures is available to qualifying digital game corporations and specialized digital game corporations. |
| **PRINCE EDWARD ISLAND** | |
| **N/A** - Rebate Program (not a tax credit) | **Prince Edward Island Film Production Fund**<br>• Basic: 32% of eligible PEI expenditures for work completed in PEI<br>• the following bonuses are available:<br>  • PEI Production Bonus: 1% point for productions by PEI producers or co-productions where the PEI producer has at least 25% control; and/or<br>  • Series Production Bonus: 2% points for series productions |

| Jurisdiction | Tax credit |
|---|---|
| **QUÉBEC** | |
| Up to **32%** of QLE for non- foreign CAP<br><br>Up to **26%** of QLE for foreign CAP | **Refundable Tax Credit for Québec Film and Television Productions**<br>• 40% of eligible labour expenditures for original French language or giant screen productions.<br>• 36% of eligible labour expenditures for French language or giant screen productions that have been adapted from a foreign format.<br>• 32% of eligible labour expenditures for other non-foreign productions.<br>• 28% eligible labour expenditures for other productions adapted from a foreign format.<br>• Capped at 50% of production costs.<br>• 8% bonus for production costs related to the creation of digital animation or visual effects (for non-French non-giant screen productions only).<br>• Up to 16% bonus for Québec regional productions.<br>• 8% bonus for fiction feature film or single documentary that does not receive any financial assistance from a public organization. |
| **25%** "All spend" NO CAP<br><br>**16% Bonus** of QLE for SFX | **Refundable Tax Credit for Film Production Services**<br>• Basic: 25% of all-spend production costs (includes qualified labour costs and the cost of qualified properties).<br>• Bonus: An additional bonus rate of 16% is available for labour-based computer-aided special effects and animation including the shooting of scenes in front of a chroma-key screen.NOTE: for production service contracts for computer-aided special effects and animation, the Basic rate and Bonus rate are capped at 65% for an effective rate of (25% + 16%) X 65% = 26.65%. |
| **35%** of QLE CAP | **Dubbing Tax Credit**<br>• 35% of eligible labour expenditures capped at 50% of eligible dubbing costs. |
| **FRENCH TITLES**<br>**37.5%** of QLE NO CAP<br>**NO-FRENCH TITLES**<br>**30%** of QLE NO CAP<br>**OTHER TITLES**<br>**26.25%** of QLE NO CAP | **Multimedia Production Tax Credit**<br>• 37.5% of eligible labour expenditures for French "mass market" titles.<br>• 30% of eligible labour expenditures for non-French "mass market" titles.<br>• 26.25% of eligible labour expenditures for all other eligible titles. |

| Jurisdiction | Tax credit |
|---|---|
| **SASKATCHEWAN** | |
| N/A | **Saskatchewan Film and Television Development Grant [Note: Not a tax credit]**<br>• First Draft Stream: Maximum of CA$25,000 or 50% of the total development cash budget (for this phase), whichever is the lesser.<br>• Final Draft Stream: Maximum of CA$15,000 or 50% of the total development cash budget (for this phase), whichever is the lesser.<br>• Slate Development Stream: Maximum of CA$40,000 or 75% of the total development cash budget (for this phase), whichever is the lesser.<br>• In certain cases, recipients are required to re-pay the development grant(s) if the project is produced.<br>**Saskatchewan Feature Film & Television Production Grant [Note: Not a tax credit]**<br>• Saskatchewan Stream: 30% of all eligible expenditures, up to a maximum of CA$5,000,000.<br>• Service Production Stream: 25% of all eligible expenditures, up to a maximum of CA$5,000,000<br>• For both streams, the following bonuses are available in the form of a grant (to a commitment not exceeding a maximum of 40% of eligible Saskatchewan expenditures for Saskatchewan Stream, or a maximum of 35% for Service Production Stream):<br>• 10% frequent filming bonus (here applicants complete 270 minutes of eligible live action content or 90 minutes or more of eligible animation content per year in Saskatchewan)<br>• 5% rural bonus (where majority production takes place a minimum 50km outside Regina or Saskatoon)<br>• 5% Saskatchewan post-production bonus (where majority post-production is taking place in Saskatchewan) |

| Jurisdiction | Tax credit |
|---|---|
| **THE YUKON** | |
| **N/A** - Rebate Program (not a tax credit) | **Predevelopment Fund [Note: Not a tax credit]**<br>• Up to 75% of eligible costs in the predevelopment budget, up to a maximum of CA$15,000.<br>• For productions solely controlled by a Yukon resident or corporation.<br>**Development Fund [Note: Not a tax credit]**<br>• Up to 50% of the costs in the development budget, up to a maximum of CA$40,000.<br>• For productions solely controlled by a Yukon resident or corporation.<br>**Media Production Fund [Note: Not a tax credit]**<br>• Must have a minimum of three Yukon residents in key positions minimum of three positions.<br>• Minimum rebate of 25% of Yukon spend, which can be increased by 2% for each Yukon resident filling a key position beyond the minimum of 3, up to a maximum of 10% and up to 5% for projects where there is Yukon ownership up to a maximum potential rebate up to 40% of Yukon spend.<br>**Training Fund [Note: Not a tax credit]**<br>• Funding for 75% of approved cash expenses, up to CA$10,000, for individuals.<br>• Funding of 75% of approved cash expenses, up to CA$25,000, for organizations.<br>• Yukon residents and registered Yukon non-profit organizations are eligible for this fund. Covers training in developing, producing, post-producing, and marketing in film and television. |

# Federal government incentive programs

## Federal Tax Credits

The Canadian federal government assists domestic and foreign producers by offering a number of tax incentives and funding programs that are available to both "service" productions and "Canadian-content" productions. The Canadian Audio-Visual Certification Office (CAVCO), a branch of the Department of Canadian Heritage and the Canada Revenue Agency (CRA), jointly administer the Canadian Film or Video Production Tax Credit Program and the Film or Video Production Services Tax Credit Program. Only one of these tax credits may be claimed for a particular production.

## Canadian Film or Video Production Tax Credit Program (CPTC)

The CPTC was established to aid in the development of the Canadian film and production industry, and to promote Canadian content programming. This tax credit is equal to 25% of eligible labour expenditures, capped at 60% of total production costs. The maximum CPTC available for a production is therefore 15% of the total cost of production net of assistance.

The tax credit is a refundable tax credit (that is, it is fully payable to the production company even if it owes no taxes). It is calculated in conjunction with provincial credits such that the eligible production costs are reduced by any applicable provincial tax credit amount. The holding of an interest in a film or video production by a person other than the production corporation will no longer disqualify the production for eligibility for a tax credit, unless the production or one of the investors is associated with a tax shelter.



**CPTC is equal to 25% of eligible labour expenditures, capped at 60% of total production costs.**

### Eligibility requirements

- A production must be a linear, non-interactive film or video production.
- The application has two parts: applicant production companies must apply to CAVCO for both a Canadian film/video production certificate (Part A) and a certificate of completion (Part B) for each production. There is no deadline to submit a Part A application. An application for certificate of completion (Part B certificate) must be made within 24 months of the first fiscal year-end following the commencement of principal photography. The certificate must be issued by CAVCO within six months of this date.
- The production company must be a prescribed taxable Canadian corporation and a qualified corporation.
- The production company must be a taxable Canadian corporation that satisfies the criteria established by the Income Tax Act Regulations, as interpreted and administered by CAVCO.
- The corporation must be primarily in the business of Canadian film or television production.

- Only the production company or a prescribed person may own copyright in the production during the 25-year period beginning when the production is complete and commercially exploitable.
- The production must not fall under the excluded genre categories or productions listed by CAVCO. These are news, current events or public affairs programming, or a program that includes weather or market reports; game, questionnaire or contest shows (other than a show directed primarily at minors); sporting and award events; reality television; productions that solicit funds; pornography; advertising; industrial or corporate productions; and productions other than a documentary, all or substantially all of which consists of stock footage.
- The production must meet CAVCO's key creative point requirements.
- The production company must be owned and controlled, either directly or indirectly, by Canadian citizens or permanent residents in accordance with definitions found in a combination of the *Citizenship Act*, the *Immigration Act* and the *Investment Canada Act*.
- All producer-related personnel must be Canadian (some exceptions for productions involving non-Canadian development).
- Not less than 75% of total labour costs must be payable for services provided to/by individuals who are Canadian. At least 75% of the total of all post-production costs for a production must be incurred for services provided in Canada.
- Only the production company or a prescribed person may control the initial licensing of commercial exploitation rights for the production.
- Confirmation in writing from a Canadian distributor or a CRTC-licensed broadcaster that the production will be shown in Canada within the two-year period beginning when the production is complete and commercially exploitable.
- The production cannot be distributed in Canada by an entity that is not Canadian within the two-year period that begins when the production first becomes commercially exploitable.
- The production company or a related taxable Canadian corporation must retain an acceptable share of revenues from the exploitation of the production in non-Canadian markets, but no less than 25% of the net profits from exploitation in non-Canadian markets (among other revenue requirements).
- Some of the above do not apply to Treaty co-productions. Treaty co-productions should refer to the Telefilm Canada guidelines.

### Eligible expenses

- Eligible labour expenditures must be reasonable under the circumstances, must be included in the cost to the production company, must be incurred for the stages of production (pre- to post-production) and must be directly attributable to the production itself.
- Eligible labour expenditures exclude amounts paid for the services of non-Canadian residents, unless the person was a Canadian citizen at the time the payment was made.
- Eligible costs may be incurred as early as two years before principal photography begins, so that in-house development labour costs of an initial draft of a script, as well as the cost of further revisions, are eligible.



**CAVCO has set guidelines to certify a film or television production as Canadian.**

## Qualifying as a Canadian production for the CPTC

CAVCO and the Canadian Radio-television and Telecommunications Commission (CRTC) are the two government bodies responsible for determining whether a production qualifies as "Canadian." For more information on certification by the CRTC, see the "Qualifying as a Canadian production for CRTC purposes" section below. CAVCO bases its determination on a draft regulation to the *Income*

*Tax Act* (Canada), and has set guidelines that must be satisfied before a film or television production is certified as Canadian.

### Qualifying as a Canadian production: CAVCO

In order for a production, other than a co-production or co-venture,[1] to qualify as a Canadian film or video production under the CAVCO rules for Canadian content-based tax incentives, and other government incentives or enhanced Canadian broadcast license fees available for Canadian programs, the following must be satisfied.

### Producer eligibility under CAVCO

The Production Control Guidelines provide further guidance in the determination of the eligibility of productions to the CPTC.

The Canadian producer[2] must satisfy the following requirements of production control:

- The Canadian producer must have and maintain full control over the development of the project from the time at which the producer has secured underlying rights. Prior development of the project by non-Canadians is permitted.
- The Canadian producer must have and maintain full responsibility and control over all creative aspects of the project, and expenditures related to the production of the project. A non-Canadian individual or entity cannot have the right to overrule any creative or expenditure-related decision by the producer.
- The Canadian producer must have and maintain full responsibility and control over all aspects of production financing. Documentation must demonstrate that the producer has assumed and retained the commercial risks associated with the financing and production of the project. Where a non-Canadian has the right to overrule any decision by the producer, the producer will have the onus of establishing, to the satisfaction of CAVCO, that the situation does not interfere with the producer's responsibilities and control.
- The Canadian producer must have and maintain full responsibility and control over the negotiation of initial exploitation agreements. Where the non-Canadian prior owner of the underlying rights retains exploitation rights to more than one significant territory (i.e., US, Europe, Asia), after the producer has acquired the underlying rights, the producer will have the onus of establishing, to the satisfaction of CAVCO, that the situation does not interfere with the producer's responsibilities and control.
- The Canadian producer is entitled to reasonable and demonstrable monetary participation in terms of budgeted fees and overhead, and participation in revenues of exploitation. For example, the producer must demonstrate an equity ownership in the project, and retain at least 25% of the net profits from the exploitation of the production in non-Canadian markets.
- There are exemptions for the use of non-Canadian producer-related personnel that may be granted. The producer's functions must not interfere with the financial or creative authority of the Canadian producer and must relate to foreign broadcast, distribution or financing, or to the provision of services under the supervision and control of the Canadian producer.

### The CAVCO point system

A production must earn a **minimum of six points** based on the following allocation system, with points being awarded in each case if the function is wholly performed by a Canadian.

Under CAVCO's policy regarding proof of Canadian citizenship or permanent residency, producers and key creative personnel working under the Canadian Film or Video Production Tax Credit (CPTC) are required to have a CAVCO personnel number to be eligible for Canadian content points. To receive a CAVCO personnel number, each eligible individual must send a copy of their proof of Canadian citizenship or permanent residency directly to CAVCO. Previously, CAVCO required applicants under the CPTC to retain a copy of an individual's citizenship or permanent residency documentation. Now, producers must collect CAVCO personnel numbers and include them in their applications.

1 The criteria are different for co-productions and co-ventures. Co-productions may qualify as Canadian Film or Video Productions for the purposes of both the CPTC and CRTC rules, whereas co-ventures may qualify for status as a Canadian program only for CRTC purposes (see "Qualifying as a Canadian production for CRTC purposes").

2 The definition of "Canadian" and "producer" are set out in section 1106 of the Income Tax Regulations (C.R.C., c. 945).

## Live action productions

The point system is as follows for productions other than animated productions:

| Position | Points |
|---|---|
| Director | 2 |
| Screenwriter[1] | 2 |
| Highest Paid Lead Performer (or first voice) | 1 |
| Second Highest Paid Lead Performer (or second voice) | 1 |
| Production Designer/Art Director | 1 |
| Director of Photography | 1 |
| Music Composer (original music only) | 1 |
| Picture Editor | 1 |
| **Total** | **10** |

In addition, it should be noted that either the Director or Screenwriter, and either one of the two highest paid leading performers must be Canadian.

## Animated productions

A different 10-point scale applies to animated productions. Animated productions must (other than if it is a treaty co-production) satisfy a minimum of six of the following 10 points to qualify as a Canadian film or video production. Points are only awarded where the function is wholly performed by a Canadian or, in the case of location-base points, where the work is performed solely in Canada.

| Position | Points |
|---|---|
| Director | 1 |
| Principal screenwriter and Storyboard Supervisor | 1 |
| Highest Paid or Second Highest Paid Lead Voice[2] | 1 |
| Design Supervisor | 1 |
| Camera Operator (if work is done in Canada) | 1 |
| Composer of the Musical Score (original music only) | 1 |
| Picture Editor | 1 |
| Layout and Background performed in Canada | 1 |
| Key Animation performed in Canada | 1 |
| Assistant Animation/In-betweening performed in Canada | 1 |
| **Total** | **10** |

1 Points will only be awarded for the screenwriter if all screenwriters are Canadian (this includes writers, story editors, story consultants, showrunners, everyone involved in the development of the screenplay, from outline or treatment, drafts, polishes, to final shooting script), or if the principal screenwriter and author of the published work on which the screenplay is based are Canadian.

2 The criteria used to determine which performers are lead performers are: (i) remuneration, including benefits, residuals, travel and living expenses, etc., (ii) billing and (iii) screen time.



As with live action productions, the Director, or principal screenwriter and Storyboard Supervisor must be Canadian. In addition, the highest or second highest paid lead voice must be Canadian, and all key animation must be done in Canada.

### The CAVCO cost criteria: Canadian expenditures

The CAVCO rules require that at least 75% of the total costs for services provided in relation to production must be paid to Canadians in respect of services rendered by Canadians, regardless of where such services are rendered. The following costs are excluded from the calculation:

- Post-production and laboratory services;
- Producer remuneration (only fees paid to Canadian producer or co-producer);
- Amounts paid to key creative personnel who are covered by the point system;
- Legal and accounting costs;
- Insurance costs; and
- Financing costs.

In the case of animated productions, the costs associated with positions that entitle the production to a point based on the location where the work is done (i.e., layout and background, assistant animation and in-betweening, and key animation) are not considered to be excluded costs.

In addition, a minimum of 75% of the aggregate cost of post-production and laboratory work, processing and final preparation must be paid for services provided in Canada.

It should also be noted that producers and licensees can apply to CAVCO for preliminary recognition that a film or television production will be a Canadian Film or Video Production if the final production conforms to information submitted to CAVCO. This Canadian Film or Video Production Certificate or "Part A Certificate" (which also provides an estimate of the claimable tax credit) assists producers in financing productions. The production in question must be completed within two years of the year-end in which principal photography began, and must file for a final certificate of completion or "Part B Certificate" within 24 months from the end of the taxation year in which principal photography began. The Part B Certificate must be issued within 30 months from the end of the year in which principal photography began.

For more information on CAVCO, visit https://www.canada.ca/en/canadian-heritage/ services/funding/cavco-tax-credits.html

## Qualifying as a Canadian production for CRTC purposes

As of the date of this guide, the CRTC has issued its Broadcasting Regulatory Policy 2025-299 (which can be found here: https://crtc.gc.ca/eng/archive/2025/2025-299.htm) which addresses four issues that were considered in the consultation conducted by the CRTC (Broadcasting Notice of Consultation 2024-288): the certification framework for Canadian programs; artificial intelligence (AI); data collection and publication; and reporting requirements.

This new Broadcasting Regulatory Policy is being reviewed and will be added to this guide in the future.

**The PSTC encourages corporations to employ Canadians and is equal to 16% of qualifying labour expenditures with no cap.**

## Film or Video Production Services Tax Credit Program (PSTC)

A production that does not meet the Canadian content criteria for the CPTC may be eligible for the PSTC. The PSTC was designed to encourage corporations to employ Canadians. The company can be a foreign-owned or Canadian-owned corporation. This tax credit is equal to 16% of qualifying labour expenditures paid to Canadian residents, and there is no cap on the amount that can be claimed under this credit.

The tax credit is a refundable tax credit (that is, it is fully payable to the production company even if it owes no taxes), and it is calculated in conjunction with similar provincial tax credits.

### Eligibility requirements

- The applicant company performing production services must be either a Canadian-owned or foreign-owned corporation with a permanent establishment in Canada.
- The corporation must be primarily in the business of video or video production services. If the business of a corporation includes other activities, such as the distribution of films and videos, it may not be considered an eligible production corporation for the PSTC.
- The production company must either own the copyright in the film during the production period or be engaged directly by the copyright holder to provide production services.
- The total cost for a film or video production (including feature films) for the 24-month period after the date the principal filming or taping began must be more than CA$1 million. The total cost for each episode of a television series (consisting of two or more episodes or a pilot for a television series) must be more than CA$100,000 for an episode shorter than 30 minutes, or CA$200,000 for any other episode.
- The production must not fall under the excluded genre categories or productions listed by CAVCO.

### Eligible expenses

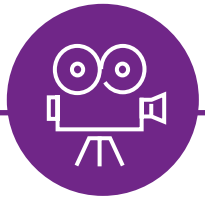
Expenses must be Canadian labour expenditures, which:

- Are reasonable in the circumstances;
- Are directly attributable to the production;
- Were paid to persons who were residents of Canada at the time the payment was made;
- Were incurred during the production process (final script to post-production);
- Are paid for services provided in Canada; and
- Are paid in the year or within 60 days after the end of the year.

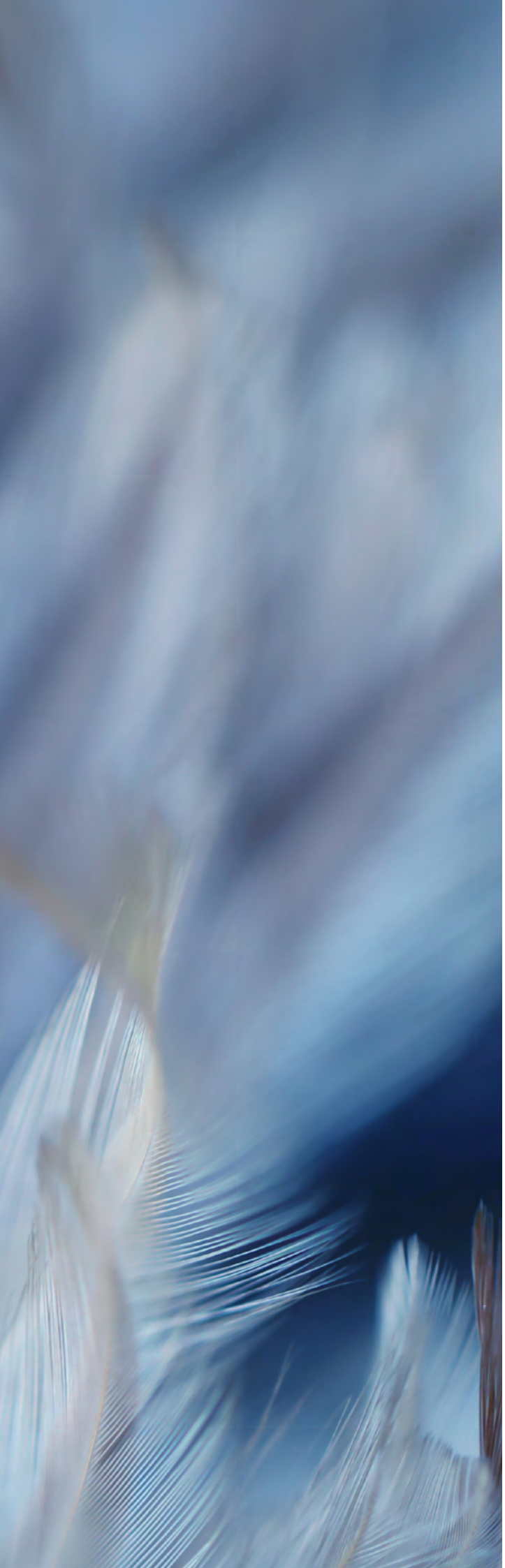
For more information on the PSTC program, visit canada.ca/candian-heritage/cavco-tax-credits

## Canada Media Fund (CMF)

The Canada Media Fund (CMF) is a public-private partnership that fosters, finances and promotes the creation of Canadian television and digital media content across all platforms, with an annual budget drawn from the federal government and Canadian cable, satellite and IPTV distributors. Its core programs include the Convergent Stream, which backs TV and companion digital projects in genres like drama, documentary and children's/youth; the Experimental Stream, which funds cutting-edge interactive media, games, VR/AR and software prototypes with up to CA$1.5 million per phase; and the Sector Development Stream, which supports industry-wide initiatives such as the new Changing Narratives Fund aimed at amplifying under-represented voices through mentorship, training and production access for Indigenous, Black, racialized, 2SLGBTQ+ and disability communities. Additional information and program guidelines can be found at https://cmf-fmc.ca.



**The CMF operates on a budget of approximately CA$362 million and is subject to yearly review.**



## Telefilm Canada

Telefilm's mandate is "to foster and promote the development of the audiovisual industry in Canada," and makes financing available through its Development Program and Production Program.

Telefilm Canada administers a range of funding programs designed to support the development, production and promotion of Canadian audiovisual content, with a particular focus on feature films. The main programs include the Development Program, which offers repayable advances for script and project development across several streams (Prequalified, General, Indigenous and Black/People of Colour), and the Production Program, which provides financial support at the production and post-production stages. Eligibility for these programs generally requires applicants to be Canadian-controlled production companies, with projects that are Canadian in content, language, and creative control. Specific streams within the Development Program target underrepresented groups, such as Indigenous and Black/People of Colour-led companies, with tailored eligibility criteria and funding caps.

The Production Program offers a mix of non-repayable contributions, repayable advances and equity investments, with funding amounts determined by project budget and language. Additional initiatives, such as Greenlight Pre-Production Advances and dedicated Indigenous Streams, further support projects with unique needs or from underrepresented communities. Across all programs, Telefilm emphasizes Canadian ownership, creative control and compliance with Canadian content certification requirements. The document provides legal professionals with a structured overview of the eligibility criteria, funding structures and application limitations relevant to advising clients seeking to access Telefilm Canada's support.

For information on these programs, please visit

https://telefilm.ca

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https://telefilm.ca



Canada is a party to co-production treaties with more than 50 countries.

Co-production treaties pool resources to reduce production risks and simplifies procedures between participating countries.

# Official co-productions

Canada is a party to co-production treaties with more than 50 countries, which notably exclude the United States. For a current list of co-production treaties between Canada and other countries, visit telefilm.ca.

Co-production treaties are designed to assist Canadian producers and their counterparts in one or more other countries collaborate on a production. This pooling of the creative, technical and financial resources of both producers helps to reduce the various risks of production and enhances the ability of the co-producers to finance and proceed with the production. Co-production treaties also simplify administrative and regulatory procedures such that goods and equipment used for production can flow easily between the participating countries.

When a production is made in accordance with a co-production treaty, the production gains "official co-production" status. In Canada, Telefilm Canada evaluates and recommends projects likely to be recognized by the Department of Canadian Heritage as official co-productions. As an official coproduction, the production is treated as a "national production" of each co-producing country, and is subsequently eligible for government incentives and tax benefits in both countries on a proportionate basis. In Canada, an official co-production should qualify for treatment as a Canadian Film or Video Production for the purposes of the CPTC, and as a Canadian program for the purposes of the CRTC. For example, if the Canadian co-producer is responsible for 60% of the co-production budget, then 60% of the budget is generally eligible for Canadian subsidies and the CPTC. The production may also be eligible for benefits under provincial programs, and, as a Canadian program, may be able to command higher license fees from broadcasters. It is important to note that these are general rules, and the level and type of government support available are subject to the terms of the particular treaty and the application of specific provincial rules.

Co-production agreements generally specify the minimum financial, creative and technical participation required by each party, conditions for participation by third parties, and procedures for entry and exit of personnel and equipment from participating countries. Such agreements also specify the language of the production and co-producers, and stipulate that all services are to be provided by nationals of the participating countries. In general, the production must be filmed in one or more of the co-producers' countries. However, approval to film in a third-party country is occasionally granted. Approval may also be obtained to use an actor who is not a national of any of the co-producers' countries.

Generally, co-producers share responsibility for the exploitation of the completed production. Exploitation within a co-producer's home country is the responsibility of that producer, and proceeds from such exploitation generally belong to that co-producer. Receipts from exploitation in other countries are usually split between co-producers in proportion to their contributions to the production budget. Typically, the copyright is shared, while domestic use of the copyright is controlled by the respective co-producers.

For an international co-production to gain official co-production status, a co-production must be approved by the Co-Production office of Telefilm Canada. The approval process begins when the co-production agreement and supporting material are submitted to Telefilm Canada for a "Preliminary Recommendation." This recommendation will be granted if the production appears to comply with all aspects of the relevant co-production treaty. If the production is financed and made in accordance with the co-production agreement, Telefilm Canada will generally grant a "Final Recommendation." Telefilm's recommendation will be communicated to CAVCO for the purposes of certification and eligibility for the CPTC (and other analogous credits). If a production meets the terms of the treaty, but does not meet the requirements of the CPTC, or if the producer does not wish to apply for the CPTC, the producer may request an attestation of co-production status instead of the CPTC certificate. This request may also be made through CAVCO. Any changes to a project may result in the loss of official co-production status. Consequently, all changes are subject to review by Telefilm.

## Telefilm Canada certification for co-productions

For a treaty co-production to be considered a "Canadian film or video production" and thus eligible for the CPTC, the Canadian production company must apply to Telefilm Canada. Co-productions will generally be certified by Telefilm Canada if all of the following criteria are satisfied: (subject to the provisions of each treaty)

- Financial, creative, and technical contribution, and the level of expenditure must all be in proportion of each co-producing country. For example, if the project is 40% Canadian, it is expected that 40% of the budget be spent in Canada.
- The Canadian financing covers the cost of Canadian elements, which can never be lower than the minimum applicable treaty requirement. The minimum financial participation of each country varies from 15 to 30%, depending on the treaty.
- All personnel hired to work on an official co-production must come from the co-producing countries. The producer, crew and personnel exercising control over the creative, financial and technical aspects of the Canadian share of the project must be Canadian citizens or permanent residents.
- For Belgium (Belgium Communities), China, France, India, Ireland, Jordan, Luxembourg, New Zealand, and Ukraine, the sharing of copyright and revenues, the sharing of copyright and revenues must be, in principle, proportional to the percentage of financial participation of each of the co-producers, and may not be less than the minimum percentage set out in the applicable co-production treaty. For all other countries, subject to the applicable treaty's provisions, the Canadian producer must retain a fair share of the revenues collected from all territories, including those from the co-producing country or countries. After recoupment of production costs, the Canadian producer's revenue share should be at least equivalent to the applicable treaty's minimum financial contribution, or to the Canadian financial contribution in the co-production, whichever is greater.
- For co-productions with a European Union member country, the director(s) and scriptwriter(s) must be citizens or permanent residents of Canada or a European Union member country.
- Co-production must be produced jointly with an eligible producer in a country that has signed an audiovisual co-production treaty with Canada.
- Production and post-production of the project must be carried out in co-producing countries.
- Eligible Canadian applicants must have its headquarters and carry out its activities in Canada.

### Eligible projects

The following applies to Belgium (Belgium Communities), China, France, India, Ireland, Jordan, Luxembourg, New Zealand and Ukraine which all entered into agreements after July 1, 2014 and as a result operate under Canada's Policy on Audiovisual Treaty Co-Production:

- A film intended for theatrical release, television broadcast (including VOD), or DVD distribution, which may be accompanied by one or more online video works or applications.
- A television production intended for television broadcast (including VOD) or DVD distribution, which may be accompanied by one or more online video works or applications.
- An online video work or application that engages the user in a storytelling experience, and is designed for and made available to the public by way of a digital network, including Internet and mobile. These include
  - Original linear content, including films, TV productions, webisodes made for consumption online; and
  - Original non-linear content, including immersive websites, mobile content and applications.
- The Canadian producer must be able to demonstrate that a commitment has been obtained for the distribution or broadcast of the project in Canada and in the territory of the co-producing partner. Where a co-producing partner is unable to obtain such a commitment in their territory, a distribution or broadcast commitment in a territory other than the co-producing territory can be an acceptable alternative, with the mutual written consent of the authorities of the co-producing territory.

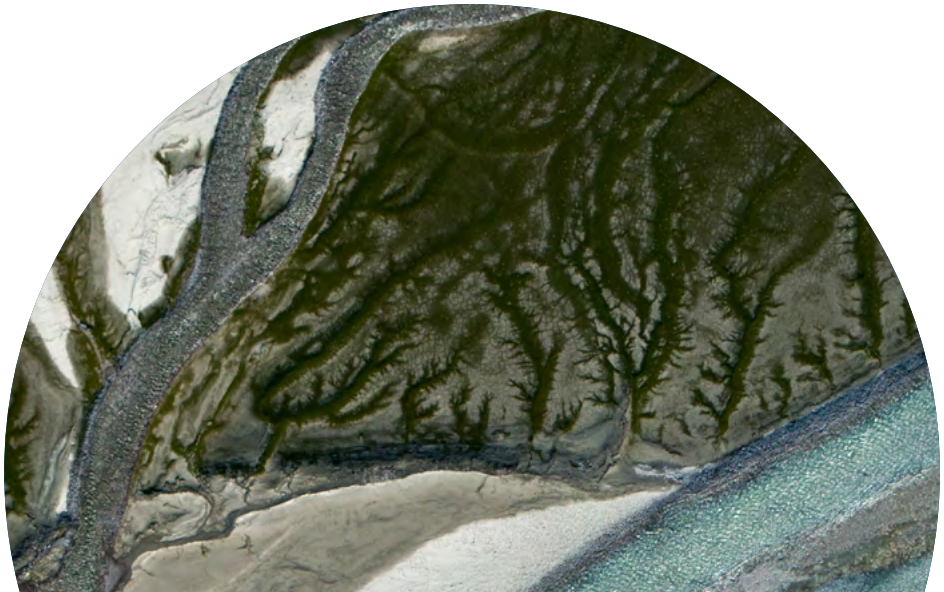
**The following applies to all other countries:**

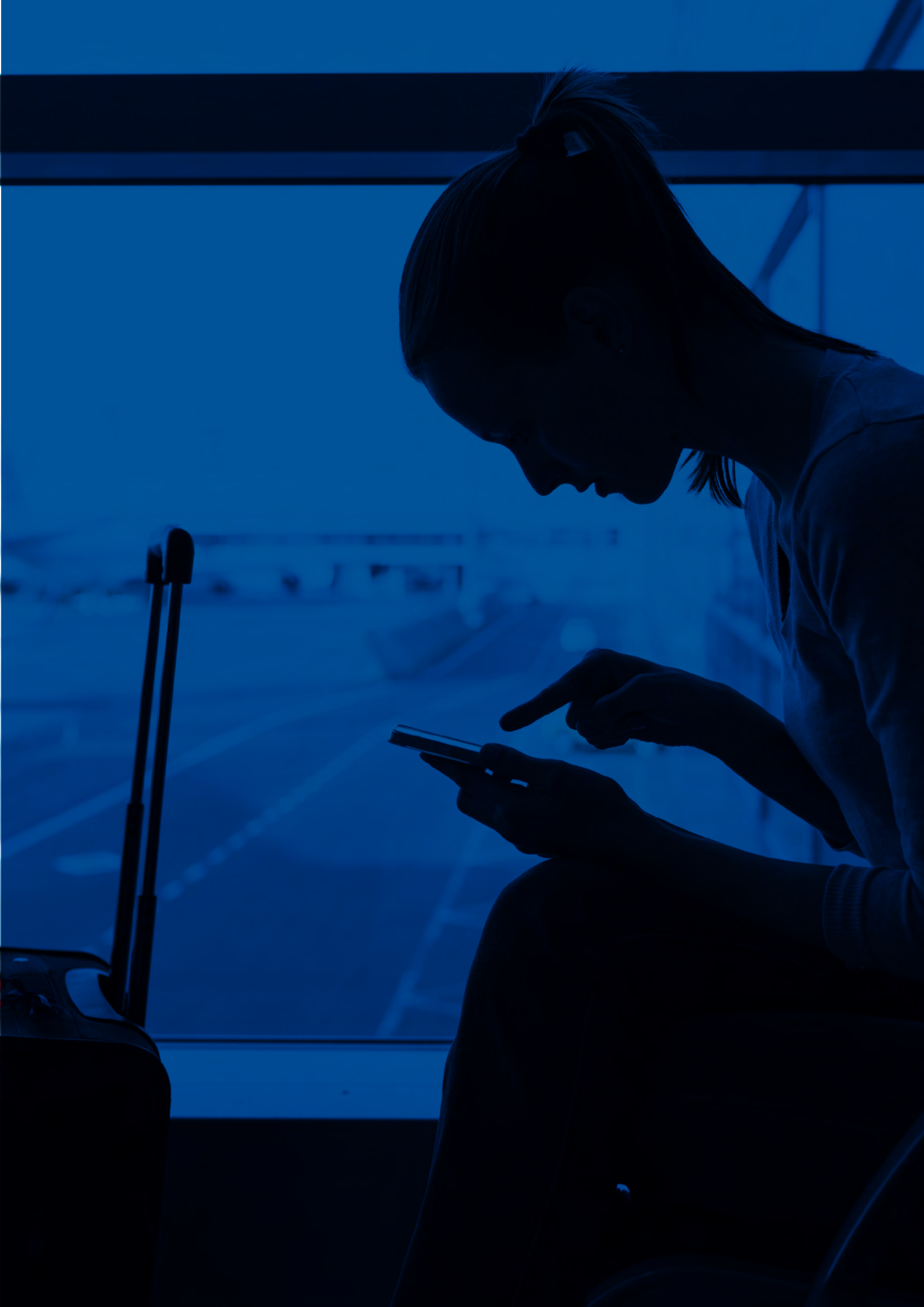
- An audiovisual work (defined as a film and/or television production of any length or genre, including live action or animation production, which complies with the provisions of the audiovisual industry in each co-producing country) that meets the requirements and conditions in the applicable co-production treaty or established by the authorities.
- A project may be originally conceived for any type of work provided that the creative, financial, and technical control remains vested with the co-producers.
- A project previously conceived in a non-co-producing country may be eligible subject to the co-producer(s) demonstrating that, since acquiring the underlying rights, they have substantially developed and scripted the project. The co-producers must be fully and directly responsible for the development and implementation of the creative, artistic, technical, and financial elements, and all credited scriptwriters must, for Canada, be citizens or permanent residents, and for other co-producing countries, be citizens or residents as required by the authorities of the co-producing countries.
- Projects conceived, developed or scripted by professionals from non-co-producing countries and then entrusted to the co-producers for financing and shooting are not eligible to be recognized as treaty co-productions.
- Subject to the applicable treaty's provisions, all exploitation and distribution rights in the Canadian market must be under the effective control of the Canadian producer or a Canadian distributor/broadcaster.

## Inter-provincial co-productions

The guidelines for inter-provincial co-productions are designed to assist Canadian producers in one or more other provinces to collaborate on a production, and access tax incentives and government financing in their respective province. Similar to international co-productions, inter-provincial co-productions facilitate the financial and creative collaboration between producers from various provinces. However, guidelines for inter-provincial co-productions tend to be less complex than those set out in various international co-production treaties. Still, there may be various requirements dealing with ownership issues and minimum expenditures in order to qualify for some provincial tax credits, and as such the specific provincial guidelines governing co-productions should be reviewed carefully.









# Private incentives

There are various private programming funds available to assist in the financing of film and television program development, production and/or distribution. Similar to government incentives, these private incentives support distinctively Canadian-content productions and stimulate production in certain provinces. These incentives are usually in the form of equity, loans or grants.

Information contacts for some of these programs are as follows:

**Bell Fund**
https://bellfund.ca
info@bellfund.ca
416.977.8154

**Independent Production Fund**
ipf.ca
info@ipf.ca
416.977.8966

**Northern Ontario Heritage Fund**
nohfc.ca
AskNOHFC@ontario.ca
1.800.461.8329

**Rogers Group of Funds**
rogersgroupoffunds.com
rogersgroupoffunds@rci.rogers.com
416.935.2526

**Shaw Rocket Fund**
rocketfund.ca
info@rocketfund.ca
587.899.4517

**Telus Fund**
telusfund.ca
info@telusfund.ca
1.604.317.0684

# Alberta government incentive programs

## Film and Television Tax Credit (FTTC)

The FTTC offers a refundable Alberta tax credit on eligible Alberta production and labour costs to corporations that produce films, television series and other eligible screen-based productions in the province. Applicants may apply for either a 22% or 30% tax credit based on the eligibility criteria.

### Eligibility of production

To be eligible for either level of the FTTC, a production must:

- Have total production costs of CA$499,999 (before GST) or greater;
- Not have received funding from the Alberta Production Grant or the Alberta Screen-Based Production Grant;
- Be a new production – repackaging of previously completed productions is not permitted under the program and will be deemed ineligible;
- Begin principal photography no later than six months after an Authorization Letter is issued.
- The production must be completed, and final deliverables provided to the program, within 42 months of the date of issuance of the Authorization Letter

In addition to the basic eligibility requirements above, productions applying for a 30% tax credit must also:

- Be owned (at least 50%) by Alberta-based shareholders; this includes proportionate financial control and proportionate profit participation (for information on completing the calculation, please refer to guidelines for the FTTC here);
- Have at least one Alberta-based producer with a single card credit recognition;
- Have the production's copyright held, at least in part, by an Alberta-based individual, partnership or corporation at the time of application and for a minimum of 10 years following the completion of production; provided a transfer of the production's copyright during this holding period is permitted, as long as the copyright remains owned, at least in part, by an Alberta-based individual, partnership or corporation. Failure to comply with this holding requirement may result in the tax credit certificate being revoked and a new tax credit certificate issued at the 22% rate.
- Spend at least 60% of the total production costs in Alberta OR spend at least 70% of the total production salary or wages on Alberta-based individuals.

**CA$599 Million**

Total volume of film and television production in Alberta, Saskatchewan, Manitoba, Yukon, Nunavut and Northwest Territories in 2024/2025

- Source: *Profile 2025, CMPA*

In addition to the foregoing a production must provide written evidence of (i) a commercial license agreement for the production from a third party broadcaster or distributor (where no commercial license agreement exists (e.g., studio-financed productions, or productions by streaming providers), applicants may provide a letter on studio letterhead signed by a studio executive confirming no such agreement exists and that the production will be available through their platform) and (ii) confirmed financing for 50% of the production's budget (excluding Government of Alberta funding); provided that applicant productions that are fully studio-financed or fully financed by streaming providers may provide a letter on studio letterhead signed by a studio executive confirming that the production is fully funded (100%) by the studio/streamer provider and that no other financing exists.

Certain genres of production and platforms are NOT eligible for funding (similar to those genres excluded by CAVCO), but with the addition of video games and a production for which financial support would in the opinion of the Minister, be contrary to public policy.

### International treaty co-productions

International treaty co-productions may be eligible for a 30% tax credit certificate if they:

- Have at least one Alberta-based producer with a single card credit recognition;
- Spend at least 60% of the total production costs in Alberta or spend at least 70% of the total production salary or wages on Alberta-based individuals.

### Eligibility of applicant

To be eligible for the FTTC, a corporation must:

- Be primarily engaged in film, television and/or digital media production;
- Be incorporated in Alberta under the *Business Corporations Act*, registered as an extra-provincial company in Alberta and/or continued as an Alberta company through a Certificate of Continuance; and
- Not be exempt from paying taxes under the *Alberta Corporate Tax Act* (or be controlled by a corporation that is).

### FTTC application process

Applicants to the program may be submitted by an ineligible parent corporation on behalf of an eligible corporation that will be established in the future. Following a successful evaluation, applicants will receive an Authorization Letter advising them of the maximum tax credit certificate that they are eligible to receive. An Authorization Letter will only be issued to an eligible corporation that meets all of the criteria above. The maximum tax credit certificate amount will be calculated by multiplying the applicable tax credit rate by the estimated eligible production costs verified by the program. Applicants must respond within 14 days of receiving the Authorization Letter to indicate their acceptance of same and to provide any documentation requested in the letter.

Unsuccessful applicants are permitted to reapply once within 12 months of receiving notification that their initial application was declined, even if they have already begun principal photography on the production.

After completion of the production, the applicant who has received an Authorization Letter may request a tax credit upon submission of, among other things, a final report form and audited financial statement of production costs. Once a tax credit certificate is granted to the applicant, the applicant files same as part of its taxes.

## Alberta Made Production Grant (AMPG)

### General description

The AMPG was created to support smaller budget productions in Alberta. This program contributes towards the government's goal of growing Alberta's cultural industries. In recognizing that small-budget productions have different funding needs than large-budget productions, the grant provides funding to help productions manage their immediate cash flow needs via an interim payment.

The AMPG is a competitive program with a limited budget and offers a 25% grant on all eligible Alberta labour and non-labour expenses to a maximum of CA$125,000.

The AMPG has two intake windows: January 2 to 16 and July 2 to 16. Grant funds are paid in two installments based upon the completion of milestones. The AMPG also allows a bulk overhead deduction equal to 12% of the costs listed in the B + C portions of the budget. There is no limit to the number of projects an applicant and parent company or affiliates can submit per window; however, should the program be oversubscribed, the Minister reserves the right to limit the number of approvals granted to an applicant or its affiliates, regardless of scoring, in order to fund a diverse portfolio of projects.

Projects that have received funding from the Film and Television Tax Credit Program, administered through the Ministry of Jobs, Economy and Innovation, are not eligible to apply for the Alberta Made Production Grant program.

Beginning July 2023, applicants may be eligible to receive a top-up of up to CA$35,000 or to a maximum of 7% of the total Alberta expenses for activities related to on-set training, job shadowing and mentorship.

### Eligibility of production

The grant will be available to Albertan productions that are not of an ineligible genre and:

- Have total budgets under CA$499,000 (Alberta and Non-Alberta Costs) and have a minimum eligible Alberta spend in excess of CA$50,000;
- Applicant companies must: be incorporated and in good standing with the Alberta Corporate Registry; have a minimum of 51% Alberta ownership; be primarily engaged in film, television and/or digital media production; be in good standing in all respects with the Alberta Media Fund; and, not be a broadcaster or distributor for the purposes of the project;
- Are new and not a repackaged or previously completed project;
- Creative material must be owned 51% or more by the applicant company who must have the rights to develop and exploit the project;
- Has a fully executed commercial license or distribution agreement through a non-related third party company;
- Has a minimum of 50% secured financing (including projected AMPG funds);
- New in 2023, applicants are no longer required to obtain Error and Omissions Insurance to be eligible for the AMPG. The risk of not having the proper insurance is the applicant's alone;
- Principal photography commenced no more than 180 days prior to the opening of the application intake window or will commence within 180 days following notification of grant approval; and
- Are a minimum length of 22 minutes (shorts may be considered eligible at the Minister's discretion).

## Post-Production, Visual Effects and Digital Animation Grant (PPG)

The PPG, under the Alberta Media Fund (AMF), provides funding to support Alberta companies that use Alberta labour on post-production, visual effects, and digital animation projects.

The PPG offers a grant of 18% of eligible Albertan invoiced labour for qualified projects. A grant of 12.5% of the total eligible Alberta costs will be calculated, which represents an industry standard invoice breakdown of 70% labour and 30% non-labour costs; an 18% grant on the 70% labour portion equates to a 12.5% grant on the invoice total.

Applications are accepted until March 1 each year, or when all funds for the budget year have been allocated. An applicant can submit an unlimited number of applications, however the maximum amount an organization or their affiliates can receive in grant funding per budget year is CA$200,000.

Applicants can claim for multiple projects in each application, but projects must be claimed separately within the application. Submissions with a combined total of eligible Alberta invoice values less than CA$4,000 and a minimum per project value of less than CA$500 in eligible costs will not be considered. Multiple applications can be made throughout the year as long as there is budget remaining.

Applications must be received within 60 calendar days of completion of post-production, invoice date or signature date on the deal memo signed by the production company. Projects with budgets in excess of CA$150,000 and a deal memo signed with a production company may qualify to have funds reserved; applications must be received within 60 calendar days from signature date on the deal memo and funds will not be granted until project completion.

Grants to eligible recipients are calculated based on a percentage of specific Albertan labour expenses directly attributable to post-production, visual effects and/or digital animation services.

**Eligibility of applicant:**

- The organization must be incorporated in Alberta under the Business Corporation Act, or registered as an extra-provincial company in Alberta and be in good standing with the Corporate Registry or operate as a sole proprietorship with a registered trade name in Alberta
- All applicants must be in good standing in all respects with funding received from the Government of Alberta including the AMF
- The organization must be able to demonstrate that the organization provides services for arm's length, third party organizations on a regular basis

**Eligible projects include but are not limited to:**

- Editing of video and audio
- Subtitling and closed-captioning
- Creation and editing of visual and sound effects
- Digital animation
- Projects produced primarily for distribution to a public audience
- Projects that have been submitted to the AMF within 60 days of the post-production end date, invoice date or signature date on the deal memo with a production company
- Projects that have a minimum eligible invoice value of CA$500

**Ineligible projects include but are not limited to:**

- Grants to eligible recipients are calculated based on a percentage of specific Albertan labour expenses directly attributable to post-production, visual effects and/or digital animation services.

**Eligibility of applicant:** The organization must be incorporated in Alberta under the Business Corporation Act, or registered as an extra-provincial company in Alberta and be in good standing with the Corporate Registry or operate as a sole proprietorship with a registered trade name in Alberta All applicants must be in good standing in all respects with funding received from the Government of Alberta including the AMF The organization must be able to demonstrate that the organization provides services for arm's length, third party organizations on a regular basis

**Eligible projects include but are not limited to:**
Editing of video and audioSubtitling and closed-captioningCreation and editing of visual and sound effectsDigital animation Projects produced primarily for distribution to a public audience Projects that have been submitted to the AMF within 60 days of the post-production end date, invoice date or signature date on the deal memo with a production company Projects that have a minimum eligible invoice value of CA$500

**Ineligible projects include but are not limited to:**
Productions that solicit fundsas CDs or DVDs)

- Archiving for corporate, institutional and preservation purposes as CDs or DVDs)
- Archiving for corporate, institutional and preservation purposes
- Pornography/adult entertainment
- Productions made for internal corporate use
- Productions where support would be considered contrary to public policy, including the promotion of: hate against an identifiable group and exploitation of sex, violence, horror or cruelty

## Alberta Project/Script Development Grant (PSDG)

The PSDG, offered under the Alberta Media Fund (AMF), provides Alberta writers, directors, and producers with funding to help cover expenses related to the development of professional quality, commercial-ready projects, and/or scripts.

Applications must involve participation of both a writer and producer (the same individual may fulfill both roles), and the producer must be an Alberta resident. The PSDG has two intake windows: January 1 to March 1 and September 1 to October 16.

Applicants may apply for up to CA$55,000 per project (or a total of CA$70,000 per parent company with multiple projects) per fiscal year at the following phases of development:

- Pre-development: grant may not exceed 50% of the pre-development budget, to a maximum grant of CA$15,000
- First draft: grant may not exceed 30% of the first draft budget, to a maximum of CA$25,000
- Final draft: grant may not exceed 30% of the final draft budget, to a maximum of CA$15,000

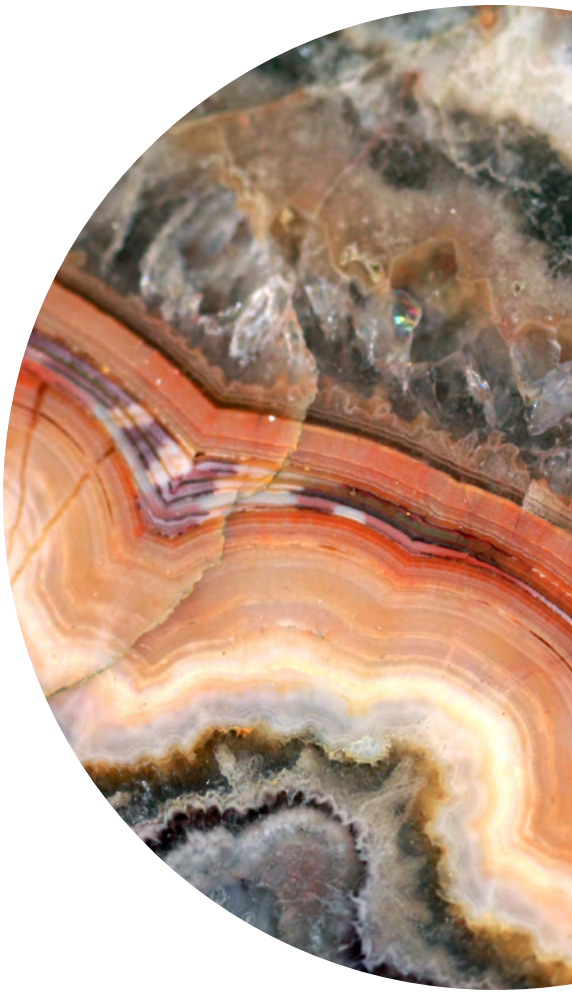
Applicants may apply for more than one phase of development per submission. Grant recipients must have met all reporting requirements for each development phase in order to be eligible to apply for subsequent funding.

Deferrals are not accepted in the pre-development phase. In the first/final draft phase, producer deferrals can comprise a maximum of 20% of the first/final draft budget. Writer deferrals will only be accepted if the writer is a stakeholder in the company. Additionally, a minimum of 15% third-party investment/financing is required for first draft and final draft phases; producer investment may comprise the balance of the budget. At the time of submission, applicants must provide evidence of 100% confirmed financing (which can include anticipated AMF grant funding, other funders, producer investment, and third party financing).

Eligible organizations are those that are incorporated in Alberta and are in good standing with the Corporate Registry and the AMF.

Eligible projects must be new productions (repackaging of previously completed projects will not be considered) and at least 30 broadcast minutes in length. Projects that are not eligible for funding include: news, current events or public affairs programming; talk shows; productions in respect to a game or contest; sports events or activities; productions that solicit funds; reality tv; pornography/ adult entertainment; advertising; console or online video games; software programming platforms; video distribution platforms or aggregators.

Eligible expenses include, but are not limited to: option fees for literary material; writer and producer fees; series proposals; research or travel expenses; script consulting and editing fees; corporate overhead and legal fees; screenplay workshopping; demo reel and pitching material. Capital items and expenses incurred prior to application submissions are not considered eligible.



## Cultural Industry Grants (CIG)

The CIG, under the Alberta Media Fund (AMF), provides funding for projects and organizations involved in book publishing, magazine publishing, sound recording, and film production. The Organization Project Grant and the Support Organization Operating Grant are two grants available under the CIG that apply to film and some screen-based projects.

### The Organization Project Grant:

The Organization Project Grant assists Alberta-based companies engaged in the production of books, magazines, or sound recordings, as well as some screen-based projects. The grant may be used to support projects in art production, training, career development, marketing, and research. Organizations can apply for up to 100% of eligible expenses up to a maximum of CA$20,000; any unused portions of the grant must be returned to the Government of Alberta. The application deadline is June 1 (extended to the next working day if falls on a statutory holiday or weekend).

Eligible film production companies must be primarily engaged in film/video productions for public viewing and either will create or have created a film or video production available for public viewing that has a running time, or combined times in the case of multiple productions, of at least 30 minutes. Eligible organizations must also be registered and in good standing with the appropriate legislation, must be based in Alberta (including the location of the head office), and be majority owned by Alberta residents.

Eligible projects must meet the criteria in one or more of the following categories: art production; training and career development; marketing; and/or research.

Projects considered ineligible are self-published, corporate or agency newsletters, and corporate video productions.

Eligible expenses include, but are not limited to: transportation and accommodation; royalties or licenses; editing fees; administration and contract fees; promotion and publicity; production.

Ineligible expenses include expenses that occur before the application date and those already covered under the Alberta Project/Script Grant or the Alberta Foundation for the Arts.

### The Support Organization Project Grant:

- This grant provides support for the creative and financial sustainability of Cultural Industry Support Organizations by assisting with annual operating and programming expenses of eligible organizations. Under this grant within the Alberta Media Fund (AMF), certain organizations can apply for funding to support the production of books, magazines, sound recordings or film production in Alberta. The Alberta Culture and Status of Women designates eligibility to apply for this grant to the following organizations:
- Alberta Magazine Publishers Association
- Alberta Music Industry Association
- Book Publishers Association of Alberta
- Alberta Media Production Industries Association

The application deadline is June 1 (extended to the next working day if falls on a statutory holiday or weekend), and intake opens 60 days prior to the deadline.

Funding is determined for a 3 year cycle, and grant calculations consist of 2 components:

- A base amount of CA$50,000 for operating expenses; and,
- Up to 50% of eligible expenses, over and above the base amount

An expert panel will make funding recommendations over and above the base amount to the department upon review and evaluation of certain criteria including the balance between the four keystones of Access, Capacity, Excellence, and Cultural Industry from The Spirit of Alberta.

Recipients are required to submit a complete application and reporting materials by June 1 of each year during their three-year application cycle. Any unused portions of the grant must be returned to the Government of Alberta.

Eligible organizations must be in good standing with the Alberta Corporate Registry, be based in Alberta (including the location of the head office), and support organizations that produce books, magazines, sound recordings or film production.

Operating expenses eligible for funding include, but are not limited to: administration, programming, pay for permanent employees, artists and contractors, maintenance of equipment and fixed assets, and rent.

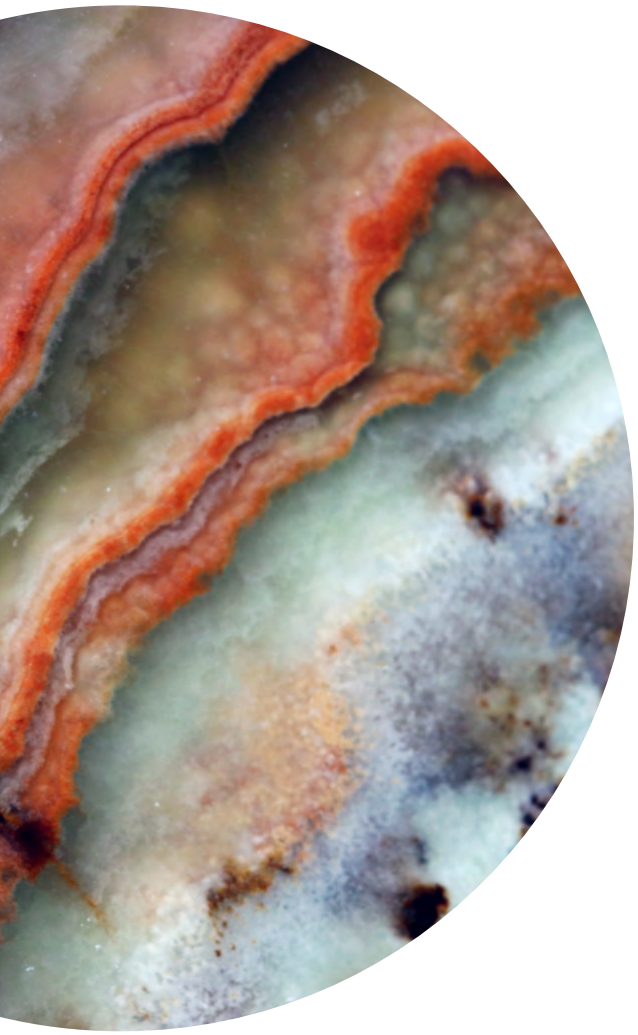
Credit to the Government of Alberta for financial support must be acknowledged in any publicity prepared in relation to the organization's activities. A minimum reduction of not less than 10% will be applied to the subsequent grant of any organization that does not satisfy the Government of Alberta recognition requirements.



## Film and Video Individual Project Funding

Offered through the Albert Foundation for the Arts (AFA), this funding provides up to CA$15,000 to support the development of individual Alberta artists, arts administrators, or an ensemble of artists by providing funding for a specific film and video arts project. Applicants can apply for up to 100% of eligible expenses that are directly related to carrying out the proposed project.

Applicants may submit only one application to the AFA each deadline across all disciplines, and applications must be received prior to the commencement of the project. Projects involving more than one artist must be submitted by one individual on behalf of the ensemble or group.



Funding is to be used to support artistic activities in: art production, marketing, research, and training and career development. Grant funds must be returned to the AFA if the project cannot be completed as proposed. Additionally, any unused portions of funding must be returned to the AFA.

Eligible film and video arts projects are independent works in film and video produced by individual artists. Eligible film genres include, but are not limited to: narrative shorts and features, experimental shorts, documentary, and animation.

### Individual eligibility criteria:

- Must be a resident of Alberta for at least one full year before applying
- Must be in good standing with the AFA with no open or outstanding projects or reporting to apply; previous grant recipients must ensure all final reporting has been approved by the AFA before new applications are accepted
- Applicants, including ensembles or collectives, must not be incorporated under either provincial or federal legislation

Eligible expenses include, but are not limited to: contracted artist and/or technician fees; production; royalties; transportation and accommodation; and promotion and publicity.

Ineligible expenses include, but are not limited to: artistic activities or projects undertaken in order to fulfill credit or thesis requirements; projects that are primarily commercial in nature.

All members of an ensemble, collective, or collaboration must meet the individual eligibility criteria. Principal artists cannot apply and/or receive funding for multiple projects at the same time, whether as an individual or a member of various ensembles, collectives or collaborations.

For a project to be eligible for AFA funding, the applicant must have complete editorial and creative control over the proposed project and must retain at least 75% of copyright.

Whenever possible, recipients must acknowledge the AFA for financial support in any publicity prepared in relation to the project.

# British Columbia government incentive programs

Creative BC administers the following tax credit programs:

## Film Incentive BC (FIBC)

THE FIBC is a labour-based, refundable corporate income tax credit. Production corporations must apply to Creative BC to receive an eligibility and completion certificate for their production. In order to claim FIBC tax credits, production corporations must file a corporate income tax return, along with the certificates, with the CRA. The film and television tax credits cannot be claimed if the British Columbia production services tax credit is claimed for that production. The program includes six initiatives:

### Scriptwriting Tax Credit

This Scriptwriting Tax Credit (STC) is a refundable film and television tax

credit that is 35% of eligible BC scriptwriting expenditure paid to a BC-based scriptwriter that are directly attributable to the development of script material of a production, incurred by a corporation either after February 20, 2018 or 2 years before the principal photography start date (whichever is later), and incurred before the end of the final script stage of the production. A qualifying production corporation must be eligible for and claim the Film and Television Basic tax credit in order to claim the STC. This incentive must be accessed in conjunction with the FIBC basic incentive.

### Basic incentive

This tax credit is equal to 40% of eligible British Columbia labour costs up to a maximum of 60% of total eligible production costs (excluding assistance).

**CA$2.69 billion**

Total volume of film and television production in British Columbia in 2024/25.

- Source: *Profile 2025*, CMPA

### Regional incentive

This tax credit is equal to 12.5% of qualified British Columbia labour costs, pro-rated by the number of days of principal photography outside the designated Vancouver area, divided by the total number of days of principal photography in British Columbia. It assists production companies that shoot their productions outside of the designated Vancouver area. To be eligible, the production must have at least 5 principal photography days outside the designated Vancouver area and over 50% of the British Columbia principal photography days must be outside the designated Vancouver area. For a television series, this double threshold applies for a minimum of 3 episodes as a group (the qualifying episodes) and this tax credit is further pro-rated by the number of qualifying episodes to the total number of episodes. For animated productions, this tax credit is based on BC labour expenditure in respect of services rendered in BC outside the designated Vancouver area. This incentive must be accessed in conjunction with the FIBC basic incentive.

### Distant location regional incentive

This tax credit is equal to 6% of qualified British Columbia labour costs. The distant location is that part of BC that is not included within the area that extends from the designated Vancouver area north, up to and including Whistler, and east to include Hope. For live action productions, qualified BC labour costs are prorated by the number of days of principal photography in BC within a prescribed area to the total days of principal photography in BC. To be eligible for this tax credit, the production must be eligible for the Regional Tax Credit and have at least one principal photography day in a distant location. For a television series, this requirement applies to the qualifying episodes and the Distant Location Tax Credit is further prorated by the number of qualifying episodes to the total number of episodes. For animated productions, this tax credit is based on BC labour expenditure in respect of services rendered in BC in a distant location; there is no minimum number or percentage of principal photography days required and there is no proration based on principal photography days. This incentive must be accessed in conjunction with the FIBC basic incentive.

### Training incentive

This tax credit is the lesser of 30% of trainee salaries or 3% of eligible British Columbia labour costs. To be eligible for the training incentive tax credit, a trainee must be a British Columbia-based individual registered in an approved training program. This incentive must be accessed in conjunction with the FIBC basic incentive.

### Digital animation or visual effects (DAVE) incentive

This tax credit is equal to 16% of eligible British Columbia labour costs incurred in making the production, and which are directly attributable to eligible digital animation or visual effects activities, or post-production activities. This incentive must be accessed in conjunction with the FIBC basic incentive.

### Eligibility requirements

- The production corporation claiming the tax credit must be a BC-based Canadian-controlled corporation.
- The producer of the production must be a BC-based individual, who is Canadian.
- More than 50% of the copyright of the production must be owned by the BC-based Canadian-controlled corporation.
- 75% of principal photography days (or key animation days for animated productions) of the production must be done in BC (n/a for documentaries).
- The production must be Canadian content (i.e., meet the minimum key creative point requirements).
- A minimum of 75% of total production costs must be spent on goods or services provided in British Columbia by BC-based individuals or companies. For documentaries, at least 75% of total production costs must be paid to BC-based individuals or corporations. In addition, a minimum of 75% of post-production costs must be paid in respect of post-production work carried out in British Columbia.
- The production must be shown in Canada within two years from completion of the production by a Canadian distributor or broadcaster.

- Some genres are excluded, such as: pornography, talk shows, news, live sporting events, game shows, reality television and advertising.
- Non-BC individuals cannot receive a 'producer' or 'co-producer' credit.
- The production corporation (or a related eligible corporation - a BC-based Canadian-controlled related corporation) must control the initial licensing of the commercial exploitation of the production.
- The production must be completed within 24 months of the end of the taxation year in which principal photography (or, for animated productions, key animation) began.
- The production corporation must apply for and receive a completion certificate within 30 months from the end of the taxation year in which principal photography (or, for animated productions, key animation) began.
- There can be no distribution in Canada by a non-Canadian distributor or broadcaster within 24 months of completion.

It should be noted that special rules apply to documentaries, international treaty co-productions and inter-provincial co-productions.

## Provincial Production Services Tax Credit (PSTC)

The PSTC is a package of refundable corporate income tax credits available to productions that are not Canadian content productions, which are divided into four specific categories (it should be noted that a particular production may access only one of the FIBC or the PSTC, but not both).

To claim the PSTC tax credits, production corporations must file a corporate income tax return, along with the certificates, with the CRA.

### Basic PSTC incentive

This tax credit is equal to 36% of accredited qualified British Columbia labour costs incurred by an eligible BC-based corporation in making the production.

### Regional PSTC incentive

This tax credit is equal to 6% of accredited qualified British Columbia labour costs incurred by an eligible BC-based corporation in making the production. For live action productions, accredited qualified BC labour costs are prorated by the number of days of principal photography in BC outside of the designated Vancouver area to the total days of principal photography in BC. Note that to be eligible for this tax credit, the production must have at least five principal photography days outside the designated Vancouver area and over 50% of the BC principal photography days must be outside the designated Vancouver area. For a series, this tax credit is assessed on a per episode basis. For animated productions, this tax credit is based on BC labour expenditure in respect of services rendered in BC outside the designated Vancouver area. This incentive must be accessed in conjunction with the PSTC basic incentive.

### Distant location regional PSTC incentive

This tax credit is equal to 6% of accredited qualified British Columbia labour costs incurred by an eligible BC-based corporation in making the production. For live action productions, accredited qualified BC labour costs are prorated by the number of days of principal photography in BC within a prescribed area to the total days of principal photography in BC. To be eligible for this tax credit, the production must be eligible for the Regional Tax Credit and have at least one principal photography day in a distant location. For a series, this tax credit is assessed on a per episode basis. For animated productions, this tax credit is based on BC labour expenditure in respect of services rendered in BC in a distant location. This incentive must be accessed in conjunction with the PSTC basic incentive.

A detailed map of the regional and distant location areas is available at: creativebc.com/wp-content/uploads/2022/02/Overview_Tax_Credit_Areas_2017_combined_2.pdf

### DAVE PSTC incentive

This tax credit is equal to 16% of accredited qualified British Columbia labour costs incurred by an eligible BC-based corporation in making the production, which are directly attributable to eligible digital animation or visual effects activities, or eligible post-production activities. This incentive must be accessed in conjunction with the PSTC basic incentive.

There is no cap on the amount that can be claimed for a particular production, corporation or group of corporations.

### Major Production Tax Credit

2% top up of accredited qualified British Columbia labour expenditures is available for completed productions with B.C. production costs greater than $200 million

### Eligibility requirements

The PSTC is available to both international and Canadian projects shot in British Columbia, and is not subject to any Canadian content or Canadian ownership requirements. To be eligible for the PSTC:

- The production company must have a permanent establishment in British Columbia.
- Minimum budget levels:
    - Greater than CA$100,000 per episode - for episodic television, episodes that are less than half an hour.
    - Greater than CA$0 per episode - for episodic television, where episodes are all or substantially all digitially animated and are less than half an hour.
    - Greater than CA$200,000 per episode - for episodic television, episodes that are a half hour or longer
    - Greater than CA$1,000,000 - in all other cases.
- The eligible BC-based production company must either own the copyright in the production or have contracted directly with the owner of the copyright in the production to provide production services.
- Some genres are excluded, such as: pornography, talk shows, news, live sporting events, game shows, reality television and advertising.

## Interactive Digital Media Tax Credit

This tax credit is administered by the British Columbia taxation authority, and is a refundable corporate income tax credit of 25% of qualified British Columbia labour expenditures available to taxable Canadian corporations with a permanent establishment in British Columbia to develop qualifying interactive digital media products, the primary purpose of which is to educate, inform or entertain, and which include at least two of text, sound or images. Products that enable gambling with currency do not qualify as interactive digital media products.

## Creative BC - Project Development Fund

Creative BC also offers financing on a project-by-project basis for the development of independent film and television productions, including digital media projects designed to enhance viewers' experience of a film or television project.

Funding is based on a commitment from an eligible triggering agent to advance funds for the development of a specific project, is provided in the form of a non-recoupable development advance, and is available for specific applicants and projects that meet the following eligibility requirements:

- The company must be incorporated in British Columbia or Canada, with its head office in British Columbia.
- BC residents, who must also be Canadian citizens or permanent residents, must hold a majority of the issued common voting shares of the applicant.
- With some exceptions, copyright of the project must be fully owned (or optioned) and controlled by the applicant.
- Must have a commitment from an eligible "Triggering Agent" to advance development funds for the project.
- The principals, directors, officers and shareholders of the applicant company must be in good standing with Creative BC.
- The market trigger must be at arm's length from the applicant company, and cannot be a related or associated company

- The applicant company may own 10% or less of the shares of a broadcaster and may have 10% or less of its shares owned by a broadcaster or by a distributor

Successful applicants may receive a non-recoupable advance of up to 50% of the broadcast or distribution commitment, up to CA$10,000 per project, or CA$20,000 for a series.

Eligible projects include feature films destined for theatrical release (live action or animated); television movies, pilots, series and mini-series (live action, animation, variety, human interest, lifestyle, and performing arts and entertainment), short films and webseries (live action or animated) and documentaries and docudramas (made for television broadcast or theatrical release).

## Creative BC – Passport to Markets Program

This program is an initiative that provides financial support to British Columbia-resident producers at certain markets, conferences and exchanges to promote projects that producers have in development, assist in securing broadcast pre-sales, and stimulate co-production opportunities.

### Eligible applicants

Eligible to apply for the Passport Markets Program are BC-resident producers who have a track record in the domestic film and television industry and who have been pre-selected to attend a particular market site, as well as BC residents who have experience producing domestically owned and controlled digital media content.

Individual applicants are eligible to receive support of CA$1,500 to CA$2,500 for select markets and shall represent no more than 50% of the applicant's final cash expenditures to attend. One producer per company may apply for support to an individual market site. In the case of a competitive call for applications, preference is given to producers who can demonstrate recent production credits (i.e., in the last two years).

Producers and companies who have received support four or more times over the past two years will have to demonstrate either recent production credits or provide evidence that a significant amount of financing has been raised from third parties for the projects in their development slate. Individual producers are eligible for support to attend a maximum of four market sites over two fiscal years. Producers with only Executive Producer, Co-Producer and Associate Producer credits are not eligible.

For more information and updates on the Passport to Markets Program, and full detail of the eligibility and selection criteria, visit creativebc.com.



# Manitoba government incentive programs

## Manitoba Film and Video Production Tax Credit

The Manitoba Film and Video Production Tax Credit is broken down into: (i) the Cost-of-Salaries Tax Credit, and (ii) the Cost-of-Production Tax Credit, one to which must be chosen to apply. Once the production is complete and all of the expenses have been paid, companies have to choose which tax credit to apply to.

### Eligibility requirements under the Cost-of-Production Tax Credit and the Cost-of-Salaries Tax Credit

- Applicants must have a permanent establishment (as defined in the ***Income Tax Act***) in Manitoba, must be incorporated in Canada (either federally or provincially), and must be a taxable Canadian corporation primarily carrying on a business that is a film or video production.
- A minimum 25% of the corporation's salaries and wages must be paid to eligible Manitoba employees for work performed in Manitoba (excluding documentaries).
- There are no Canada or Manitoba content requirements.
- Copyright ownership is not required.
- There is no requirement to work with Manitoba producers.
- Co-productions and co-ventures qualify for this tax credit.
- Where a non-resident is hired due to lack of available Manitoba crew, his/her salary may be deemed an eligible labour expenditure provided that it is for a below-the-line technical position, that at least one Manitoba resident receives training on the production for each non-resident being deemed and is approved by the applicable labour organization(s) or approved authority per the Manitoba legislation. This deeming provision does not apply to producers, directors, actors, or any above-the-line positions.
- Deemed salaries are capped at 30% of the total eligible Manitoba salaries if at least two Manitoba residents are trained per non-resident. The cap is 10% if at least one Manitoba resident is trained per non-resident.
- Deemed positions must be identified and communicated before the start of principal photography.
- Outside share ownership of the eligible applicant company does not affect eligibility to claim the base credit.
- There are no corporate caps regarding the number of applications or the amount of tax credit available.

Eligible projects include: Fully-financed television movies, documentaries, features, dramatic series, animation, children's programming, music programming, informational series, variety, multimedia, digital and web-based productions.

Available to multi-year productions only, an eligible applicant corporation with a project spanning more than one fiscal year may submit a complete application, along with required documentation, to Manitoba Film & Music for an Advance Certificate of Eligibility after each fiscal year that ends prior to the delivery date, which allows for the ability to obtain advance credits before the completion of a film.

### Cost-of-Production Tax Credit

Manitoba Film & Music has labeled the Cost-of-Production Tax Credit as the most competitive all-spend credit in Canada. It provides a 30% fully refundable corporate income tax credit based on all eligible Manitoba expenditures, including labour and deemed labour.

The Cost-of-Production Tax Credit can be increased by 8% by co-producing with an eligible Manitoba production company. This bonus is applicable for eligible productions where principal photography commences after May 31, 2020. With the added value of the Canadian Film or Video Production Services Tax Credit (PSTC), the overall value of the up to 38% on eligible Manitoba expenditures including eligible Manitoba labour becomes:

- 47.9% on eligible Manitoba labour; and
- 38% on eligible Manitoba expenditures.

### Qualifications of an eligible Manitoba production company

- Must have a permanent establishment (as defined in the Income Tax Act) in Manitoba.
- Must be a taxable Canadian corporation incorporated under the laws of Manitoba primarily carrying on a business that is a film or video production.
- One or more eligible individuals (i.e., who reside in Manitoba for tax purposes on December 31 of the taxation year of production or of the immediately preceding taxation year) must own shares in the eligible applicant company to which are attached more than 50% of the votes for the election of directors of the corporation.
- A minimum of 25% of the Manitoba corporation's T4 Summary must be paid to eligible Manitoba employees in the taxation year or in the immediately preceding taxation year.
- To qualify for the additional 8% tax credit, the Manitoba production company must own some of voting shares of the eligible applicant company during its entire taxation year. If the eligible production extends over multiple taxation years, then the ownership requirement applies to all applicable taxation years of the production.

### Cost-of-Salaries Tax Credit

The Cost-of-Salaries Tax Credit provides a fully refundable corporate tax credit based on eligible Manitoba labour expenditures and eligible non-resident labour. The base credit is 45% and additional bonuses may apply, increasing the value up to 65% on eligible Manitoba expenditures.

The Cost-of-Salaries Tax Credit can be increased to 65% by qualifying for the following available bonuses:

- Frequent Filming Bonus: Tax credit increase by 10% on the third film shot within a 2-year period. The 10% bonus can be kept on subsequent projects by maintaining production activity so that three films are shot within a 2-year period. For series, projects will incur one frequent filming credit for every 2 hours of airtime; therefore, after the first 4 hours, the series has the required credits to qualify for this bonus and it will be applied to the remainder of the series.
- Manitoba Producer Bonus: Tax credit increase by 5% by co-producing with a Manitoba producer, co-producer or executive producer.
- Rural and Northern Bonus: Tax credit increase by 5% by shooting at least 50% of its Manitoba production days at least 35 km from Winnipeg's centre.
- With the added value of the Canadian Film or Video Production Services Tax Credit (PSTC), the overall value of the up to 65% on eligible Manitoba labour becomes up to 70.6% on eligible Manitoba labour.

A screen credit requirement for the Manitoba production company also applies.

### Additional Manitoba film and music programs include:

- Pitch readiness program for multi-episode productions.
- Television and web-based development and production funds.
- Feature film development, production and marketing funds.
- Grant program for emerging talent and micro-budget production.
- Access to markets and access to festivals programs.

For more information on these and other programs, visit mbfilmmusic.ca.

## Manitoba Interactive Digital Media Tax Credit (MIDMTC)

The MIDMTC provides up to a 40% credit to businesses on qualified labour expenditures, and some marketing and distribution expenses, incurred in the development of eligible interactive digital media products for market. To be eligible for credit, a corporation must first apply for a Certificate of Eligibility before proposed project work on the product begins.

### Eligibility requirements

- Must be a taxable Canadian corporation with a permanent establishment in Manitoba.
- Must pay at least 25% of its remuneration to employees who are Manitoba residents. A company that pays less than 25% of its salaries and wages to Manitoba residents can qualify for a 35% tax credit if it incurs at least CA$1 million in qualifying Manitoba labour expenses annually.
- Product must be an eligible interactive digital media product in accordance with MIDMTC regulations.
- Eligible labour expenditures allows for the inclusion of salary and wages beyond the base level (e.g, project related bonuses and employee benefits directly attributable to the project).
- Eligible labour costs include 100% of salaries and wages incurred and paid to internal employees who are Manitoba residents for the project period; and 65% of fees incurred and paid to third parties. In certain circumstances, an applicant corporation can seek pre-approval through the Skills Transfer Allowance to hire or contract an individual who is not a Manitoban taxpayer and be eligible to receive a tax credit for a qualifying portion of their eligible wages.
- The project must also be eligible; to be eligible it must represent Manitoba labour activities undertaken to either develop an eligible interactive digital media product primarily for commercial use or develop or provide a qualifying product 'add-on' (an interactive digital media product update or enhancement), primarily for commercial use.
- Corporations must first apply for a Certificate of Eligibility (COE) for a proposed project before eligible expenses can be incurred. Once approved, eligible project expenses may be incurred starting on the day the COE application is received by the department.
- Eligible corporations can be controlled by Canadian or foreign owners.
- There is no requirement for the corporation to own the rights to the intellectual property of the eligible product.
- A corporation may work on multiple eligible projects at one time, with no limit on the number of project applications a corporation can make in a given year.
- Where the applicant owns and retains the intellectual property for an eligible product, certain marketing and distribution activities, up to a maximum of CA$100,000 in eligible expenses, may also be eligible for a tax credit.
- If an eligible product is developed partly in Manitoba and partly in other locations, development labour expenses for the work undertaken in Manitoba can potentially qualify for an MIDMTC if all other requirements are met.

For more information on this program, visit https://www.gov.mb.ca/jec/busdev/financial/midmtc/index.html



# New Brunswick government incentive programs

## NB Film, TV and New Media Industry Support Program

There are 2 streams which are determined by the spend in New Brunswick.  Under CA$3 Million can apply under the Foundation Stream, and projects over that threshold can apply under the NB Growth Industry Stream,  Both streams have access to the following incentives:: (i) Development, and (ii) Production, with the Production stream being sub-divided into either a Labour-Based Incentive or an All-Spend Incentive.

### Eligibility requirements

- The production company must be incorporated in New Brunswick other than a corporation that holds a broadcasting license issued by the CRTC.
- Both New Brunswick and external companies can apply for the Production Incentive.
- New Brunswick companies are defined as a company that has a permanent establishment in shareholders are New Brunswick residents (i.e., defined as an individual who, for income tax purposes, has maintained a principal residence in New Brunswick and has filed their income tax report in New Brunswick for the taxation year in which principal photography of the production commenced).
- When the applicant to the Production Incentive is a New Brunswick company entering a co-production agreement with an external company, the incorporated New Brunswick company must have a permanent establishment in the province, with a minimum of 50% of voting shareholders being New Brunswick residents.
- Only incorporated New Brunswick companies having a permanent establishment in the province, with a minimum of 50% of voting shareholders being New Brunswick residents, can apply for financial assistance under the Development Incentive; these companies must demonstrate that their primary purpose is the domestic or collaborative production of film or television products; these can be privately owned or publicly-traded corporations.
- Individuals, non-incorporated groups, licensed broadcasters, distributors and national film agencies are not eligible.
- For intra-provincial co-productions, all eligible New Brunswick companies must retain an ownership position in the copyright of the project commensurate to their financial participation to the project.

## Development incentive

This incentive provides funds in the form of a grant and supports the development of projects that have already secured intent or commitment from a broadcaster, funding agency and/or third party financier. Dramatic feature films, made-for-tv movies, dramatic tv series, and mini-series are eligible for up to 50% of the approved development budget, up to a maximum of CA$120,000 per project. All other genres of projects are eligible for up to 40%of the approved development budget to a maximum of CA$50,000. A maximum of 20% of the development costs for producer's fees and corporate overhead is allowed.

## Production incentive

**EITHER** a Labour-Based Incentive: equal to a maximum of 40% of eligible salaries paid to New Brunswick residents. Eligible salaries and wages cannot exceed 50% of the eligible costs of production. Allowable Expenses include: Gross salaries and wages paid to eligible employees by the corporation for the various stages of production, from the final script stage to the end of the post-production stage.

**OR** an All-Spend Incentive: equal to a maximum of 25% of all New Brunswick expenditures for variety and service productions, or to a maximum 30% of all New Brunswick expenditures for New Brunswick-based productions or co-productions. Allowable Expenses include: New Brunswick labour, New Brunswick service contract expenditures and New Brunswick expenditures for the rental or acquisition of related materials. A maximum of 10% of (B+C) of the production budget for producer's fees and corporate overhead for a production budget of more than CA$500,000 and a maximum of 15% for a production budget of CA$499,999 or less.

Eligible projects include television movies, documentaries, feature films, television content (MOWs, sitcoms, dramatic series, docuseries), variety and capitations, animation, children's programming, reality and lifestyle series, educational, experimental and non-theatrical genres. Projects submitted to the program must be undertaken in the current fiscal year.

Deeming of residency may be granted if all conditions are met prior to the first day of principal photography, and a maximum of one waiver per production may be granted for all non-dramatic productions and up to three per production for dramatic productions.

## Service productions

Service productions must ensure a minimum of 50% of the total production budget, based on total production costs, is to be spent in New Brunswick, and 25% of all labour is New Brunswick-based. No funds will be disbursed until the production is completed and all required documentation and reports have been submitted and approved. Service productions can only apply for the All-Spend Incentive (to a maximum of 25% of all spend in New Brunswick), or the Labour-Based Incentive (to a maximum of 40% of the labour expenditure).

## Inter-provincial co-production requirements

There must be an eligible New Brunswick company that shares in the creative and financial control of the project. However, the determination of whether an inter-provincial co-production is eligible for funding is at the discretion of the Department of Tourism, Heritage and Culture (THC). The following factors are minimum requirements and will not guarantee funding:

- The applicant production company must have incorporated in New Brunswick and have a permanent establishment in the province.
- The New Brunswick production company must receive shared credit as a producer of the project.
- The New Brunswick production company must share in the revenues of the production at terms no less favourable than the proportion of funding it brings to the project.
- The New Brunswick production company's copyright ownership must not be less than 33%.
- The proportion of the total production budget expended in New Brunswick should favour and benefit New Brunswick and approval is at the discretion of the THC.

## International co-productions

International co-productions must meet the requirements of inter-provincial projects above, in addition to the following:

- The New Brunswick production company must retain no less than 20% share of revenues and ownership position in the copyright of the production.
- The New Brunswick production company must demonstrate that it has satisfied all relevant international co-production treaties determined by Telefilm Canada.

For more information on the Industry Support Program and other projects, please visit gnb.ca.

# Newfoundland and Labrador government incentive programs

## Newfoundland and Labrador film and video industry tax credit

This refundable Corporate Income Tax credit is provided for eligible local film projects at a rate of 40% of eligible local labour costs, but may not exceed 25% of production costs. There is a corporate cap of CA$5 million for productions commenced on or after July 1, 2021.

### Eligibility requirements

- A production company must be incorporated under the laws of Newfoundland and Labrador, another province of Canada or Canada, have a permanent establishment in Newfoundland or Labrador and be primarily in the business of film, television or video production.
- The company must pay a minimum of 25% of salaries and wages within Newfoundland and Labrador to provincial residents.
- Corporations must first apply for eligibility to the Newfoundland and Labrador Film Development Corporation prior to the commencement of production. Once the project is completed, and financial statements and cost reports finalized, the eligible corporation may then apply for the tax credit.

Companies that hold a broadcasting license issued by the CRTC, or companies that deal at non-arm's length with a corporation that holds such a license are not eligible to apply for this tax credit.



**CA$342 Million**

Total volume of film and television production in Nova Scotia, Newfoundland and Labrador, New Brunswick and Prince Edward Island in 2023/2024

- Source: *Profile 2025*, CMPA

Eligible genres include film, television programs or series or video programs in the following areas: drama, variety, animation, children's programming, music programming, an informational series or a documentary.

The following genres are excluded from the program: news, talk shows, sporting events, galas, pornography, advertising, awards shows, projects that solicit funds, projects produced primarily for industrial, corporate or institutional purposes, projects, other than documentaries, all or substantially all of which consist of stock footage, projects for which public financial support would, in the opinion of the minister, be contrary to public policy, or projects the government determines are not eligible.

## Newfoundland and Labrador Film Development Corporation (NLFDC)

The NLFDC is the film commission of the province of Newfoundland and Labrador, and supports the provincial film industry by offering the following initiatives.

### The Labour Based Tax Credit

The Newfoundland and Labrador Film and Video Tax Credit program is a fully refundable tax credit based on a 40% rebate on eligible Newfoundland and Labrador resident labour expenditures. The tax credit is calculated at 40% of the total eligible labour expenditures to a maximum of 25% of the total eligible production budget, with a single corporation credit limit of CA$5 million. Corporations must also pay at least 25% of its salaries and wages to residents of the province. A waiver of the residency requirement is available where eligible. The film and video industry tax credit is a fully refundable corporate income tax credit administered on behalf of the Department of Finance by the NLFDC. Applications must first be made to the NLFDC and before first day of principal photography for any project. Once the project is completed, and financial statements and cost reports are finalized, the eligible corporation may then apply for the tax credit.

### The All Spend Film and Video Production Tax Credit

This 40% tax credit will apply to total qualified production costs with a maximum tax credit of CA$10 million annually per project.

### Newfoundland and Labrador Interactive Digital Media (IDM) Tax Credit (NL IDM)

The NL IDM tax credit is refundable tax credit, meaning the amount of the credit minus any federal or provincial taxes payable will be paid to the qualifying corporation. It is based on eligible salaries and eligible remuneration incurred by an eligible corporation for the development of eligible interactive digital media projects. Applicants who develop an interactive digital media product in Newfoundland and Labrador can receive a 40% tax credit on qualifying expenditures, which consist of eligible salaries plus 65% of eligible remuneration paid. The credit value is limited to CA$40,000 per eligible employee per year and CA$2 million per company, or group of associated companies, in respect of all taxation years ending in a calendar year. For most projects, the credit may be claimed in respect of the year in which the expense was incurred; for projects being developed primarily for government, the credit may be claimed for the taxation year during which the project was completed. Applications must be received within 18 months of the end of the taxation year in respect of which the credit will be claimed.

### Eligibility requirements

- The product's main purpose must be educate, inform, or entertain. This must be achieved by presenting information in at least two of the following formats (i) text; (ii) sound; and (iii) images.
- The product must be intended to be used interactively by individuals, must not be used primarily for interpersonal communication, and must not be used to market or promote an entity, product or idea.

### Development Program

The NLFDC Development Program is available for eligible screen industry companies which are majority owned by a resident of Newfoundland and Labrador. Only incorporated Newfoundland and Labrador film and video production companies can apply. Individuals, non-incorporated groups or licensed broadcasters are not eligible. Corporations must demonstrate that their primary focus is on the development, production, and distribution of film and video products, and must be at least 51% owned by a resident of Newfoundland and Labrador. Funding is apportioned in two phases for non-series projects:

- Phase One - Conception and Development of First Draft: CA$15,000 is advanced for the option or acquisition or rights, scriptwriter's and editor's fees, research, required travel expenses, normal overhead, and producer's fees. The contribution cannot exceed 33% of the budget.
- Phase Two - Shooting Script and Production Development: CA$20,000 is advanced for pre-casting and preliminary search for shooting locations as required for script writing, required travel expenses, normal overhead, producer's fees, preliminary shooting schedule, preparation of a marketing plan, preparation of the final budget, and completion of a shooting script. The contribution cannot exceed 33% of the budget. A producer may apply for Phase Two development without having received Phase One development.

For series projects, the full CA$35,000 of funding may be accessed in one stage. All criteria for non-series projects in both phases apply for series applications. Eligible development projects may include script writing/treatments and associated costs, as well as production costs for smaller budget productions. Development projects cannot apply for a tax credit. Development projects require a third party investment commitment, in addition to the producer and the NLFDC.

### Equity Investment Program

The NLFDC Equity Investment Program is available for Newfoundland and Labrador production companies. The program may provide up to 20% towards a production's financial structure, but normally the project's local spend is a key criterion, among other factors, in determining an investment amount. The schedule of payments will be based on the individual project needs and production schedule. Typically, 95% of the financial commitment will be disbursed on principal day of photography with the remaining 5% being disbursed once the production has been completed and all conditions of funding have been met. The NLFDC's investment is recoupable from earned revenue resulting from the production. Equity investments may be combined with tax credit program applications.

Within genres, the NLFDC equity investment will normally be subject to the following maximums:

- Dramatic series - maximum CA$250,000
- Theatrical feature film, television feature length movie (MOW) - CA$250,000
- Documentary (single or series), children's, other - CA$150,000

For more information on incentives provided by the Government of Newfoundland and Labrador, visit nlfdc.ca.

# Northwest Territories government incentive programs

No tax credit is available to production companies that produce in the Northwest Territories (NWT). Instead, the NWT offers a three-stream Rebate Program as an incentive to attract production companies to the area.

## NWT Film Rebate Program

### Eligible applicants and productions

- Guest producers, NWT co-production partners and NWT production companies.
- Pre-production and production costs for film and television filming in the NWT, where NWT labour content equals or exceeds 30% of total in-territory spend.
- Minimum NWT spend of CA$100,000 (can combine NWT labour/NWT spend, excluding GST).
- Preference given to projects with tv broadcast or theatrical distribution commitments.
- Eligible productions include feature films, TV programming, digital media projects, commercials, and music video.Productions must not fall under list and categories of ineligible productions.
- Multi-year productions are encouraged to work with the NWT Film Commission to develop a multi-year plan.

### Expenditure rebate

- Rebate of 40% for Scripted Projects, 30% for Non-scripted Projects, and 20% for Commercial Projects..

### Travel rebate

- The current rebate is 50% on scheduled airline travel within the NWT, including cargo, but excluding helicopter traveCharter flights are eligible only if scheduled flights are unavailable.

For more information on rebates provided by the Government of NWT, visit https://www.nwtarts.com/funding

# Nova Scotia government incentive programs

## Nova Scotia Film and Television Production Incentive Fund

The Nova Scotia Film and Television Production Incentive Fund is an application-based financial grant. Two streams are available based on percentage of ownership.

### Stream I

- Exceptions may be made in the case of international treaty co-productions, interprovincial co-productions, or international co-ventures.
- Between 50-100% Nova Scotian-owned and controlled production.
- A minimum of 50% Nova Scotians must be employed in Head of Department positions or acceptable combination. Substitutions for Head of Department positions are permitted. The base incentive percentage will be reduced by 0.5% for each Head of Department position below the minimum stream requirement of 50%.
- Receive base amount of 26% of all eligible Nova Scotia costs.
- For shoots where more than 50% of the principal photography is in a rural/non-metropolitan area, 2% additional funding is available.
- For shoots (principal photography) longer than 30 days in Nova Scotia, there is a 1% bonus.

### Stream II

- 50% or less Nova Scotian-owned and controlled production.
- Where eight or fewer Head of Department positions are filled, half of the positions, rounded to the highest whole number, must be filled by Nova Scotia residents. Where nine or more Head of Department positions are filled, a minimum of four must be filled by Nova Scotia residents. Substitutions for Head of Department positions are permitted. The base incentive percentage will be reduced by 0.5% for each Head of Department position below the minimum requirements.
- Receive a base amount of 25% of all eligible Nova Scotia costs.
- For shoots where more than 50% of the principal photography is in a rural/non-metropolitan area, 2% additional funding is available.
- For shoots (principal photography) longer than 30 days in Nova Scotia, there is a 1% bonus.

### Nova Scotia content incentives

In addition to the two base stream amounts, there are further bonuses for productions that meet content criteria that are available separately or cumulatively. 1.5% can be added for hiring more than 60% Nova Scotian principal performers, actors, stunt performers and stunt actors (for greater clarity, background performers are not included in this calculation) and a further 1.5% can be added by meeting at least three of the following requirements:

- A majority copyright ownership by the applicant Nova Scotia production company.
- A minimum of two Nova Scotia resident trainees with no prior paid film or TV production experience are employed for the duration of the production.
- 75% of the post-production work is carried out in Nova Scotia.
- A Nova Scotia resident as producer, who has been a resident for two years prior to principal photography.
- The amount of money spent in Nova Scotia is 75% of total production costs and greater than CA$25,000.

- The principal writer of the production is a Nova Scotia resident, or, for a series, the majority of episodes are written by Nova Scotia residents.
- The principal director of the production is a Nova Scotia resident, or, for a series, the majority of episodes are directed by Nova Scotia residents.

### Eligibility requirements

Eligible production companies must meet the following criteria:

- Nova Scotian spend must be at least CA$25,000 (before HST). Maximum funding available to any project is CA$10 Million.
- Must be incorporated in Nova Scotia under the Companies Act or continued as a Nova Scotia company through a Certificate of Continuance and must be in good standing with the Registry of Joint Stock Companies.
- Applicants, their shareholders, and Related Companies must also be in good standing in all respects with Nova Scotia Business Incorporated.
- Have a permanent establishment in Nova Scotia.
- Must be engaged primarily in film and television production business and demonstrate main activity is the creation of film/video productions available for public viewing.
- Applications must be received prior to commencement of principal photography.
- At the time of submission, unless otherwise determined by the Administrator, applicants must provide written evidence of a Commercial License Agreement and evidence of 75% confirmed financing for projects with budgets of CA$1 million or greater, and evidence of 50% confirmed financing for projects under CA$1 million.
- Projects that are eligible for the Digital Media Tax Credit and the Digital Animation Tax Credit, or any other Nova Scotia tax credit program are not eligible
- Productions and platforms that do not fall under list of ineligible genres
- No individual shall directly or indirectly receive pay, salary, fees, compensation or any similar payment that is budgeted or paid from the Fund in an amount that is greater than CA$150,000 per project; this fee cap refers to the maximum amount of the incentive that results when the eligible incentive percentage is applied to fee payments to an individual as fees.

## Digital Animation Tax Credit

The Digital Animation Tax Credit (DATC) is a refundable corporate tax credit that can be claimed for qualifying labour expenditures directly related to the development of eligible digital animation productions by eligible corporations in Nova Scotia. The credit first reduces the income tax payable, and any excess amount will be paid to the corporation.

The base tax credit is the lesser of:

- 50% of the eligible Nova Scotia labour expenditure less the value of any assistance received; or,
- 25% of eligible Nova Scotia labour expenditure plus eligible overhead expenditure (calculated as 65% of the eligible Nova Scotia labour expenditure) plus 65% of eligible remuneration less twice the value of any assistance.

An additional tax credit of 17.5% is available on eligible Nova Scotian animation labour expenditures (i.e., labour directly related to animation specific activities).

### Applicant eligibility requirements

- The applicant corporation must be incorporated in Canada either federally or in one of the provinces and is a taxable Canadian corporation.
- The applicant corporation must have a permanent establishment in Nova Scotia.
- The applicant corporation must be Canadian-controlled and primarily (i.e., more than 50%) engaged in film or video production.
- The applicant corporation cannot be a labour-sponsored venture capital corporation or registered as an Equity Tax Credit company or a Community Economic Development Investment Fund.
- The applicant corporation must own the property rights of the production, otherwise it may be eligible if the owner authorizes it to claim the DATC.
- Part A of the application must be submitted before commencement of principal photography or key animation.
- Part B of the application can be submitted once an Eligibility Certificate is received as a result of submitting Part A and the production is completed. This must be submitted no later than 30 months after the end of the tax year in which expenditures for any eligible digital animation productions were made.

### Production eligibility requirements

- Must have a minimum viewing time of 20 minutes.
- Be broadcast, distributed or available for viewing no later than 24 months after it is completed.
- Have a production services agreement or a written agreement between the production's eligible corporation and one of the following for consideration at fair market value: (i) a corporation that is a distributor of film or video productions, (ii) a broadcaster that is not associated, within the meaning of the Income Tax Act (Canada), with the eligible corporation.
- The production must not fall under the list of ineligible productions.

## Digital Media Tax Credit

Nova Scotia offers a digital media tax credit that rivals all others in Canada. The Digital Media Tax Credit is a refundable tax credit for costs directly related to the development of interactive digital media products in Nova Scotia.

Qualifying companies can claim the lesser of:

- 50% of qualifying Nova Scotia expenditures; or,
- 25% of total expenditures made in Nova Scotia. Qualifying expenditures could include:
- 100% of eligible salaries in Nova Scotia,
- 65% of third-party labour remuneration, and
- Up to CA$100,000 in marketing and distribution expenditures.

### Applicant eligibility requirements

- Must be a taxable Canadian corporation.
- Corporation must have a permanent establishment in Nova Scotia.
- Corporation must not be a prescribed labour-sponsored venture capital corporation under the federal Income Tax Act.

### Production eligibility requirements

- The digital media product must be interactive.
- Primary purpose must be to educate, inform or entertain users.
- May be developed for use by either individuals or businesses.
- Must achieve its primary purpose by presenting information in at least two or three formats: text, sound or images.
- The product must not fall under the list of ineligible products.

A 10% geographic area bonus on labour expenditures (5% bonus on total expenditures) is available for products developed outside the Halifax Regional Municipality. To qualify for the geographic area bonus, the corporation must:

- Have a permanent establishment outside the Halifax Regional Municipality.
- At least 50% of salaries for the development of the product must be paid to employees who work out of a permanent establishment in the eligible geographic area.
- Note there is no requirement for the corporation to own the copyright to the product.



# Nunavut government incentive programs

## Nunavut Spend Incentive Program (NSIP)

The Nunavut Spend Incentive Program administered by the Nunavut Film Development Corporation (NFDC), awards production companies a rebate on the total eligible costs for production goods and services purchased and consumed in Nunavut.

An eligible applicant company may apply through one of the two streams, based on the ownership of the company: Ownership and Control Indicators:

**Spending stream I:** Majority (51% or more) Nunavut ownership and control of production and the company maintains a registered head office in Nunavut. Residents of Nunavut employed in at least two of the eight key creative positions, or one key creative position and two trainee key creative positions. Eligible to receive a spend rebate of 27% of eligible Nunavut expenses purchased and consumed in Nunavut. Non-profit production

companies with a head office in Nunavut and which meet the eligibility criteria as an applicant are eligible to apply. However, the applicable spend rebate will be 17% (plus bonuses) of the total eligible costs of production goods and services purchased and consumed in Nunavut. Funding will be capped at CA$75,000 for the first six months of the fiscal year after which time the cap will be removed for the remainder of the fiscal, assuming available funds are in the program.

**Spending stream II:** Equal or minority (10% to 50%) owned, controlled and creatively directed by residents of Nunavut, and the company maintains a registered office in Nunavut. Officers and directors of the company who are resident in Nunavut participate in the management of business activities. Residents of Nunavut employed in at least two of the eight key creative positions, or one key creative position and two trainee key creative positions. Eligible to receive a spend rebate of 17% of eligible Nunavut expenses.

### Bonuses

Under each stream, eligibility may be enhanced by employing and training additional key creative personnel who are resident in Nunavut. In this case, a bonus equal to 1% of the applicant's total eligible Nunavut costs will be paid for every individual hired to fill one of the eight key creative personnel positions in the eligible production. Alternatively, the applicant has the option of filling one of the eight key creative personnel with trainees. Under this enhancement provision, a maximum total bonus of 3% applies to each spending stream.

Funding under each stream may be further enhanced if the completed production is produced or versioned into Inuktut language. Under this enhancement provision, a bonus of 10% of the Nunavut spend, up to a maximum of CA$40,000 is available for original production in an Inuit Language or a bonus of 5% for versioning in an Inuit Language up to a maximum of CA$20,000 is available. Applicants applying for this incentive must provide a plan for the guaranteed distribution (internet, mobile or direct sales) and/or broadcast of the program within Nunavut.

## Eligibility requirements

- Recipients must be a production company incorporated in Nunavut or Canada, and their primary activity must be developing and producing film, television and/or digital media content.
- The amount spent in Nunavut for the project must be greater than CA$25,000.
- Note: Productions in spending stream II with budgets exceeding CA$500,000 must show that they have entered into an agreement with a licensed Canadian broadcaster or bona fide distributor.
- 100% copyright ownership in the eligible production, or demonstrate have the first option to adapt the underlying property and acquire copyright ownership.
- Be in good standing with the relevant
- Corporate Registry.
- Each producer and/or co-producer must meet certain criteria.

Genres of production NOT eligible for funding are:

- News, current events or public affairs programming or programs that include weather or market reports;
- Talk shows;
- Sports events or activities;
- Gala presentations or award shows;
- Projects that solicit funds;
- Pornography;
- Advertising and commercials;
- Projects produced primarily for industrial, corporate, or institutional purposes;
- Projects, other than documentaries, which substantially consist of stock footage.

## Other programs available

The Nunavut Film Development Corporation also administers additional funds for Nunavut Filmmakers.

For more information on the programs provided by the Nunavut Film Development Corporation, visit https:// nunavutfilm.ca/funding/funding-programs/.



# Ontario government incentive programs

Ontario Creates (formerly known as OMDC) jointly administers the following tax credit programs with the Ministry of Tourism, Culture and Sport:

## Ontario Film and Television Tax Credit (OFTTC)

The OFTTC is a refundable tax credit based on eligible Ontario labour expenditures incurred by a qualifying production company with respect to an eligible Ontario production. The OFTTC is generally "harmonized" with the Canadian Film or Video Production Tax Credit, and is jointly administered with the Canada Revenue Agency. The OFTTC is equal to 35% of eligible labour costs, with no cap. First-time producers are eligible for an enhanced rate of 40% on the first CA$240,000 of labour costs, with 35% on the balance.

### Eligibility requirements

- At least 75% of total final production costs are Ontario expenditures (in the case of inter-provincial and international treaty co-productions, 75% of total expenditures are in respect of the Ontario portion of the production).
- In the case of an inter-provincial co-production, not less than 20% for the cost of producing the production is in respect of the Ontario portion of the production.
- The production company must have a permanent establishment in Ontario.
- The production company must be Canadian controlled, files an Ontario corporate tax return and must be a qualified corporation for the purpose of the federal credit.
- The production company's primary business must be the production of Canadian films and videos.
- At least 95% of post-production costs must be incurred in Ontario other than in the case of co-productions.
- The producer must be an Ontario resident for at least two years prior to the commencement of principal photography.
- The production must attain at least six of the possible 10 CAVCO points (unless it is an official treaty co-production).
- A minimum of 85% of the total number of days of principal photography or key animation must be done in Ontario, unless it is a documentary or treaty co-production.
- The Ontario Minister of Culture must certify the production as an Ontario production.
- The production must be predominantly shot and posted in Ontario (however, there are exceptions for documentaries, interprovincial co-productions and international treaty co-productions).

**CA $3.84 billion**
Total volume of film and television production in Ontario in 2024/2025.
- Source: Profile 2025, CMPA

- As of August 24, 2023, eligibility for the film and television tax credits has been extended to productions released exclusively online. These regulatory amendments are effective for productions that began principal photography on or after November 1, 2022. The previous rules apply for productions that began principal photography prior to that date. The regulations do not restrict eligibility to specific types of online platform.
- If for television, the production must be suitable for a minimum 30-minute time slot (excluding children's programming).
- Where principal photography commenced before November 1, 2022, productions must have an agreement with an Ontario-based distributor or a Canadian broadcaster to be shown in Ontario within 2 years of completion (broadcast must occur between 7:00 p.m. and 11:00 p.m., except for children's programming).
- The OFTTC and the OPSTC (defined below) cannot both be claimed for the same production.
- Productions that began principal photography after August 24, 2023, are required to include an acknowledgment of Ontario tax credit support in the production's end credits. For a series, the acknowledgment is required in the end credits of each episode for which the tax credit is claimed.

Ineligible productions include: Television programs not shown in prime time other than children's programming and non-Canadian controlled service productions, news, game shows, award shows, fundraising shows, talk shows, reality television and sports shows.

Inter-provincial and international treaty co-productions are eligible for this tax credit. In such cases, the calculation is based on Ontario's portion of the production budget.

## Regional bonus

- Productions shot in Ontario and entirely outside of the Greater Toronto Area (GTA) (which consists of the City of Toronto and the regional municipalities of Durham, Halton, Peel and York) or productions that have at least five location days in Ontario (in the case of a television series, the number of location days must be at least equal to the number of episodes in the series) and at least 85% of such location days outside of the GTA, are eligible to receive a 10% bonus on all Ontario labour expenditures. Wholly animated productions which create at least 85% of key animation in Ontario outside of the GTA qualify for the regional bonus.

### Temporary Extensions as a result of COVID-19

- The Province introduced certain temporary legislative and regulatory amendments to Ontario's media tax credits to help companies maintain their tax credit eligibility in view of disruptions and delays caused by COVID-19. These amendments provide temporary extensions to the following requirements:
- The timeline to apply for a Letter of Confirmation,
- The timeline to have the production shown in Ontario, and
- The period to claim expenditures incurred prior to principal photography or key animation.

## Ontario Production Services Tax Credit (OPSTC)

- The OPSTC is calculated at 21.5% of all qualifying production expenditures (labour, service contracts and tangible property expenditures) in Ontario. There is no limit on the amount of qualifying expenditures and labour expenditures, including Ontario labour paid under an eligible service contract, must be at least 25% of the qualifying production expenditures claimed. In addition, this credit can be combined with the federal film or video production services tax credit of 16% of qualified Canadian labour expenditures. This credit is available to both Canadian and foreign production companies producing in Ontario. The OPSTC requirements are generally "harmonized" with the federal Film or Video Production Services Tax Credit administered by CAVCO and the CRA.

### Eligibility requirements

- The corporation must carry on a film or video production services business at a permanent establishment in Ontario, file an Ontario corporate tax return and own the copyright in the eligible production, or contract directly with the copyright owner to provide production services to an eligible production
- The production cost must exceed CA$1 million, except in the case of a series consisting of two or more episodes, or a pilot for such series. In the cast of a series or pilot, the cost for each episode which has a running time of less than 30 minutes must exceed CA$100,000 and the cost for episodes with a longer running time must exceed CA$200,000.
- The OFTTC and the OPSTC cannot both be claimed for the same production.
- Ineligible genres include news shows, talk shows, game or contest productions, sports events, gala or award presentations, pornography, reality television and advertising or industrial productions.
- No content requirements need to be satisfied to be eligible for this tax credit provided the production company has a permanent establishment in Ontario (which includes a production office set up in Ontario during filming), and either owns the copyright in the production or contracts directly with the copyright owner.
- Productions that began principal photography after August 24, 2023, are required to include an acknowledgment of Ontario tax credit support in the production's end credits. For a series, the acknowledgment is required in the end credits of each episode for which the tax credit is claimed.
- As of August 24, 2023, eligibility for the film and television tax credits has been extended to productions released exclusively online. These regulatory amendments are effective for productions that began principal photography on or after November 1, 2022. The previous rules apply for productions that began principal photography prior to that date. The regulations do not restrict eligibility to specific types of online platform.

### Temporary Extensions as a result of COVID-19

- The Province introduced certain temporary legislative and regulatory amendments to Ontario's media tax credits to help companies maintain their tax credit eligibility in view of disruptions and delays caused by COVID-19. These amendments provide temporary extensions to the following requirements:
- The timeline for productions to meet the minimum spending requirements.
- Allow for productions to claim otherwise eligible expenditures incurred in the two taxation years prior to the year in which principal photography or key animation begins.

## Ontario Computer Animation and Special Effects Tax Credit (OCASE)

This tax credit assists in the creation of digital animation or digital visual effects to be used in eligible film or television productions (excluded productions include instructional, music, and gaming videos, and videos consisting mainly of user-generated footage). The OCASE tax credit is equal to 18% of eligible labour costs incurred by a qualifying corporation with respect to eligible computer animation and special effects activities, with no cap of the eligible Ontario labour expenditures. This tax credit is available to both Canadian and foreign-owned corporations that create digital animation or digital visual effects at a permanent establishment in Ontario and files an Ontario corporate tax return. This includes digital animation and digital visual effects that are created for non-Canadian productions, provided they are created at a permanent Ontario establishment. The OCASE Tax Credit may be claimed on eligible expenditures in addition to the Ontario Film and Television Tax Credit (OFTTC) or the Ontario Production Services Tax Credit (OPSTC). Eligible productions must have received an OFTTC or OPSTC certificate in order to be eligible for the OCASE tax credit. Qualifying corporations may include animation or visual effects houses, post-production houses and film and television production companies which perform eligible computer animation and special effects activities.



## Ontario Interactive Digital Media Tax Credit (OIDMTC)

This tax credit is equal to 40% of eligible Ontario labour expenditures, and eligible marketing and distribution expenses incurred in the creation of eligible interactive digital media products by an eligible corporation that develops and markets their own products. The credit is 35% on eligible Ontario labour expenditures for products developed under a fee-for-service arrangement. A 35% credit on eligible labour expenditures is also available to qualifying digital game corporations and specialized digital game corporations. The maximum eligible marketing and distribution expenditures are capped at CA$100,000 per non-specified product. There is no limit on the amount of eligible Ontario labour expenditures which may qualify and there is no per-project or annual corporate limits on the amount of the OIDMTC which may be claimed.

### Eligibility requirements

- 80/25 test: The 80/25 test rule requires that 80% of total development labour costs to create the product be for work performed in Ontario and paid to a company's Ontario resident employees, and eligible remuneration paid to arm's length personal services corporations, and individuals providing services as part of a sole proprietorship with no employees. Also, 25% of total development labour costs to create the product must be paid to Ontario-based employees for work performed in Ontario.
- The production must be an "eligible product" in accordance with OIDMTC regulations. Including, but not limited to, presenting information in at least two of the following three formats: text, sound and/or images.
- There are four types of products that can be claimed under the OIDMTC: non-specified products, specified products, eligible digital games developed by a qualifying digital game corporation and eligible digital games developed by a specialized game corporation.
- Types of interactive digital media products that may be eligible for the tax credit include digital games, mobile applications, and e-learning products for children. Operating system software is not eligible for the tax credit.
- The product must be created at a permanent establishment in Ontario.
- The corporation that develops the eligible product must be a Canadian corporation, but need not be Canadian owned.
- The claim period for Ontario labour expenditures is 37 months preceding the end of the month in which the product was completed.
- The corporation must not be exempt from taxation under the ***Corporations Tax Act***.
- More than 50% of product content must meet the primary purpose test, meaning the product should be designed for recreation, or for children under 12, the product should be designed as a tool for teaching.
- The user of the product must be able to choose what information is presented and the form and sequence in which it is presented.
- Products that are primarily promotional are excluded. Products with no revenue generating stream are excluded as they are considered to promote the developer or the products of the developer (or the purchaser or products of the purchaser).

## Northern Ontario Heritage Fund - Film and Television Stream (NOHFC)

- The Film and Television Stream is designed to increase film and television industry jobs and investment and to increase quality, original film and television production produced in Northern Ontario, while showcasing its culture, geography, stories and talent.

### Eligibility requirements

- The production company must be a Canadian corporation which is Canadian controlled.
- The production company must own all, or a majority of the rights necessary to exploit and produce the production.
- Applicants must receive a producer credit on the project.
- Types of eligible projects include: theatrical feature films, scripted television series, made-for-television movies, documentaries.
- Ineligible costs include costs spent outside Northern Ontario, brokerage of goods/services from outside Northern Ontario by intermediaries, operational expenses for a media company, advertisements, partisan content, fundraising videos, industry videos not for broader consumption, unscripted media content (e.g., reality TV, live sports, news, improvisational comedy), and productions containing excessive violence or sexually explicit content, or content that encourages hatred, intolerance, violence, or criminal activity.
- Labour costs for individuals who live in Northern Ontario are eligible for NOHFC support -"deemed labour" is not allowed.
- Priority is given to productions featuring Northern Ontario culture and stories, Northern Ontario talent and which are set in Northern Ontario.
- Funding decisions are based on the evaluation criteria under the Northern Ontario Benefits assessment and Production Strength assessment.

NOHFC funding is based on the project's total level of spending in Northern Ontario. It provides assistance in the form of a conditional contribution up to 50% of eligible costs to a maximum capped on a tiered basis according to the total northern spend:

- For a total production budget of CA$5 million, the potential level of support is up to CA$500,000.
- For a total production budget of up to CA$5 million - CA$10 million, the potential level of support is up to CA$1 million.
- For a total production budget of CA$10 million and above, the potential level of support is up to CA$2 million.

Applicants must provide evidence of the availability of all other project financing with terms and conditions satisfactory to the NOHFC, at the time of application. The project must have secured a written commitment letter from a qualified and experienced distributor or broadcaster, satisfactory to the NOHFC, at the time of application.

## Other programs

Other Ontario funding programs include:

Ontario Creates Film Fund. For more information on programs provided by Ontario Creates, visit ontariocreates.ca.

- The Ontario Arts Council: Media Arts.
- Toronto Arts Council: Media Artists Program.

# Prince Edward Island government incentive programs

Prince Edward Island does not offer funding specific to the film industry through tax credits. However, it offers a government rebate program, called the Prince Edward Island Film Production Fund (PEIFPF), administered by Innovation PEI.

## Prince Edward Island Film Production Fund (PEIFPF)

The PEIFPF supports the development and growth of the private-sector film and television industry in PEI. It provides a financial incentive to make PEI a competitive location for productions and encourages the development, training and hiring of PEI film personnel.

The fund provides this support via a base rebate of 32% of eligible PEI expenditures for work completed in PEI.

An increase to the rate is available through the following bonuses:

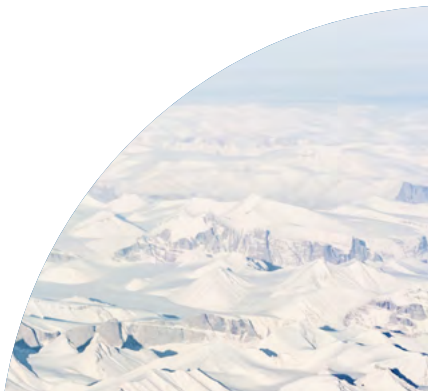
- PEI Production Bonus: 1% point for productions by PEI producers or co-productions where the PEI producer has at least 25% control;
- Series Production Bonus: 2% points for series productions.

If Innovation PEI approves funding for the production, it will issue a Fund Letter of Offer detailing the terms, conditions, obligations and requirements for payment to be issued.

Applications must be submitted prior to the beginning of production.

### Eligible applicants

- Must have as their principal business the production of film and television.
- Must demonstrate that their main activity is the creation of productions available for public viewing.
- Are incorporated in Canada, either federally or provincially.
- Applicants, shareholders and related companies must be in good standing with Innovation PEI and the Province of Prince Edward Island.
- Distributors, broadcasters or other issuers of commercial license agreements (including online distributor or aggregator) are not eligible to apply.
- PEIFPF may be used for co-productions; for treaty co-productions, PEIFPF is applicable to the Canadian only portions as per the guidelines set out in Canada's existing treaty co-production agreements.
- Applicants in arrears with any government department or crown corporation will be disqualified.
- Applicants must use best efforts to include location and Government of PEI credits on-screen and in advertising and promotional material.





## Eligibility requirements

- Productions must be new productions and must not fall within the list of ineligible genres or platforms; repackaging or re-versioning of previously completed productions will not be accepted.
- Development activities are not supported activities.
- Productions must have a commercial license agreement (which may or may not include a license fee).
- The amount of money spent in PEI for the production must be at least CA$25,000 before HST.
- All projects must be finished and made available to audiences.
- The applicant must provide a financing structure and budget in industry-standard format and demonstrate that the production is fully financed.
- The applicant production company must demonstrate that all necessary insurance and performance bonds (where required) are in place.
- There are no content requirements, other than for productions for which a Film or Video Production Certificate from CAVCO will be sought.

## Eligible costs

- Eligible costs include all expenditures where the good or service is purchased from a PEI-based supplier (with a permanent physical establishment within PEI), and is leased, used, provided or consumed in PEI. Wages paid to PEI residents are eligible expenditures.
- The PEIFPF includes a provision for deemed labour when no PEI resident is available and qualified to fill a technical role. Deemed labour must be pre-approved by Innovation PEI to be an eligible cost and cannot exceed 30% of eligible PEI labour costs. The ratio of eligible non-resident trainee is calculated on the average for the production, not on an individual basis. The deeming provision does not apply to producers, directors, actors or any above-the-line position.
- Any requests for deeming must be completed prior to the start of principal photography.
- The value of in-kind contribution is not considered an eligible PEI expense. Capital items are not considered an eligible PEI expense.
- Except when approved in advance, producers may claim no more than one Head of Department/ Performer position in addition to being a producer. In these approved instances, total fees eligible for inclusion as an eligible PEI cost for Head of Department/Performer services payable to producers are employed in Head of Department positions will be no greater than applicable industry standard or 20% of the budget, whichever is lower.
- For more information on PEI's film and television industry, please visit www.princeedwardisland.ca/ en/ service/prince-edward-island-film-production-fund.



# Québec government incentive programs

Québec offers some of the most advantageous cash rebates available in North America. Administered by the Société de développement des entreprises culturelles (SODEC), the Québec tax credits are based on all expenditures and the producer is not required to release the film in Québec.

## Refundable tax credit for Québec film and television productions

The refundable tax credit for Québec film and television productions, which is administered by the Société de développement des entreprises culturelles (SODEC), is generally equal to 32% of eligible labour expenditures, to a maximum of 50% of production costs. However, film or television productions that are based on a foreign (created outside of Québec) concept or format, may qualify for a lesser credit equal to 28% of eligible labour expenditures, to a maximum of 50% of production costs. An additional bonus credit of 10% is available for eligible labour expenditures, which are directly attributable to the creation of digital animation or visual effects. For giant screen films and certain French-language productions, including (i) animation; (ii) youth programming; and (iii) documentaries that meet higher content criteria, a tax credit, to a maximum of 50% of productions costs, of 40% of labour expenditures applies for original productions originating in Québec, and of 36% of labour expenditures applies to foreign-based productions made in Québec. For regional productions (in the Province of Québec but outside of the Montréal region) produced by regional producers, an additional credit of 10% of eligible labour expenditures applies to a maximum of 50% of production costs for giant screen films and French-language productions, and of 20% of eligible labour expenditures applies to a maximum of 50% of production costs for other productions. Additionally, an effective 8% tax credit available per fiction feature film or single documentary that does not receive any financial assistance from a public organization. With the addition of bonus credits, the general maximum effective rate is 33% for non-foreign productions and 31% for foreign-based productions.

### Eligibility requirements

- A production company must first obtain an advance ruling or certificate from SODEC.
- A production company must be a corporation having an establishment in Québec, must carry on a Québec film or television production business, must not be directly or indirectly controlled by a person or persons not resident in Québec for at least 24 months prior to the year in which the tax credit is claimed, must not be a corporation holding a broadcast licence issued by the CRTC (a Broadcaster), must not be a corporation that in the preceding 24 months has had a non-arm's length relationship with a Broadcaster unless the corporation has been issued an eligibility certificate by SODEC for the current fiscal year, and must not be exempt from income tax.
- The production must generally meet six of the possible 10 Québec content points (the Québec-content point scale is similar to that of CAVCO, but is based on residence of key personnel in Québec, rather than on Canadian citizenship). In certain circumstances, the production must meet seven of the 10 possible Québec content points, where only five of the key personnel are residents of Québec but where two are residents of Canada.

- For productions of 75 minutes or more (per episode in the case of a series), 75% of post-production costs must be incurred and paid with respect to services rendered in Québec.
- For productions of 75 minutes or more (per episode in the case of a series), a minimum of 75% of production costs, excluding payments to key personnel for purposes of the point scale and those related to financing, must be paid to individuals residing in Québec at the end of the previous year, or to corporations or partnerships having an establishment in Québec during the year.
- For productions of less than 75 minutes (per episode in the case of a series), and for all co-productions regardless of duration, the content points requirement relating to key personnel does not apply, but the production must meet the requirement that 75% of all production costs, except those relating to financing, must be paid to individuals residing in Québec at the end of the previous year, or to corporations or partnerships having an establishment in Québec during the year.
- A production must have a commitment from a Canadian broadcaster or distributor undertaking that the production will be broadcast or exhibited in theatres in Québec. However, for a giant-screen production, the production company only needs an undertaking that the production will be screened in Canada in a public performance venue.

Eligible projects (live action or animation) include feature films, television programs, documentaries and documentary series, children's programs, and certain variety and game programs.

Official treaty international co-productions and inter-provincial co-productions are also eligible for this tax credit if a minimum of 75% of production costs relating to the Canadian portion of the co-production are paid to Québec residents or incurred for services rendered in Québec. In such cases, the tax credit is calculated based on Québec's portion of the budget.

Québec offers some of the most advantageous cash rebates available in North America. Administered by the Société de développement des entreprises culturelles (SODEC), the Québec tax credits are based on all expenditures and the producer is not required to release the film in Québec.

## Refundable tax credit for film and television production services

This tax credit, administered by SODEC and the Ministere du Revenu du Québec is equal to 25% of all-spend production costs (including qualified labour costs and the cost of qualified properties). An additional bonus rate of 16% is available for labour-based computer-aided special effects and animation including the shooting of scenes in front of a chroma-key screen.

### Eligibility requirements

- A production company must first obtain an advance ruling or a certificate from SODEC.
- The corporation must have an establishment in Québec.
- The corporation's primary business must be the operation of a film or television production business or production service business.
- The production company must either own the copyright in the production throughout the period during which the production is carried out in Québec or have directly contracted with the copyright owner to render production services for the production.
- The minimum production costs requirement is CA$250,000 or more. In the case of a film that is part of a series or miniseries, the production costs of the series or miniseries; in other cases, the production costs of the film
- The corporation must not be exempt from income tax.

Official treaty co-productions are eligible for the Québec refundable tax credit for film production services. Eligible projects are fiction films and documentaries lasting a minimum of 30 minutes, or in the case of a series, 30 minutes of programming per episode (excluding documentaries intended for minors and virtual reality documentaries, which may be shorter). Eligible fiction films or documentaries include virtual reality (VR) or augmented reality (AR) products.

This tax credit cannot be combined with any other Québec tax credit except for the Québec Film Dubbing Tax Credit as long as the dubbing expenditures are not included in the production costs under this tax credit.



**CA $2.68 billion**
Total volume of film and television production in Quebec in 2024/2025

- Source: *Profile 2025*, CMPA

## Québec dubbing tax credit

The Québec dubbing tax credit administered by SODEC is equal to 35% of eligible labour expenditures incurred for dubbing an eligible production. This amount is capped at 50% of eligible dubbing costs. This credit cannot be claimed if dubbing costs were included in production costs for the refundable tax credit for Québec film and television productions, or if claimed under the refundable tax credit for film production services.

### Eligibility requirements

- The corporation must have an establishment in Québec.
- The corporation must provide dubbing services (this includes broadcaster-affiliated companies).
- This tax credit is only available to productions that meet the genre requirements of the refundable tax credit for Québec film and television productions.
- The corporation must obtain a certificate from SODEC certifying the production as a qualified production.
- 75% of the persons engaged in set direction or as talent associated with the dubbing of the qualified production must be Québec residents.
- For eligible productions, the following two services constitute eligible dubbing services: (i) the audition (i.e., the test session intended to establish the dubbing cast); and, (ii) the preparation of texts (i.e., the work relating to computer-assisted detection [including the preparation and formatting of the original text according to the standards of the software used] and the preparation of markers, verification and the correction of adapted texts)

## Co-Production

- This tax credit cannot be combined with any other Québec tax credit except for the Québec Film Dubbing Tax Credit as long as the dubbing expenditures are not included in the production costs
- under this tax credit.
- For more information on programs administered by SODEC, visit https://sodec.gouv.qc.ca/.

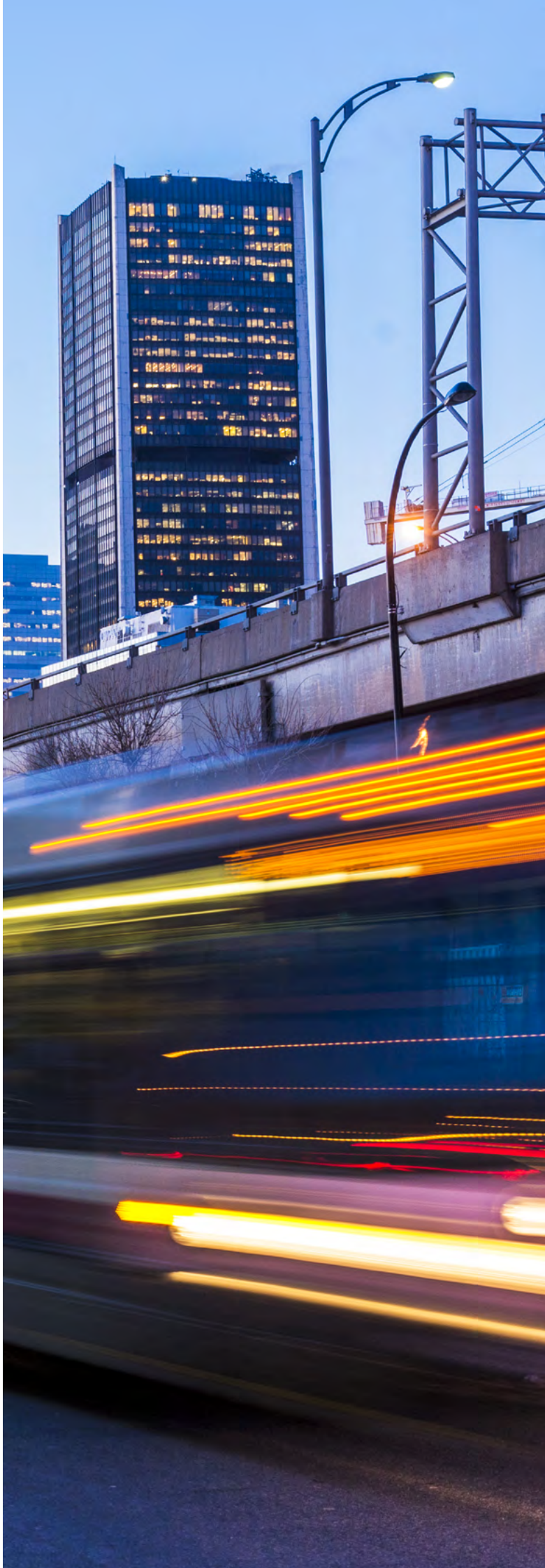
## The Québec production of multimedia titles tax credit

- This credit is administered by Investissement Québec. The refundable tax credit for Category A titles (i.e., multimedia titles intended for commercialization, not vocational training titles) is granted at a rate of 30% of qualified labour, with a premium of 7.5% offered for qualified labour if in a French language version. For Category B titles (i.e., other multimedia titles), 26.25% of qualified labour is offered. For specialized corporations (credit is based on corporation's qualified labour, not production's qualified labour), if a minimum of 75% of eligible multimedia titles produced are Category A titles or a minimum of 75% of gross revenues came from Category A titles, then a rate of 30% of corporation's qualified labour is offered, with a premium for French at 7.5% of the corporation's qualified labour. For all other multimedia titles, 26.25% of the corporation's qualified labour is offered. The maximum annual qualified labour expenditure per eligible employee is CA$100,000 (exceptions apply).
- A corporation for which 75% of its activities consist of producing eligible multimedia titles for itself or others, may expedite the process of applying for the credit by qualifying as a specialized corporation.

## Eligibility requirements

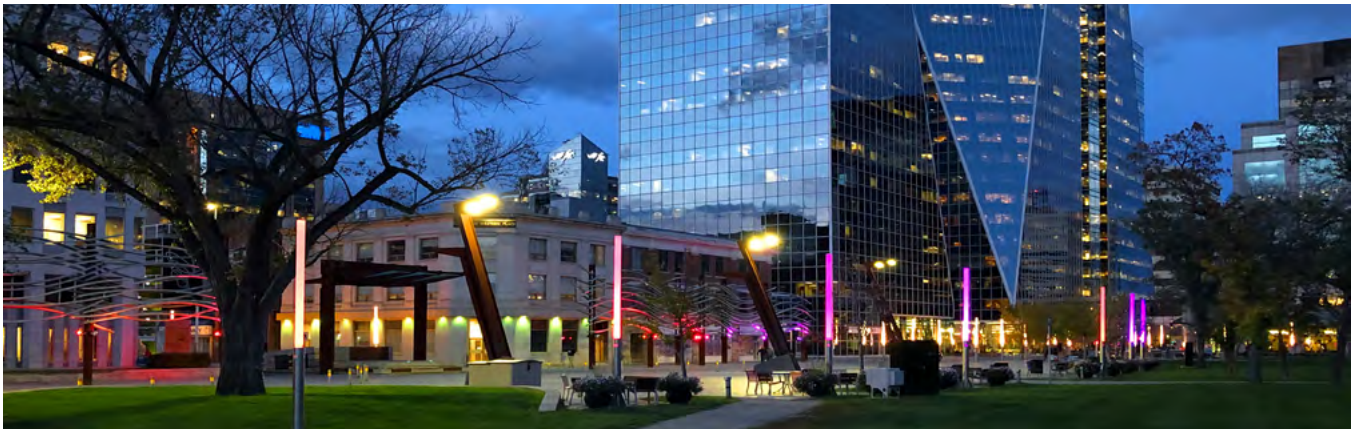
- The corporation must have an establishment in Québec and operate a multimedia title production business.
- The corporation must first obtain an eligibility certificate from Investissement Québec.
- The corporation must not be exempt from income tax.
- The corporation must not be entitled to the tax credit for corporations specializing in the production of multimedia titles.
- Eligible multimedia titles may be online or offline, but must be interactive and contain a significant amount of at least three of the following elements: text, sound, images and animated images, unless intended for customers with a disability.

In general, interpersonal communication systems, transactional services and corporate promotion titles are not eligible.



# Saskatchewan government incentive programs

Saskatchewan does not offer funding specific to the film industry through tax credits. However, it offers a number of grant programs administered by Creative Saskatchewan, in support of the creative industries.



## Creative Saskatchewan

Creative Saskatchewan offers grant programs for a variety of creative industry projects, including music, sound recording, film, television, interactive digital media, craft and visual arts, book publishing and live performing arts. The investment fund behind such programs prioritizes the marketing and selling of work produced in connection with Saskatchewan, and advancing the commercial development of individuals, businesses and associations from recognized Saskatchewan creative industry sectors.

### General eligibility requirements for all Creative Saskatchewan grant and fund applicants

- Applicants may be a corporation or an individual.
- Applicants must be in good standing with Creative Saskatchewan in all respects.
- Applicants must be an active practitioner in one of the creative industries identified under ***The Creative Saskatchewan Act***.
- Applicants must demonstrate the intent to earn a living within a chosen creative industry, and demonstrate an ambition to grow its business.

In addition to the programs summarized below, Creative Saskatchewan offers a Marketing Grant and a Market Showcase or Sell Trael Grant. Additional details can be found at: www.creativesask.ca.

## Film and Television Development Grant

Creative Saskatchewan's Film and Television Development Grant aims to assist qualified Saskatchewan production companies with the development of eligible projects with the ultimate objective of advancing such projects into production.



### Eligibility requirements

- Applicants may be an individual or a corporation. Applicants must be the owner or co-owner of the project, control copyright in the project and receive a share of revenue from sales of the project.
- Applicants must demonstrate that they have the rights to develop, produce and exploit the property for a two-year minimum plus a renewal from date of application.
- Applicants must have experience as producers of commercial film or television, or related experience satisfactory to Creative Saskatchewan, and must demonstrate they possess the necessary expertise and resources to complete the proposed production and arrange for its marketing.
- Applicants with insufficient experience for the scope of the project must secure the participation of an experienced executive producer prior to applying to Creative Saskatchewan.
- The production company cannot hold a broadcasting licence issued by the CRTC or deal at non-arm's length with a corporation that holds such a licence.
- Applicant companies must be incorporated in Saskatchewan or federally, and registered in Saskatchewan.
- An applicant company's head office or principal place of business must be located in Saskatchewan, and substantial ownership control must reside with Saskatchewan residents.
- Applicants must be in good standing in all respects with Creative Saskatchewan.
- Applicants who have secured production funding from Creative Saskatchewan in support of a project that has received development funding must complete development activities and reporting prior to the start of principal photography.

Creative Saskatchewan's financial commitment is a grant for projects that proceed into production within the province of Saskatchewan. However in the case of (i) dramatic projects, where less than 50% of principal photography and/or 75% of post-production takes place within the province, and (ii) non-dramatic projects, where less than 50% of post-production takes place within the province, applicants must repay the development amount committed by Creative Saskatchewan upon the first day of principal photography.

There are four streams available to eligible applicants under the Film and Television Development Grant:

### 1. First Draft

The First Draft stream assists with the continuing development of projects that have secured development funds from a relevant market source (e.g., a broadcaster, distributor, pay television or other funding agency) to a minimum of 10% of the development cash budget as evidenced by long form agreements evidencing terms. Related-party financing will not be considered as a relevant market source. Examples of development activities supported by this stream include, but are not limited to, taking a script treatment to an outline or first draft.

Non-dramatic projects may apply to create a non-broadcast demo.

The maximum contribution is CA$25,000 or 50% of the total development cash budget for this phase, whichever is the lesser.

Applicants and their parent companies are limited to two First or Final Draft Development grants (or combination thereof) per fiscal year. Subject to further budget review.

### 2. Final Draft

The Final Draft stream supports the continuing development of projects that have secured development funds from a relevant market source to a minimum of 10% of the development cash budget, as evidenced by long form agreements evidencing terms. Examples of development activities supported by this stream include, but are not limited to script polish and pre-production activities.

The maximum contribution is CA$15,000 or 50% of the total development cash budget for this phase, whichever is the lesser.

Applicants and their parent companies are limited to two First or Final Draft Development grants (or combination thereof) per fiscal year. Subject to further budget review.



### 3. Slate Development

The Slate Development stream assists with the development of a minimum of two and a maximum of five eligible film or television projects in order to leverage development financing from other funding agencies and private sector investment.

Applicants must have at minimum one-hour of commercially-distributed content (for animation, applicants must have at minimum of one half-hour of commercially-distributed content), created and made available to audiences within the past two years (applicant companies must demonstrate ownership of the property) to be considered eligible for this stream. Projects must demonstrate strong market potential. Co-productions can make up to 50% of the development budget. Co-productions must demonstrate that a minimum of 50% of the copyright is owned by the applicant. Applicants must demonstrate that they have the rights to develop, produce, and exploit the property for a two-year minimum plus a renewal from date of application.

The maximum contribution is CA$40,000 or 75% of the total development cash budget for this phase, whichever is the lesser. Applicants and their parent companies are limited to one Slate Development stream grant per fiscal year. Producer fees and corporate overhead may not exceed 20% of the base total.



## Feature Film & Television Production Grant

This grant provides financial support to eligible applicants for feature film and television productions that have secured a relevant market trigger or distribution agreement of fair market value. There are two streams within this grant: the Saskatchewan Stream and the Service Production Stream.

### Eligibility requirements

- Feature film productions must be feature-length (a minimum of 75 minutes).
- Productions must demonstrate interest from other agencies or a relevant market trigger(s) minimum 20% of the eligible production costs (i.e., a combination of distribution agreement of fair market value, federal funding agencies etc.)
- Creative Saskatchewan will consider exceptions for production companies that have completed a minimum of two commercial productions with a similar degree of financial risk, budget, and that have been made available to in a meaningful way to audiences including on a broadcaster or subscription service within 24 months of application date OR financial structures agreed upon and contracted with Telefilm.
- The applicant production company cannot hold a broadcasting licence issued by the CRTC or deal at non-arm's length with a corporation that holds such a licence.
- Applicants must receive a producer credit on the final project.
- Applicants must have experience as producers of feature films and/or television productions or related experience satisfactory to Creative Saskatchewan, and must demonstrate they possess the necessary expertise and resources to complete the proposed production and arrange for its marketing. Applicants with insufficient experience for the scope of the project must secure the participation of an experienced executive producer prior to applying to Creative Saskatchewan.
- Inter-provincial co-productions and co-ventures are eligible.
- At the time of submission, applicants must provide written evidence of a relevant market trigger, or distribution agreement of fair market value and evidence of a minimum of 50% confirmed financing, unless the project budget is more than CA$1 million, in which case evidence of a minimum of 70% confirmed financing is required. The applicable Creative Saskatchewan Production Grant and federal tax credit calculations may be included as part of the confirmed financing.
- Applications must be received prior to the completion of principal photography.
- Eligible feature film productions include: dramatic feature films, non-dramatic feature films, and animated feature films.
- Eligible television productions include: dramatic television productions including series, mini-series, MOW, non-dramatic television productions, animated television productions, lifestyle television production and reality television.
- Projects that have received funding through the Creative Saskatchewan Micro-Budget Production Grant or Web Series Grant programs are ineligible.

### Saskatchewan Stream

- Eligible applicants may apply for financial support equal to a maximum of 30% of all eligible Saskatchewan expenditures up to a maximum of CA$5,000,00 (including goods & services and labour).
- Applicants must be the owner or co-owner of the project and, at minimum, control a share of the copyright proportionate to Creative Saskatchewan's financial participation.

### Service Production Stream

- Eligible applicants may apply for 25% of all eligible Saskatchewan expenditures up to a maximum of CA$5,000,000 (including goods & services and labour).
- There are no copyright ownership requirements for the Service Production Stream.

### Bonuses

For both streams, applicants might be eligible for the following bonuses, in the form of a grant (to a commitment not exceeding a maximum of 40% of eligible Saskatchewan expenditures for Saskatchewan Stream, or a maximum of 35% for Service Production Stream):

- 10% frequent filming bonus (where applicants complete 270 minutes or more of eligible live action content or 90 minutes or more of eligible animation content per year in Saskatchewan).
- 5% rural bonus (where majority production takes
- place a minimum 50km outside Regina
- or Saskatoon).
- 5% Saskatchewan post-production bonus (where majority post-production is taking place in Saskatchewan).



# Yukon government incentive programs

The Government of Yukon has created the following funding programs to support the territory's filmmakers. These programs provide economic benefits and employment opportunities for Yukoners.

## Predevelopment Fund

This fund helps producers develop ideas for a professional film, television program, or digital media project. Assistance under this fund helps attract commitments from broadcasters, distributors or online platforms for further development or production. Applicants can receive up to 75% of the eligible costs of their predevelopment budget, up to a maximum of CA$15,000. Applicants can only receive funding from the Predevelopment Fund once per project.

### Eligibility Requirements

- Production companies must be incorporated in the Yukon.
- Must be registered to conduct business in the Yukon.
- Must be in good standing with the Government of Yukon Corporate Affairs.
- Must be majority owned by Yukon residents.
- Must have a Yukon business address.
- Must be a production company primarily in the business of developing and producing professional film and television content.
- Must be a for-profit company under Canada's Income Tax Act.
- Must have the rights to produce and exploit the project.
- Must maintain a financial stake in the project.
- Must have a Yukon resident as the producer, including responsibility and control over the project's development, 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 expenses related to the project, the project bank accounts, and the negotiation of initial agreements.
- Production companies in (or related to someone) the business of broadcasting or distribution content, or in default with the Government of Yukon are not eligible.
- Projects must not fall under the list of ineligible projects, and must be an idea for a professional film, television program or digital media project with an economic benefit to the Yukon.

### Co-productions

A Yukon production company in co-production with a non-Yukon production company can apply for this fund. The maximum funding amount is reduced proportionately if the Yukon production company owns less than 51% of the project.

## Development Fund

This fund is available to professional films, television programs or digital media projects where an applicant has a distribution commitment from a broadcaster, distributor or online platform. Applicants must demonstrate market demand for the project in the form of a license agreement or a letter of interest. Applicants can receive up to 50% of the costs in the development budget, up to a maximum of CA$40,000. Applicants can only receive funding from this fund once per project.

In addition to funding, applicants can apply for letters of commitment letters known as "comfort letters." Applicants must show that at least 30% of funding is in place, not including the amount requested from this fund.

### Eligibility Requirements

- Production companies must be incorporated in the Yukon.
- Must be registered to conduct business in the Yukon.
- Must be in good standing with the Government of Yukon Corporate Affairs.
- Must be majority owned by Yukon residents.
- Must have a Yukon business address.
- Must be a production company primarily in the business of developing and producing professional film and television content.
- Must be a for-profit company under Canada's Income Tax Act.
- Must have the rights to produce and exploit the project.
- Must maintain a financial stake in the project.
- Must have a Yukon resident as the producer, including responsibility and control over the project's development, 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 expenses related to the project, the project bank accounts, and the negotiation of initial agreements.
- Production companies in (or related to someone) the business of broadcasting or distribution content, or in default with the Government of Yukon are not eligible.
- Projects must not fall under the list of ineligible projects, and must be an idea for a professional film, television program or digital media project with an economic benefit to the Yukon.

### Co-productions

A Yukon production company in co-production with a non-Yukon production company can apply for this fund. If the Yukon production company owns less than 51% of the project, the maximum funding amount is reduced proportionately. A Yukon production company must have a share of ownership and producer functions that is at least equal to the share of funding provided by the Government of Yukon.

## Media Production Fund

This fund provides applicants with funding to produce a professional film, television program, or digital media project. Applicants must demonstrate market demand for the project in the form of a license agreement or a letter of interest. A minimum of three (different) Yukoners in key positions is required (i.e., heads of department or a senior role on production). Applicants can receive a minimum rebate of 25% of approved Yukon spend.

The 25% rebate increases:

- By 2% for each Yukon resident filling a key position, beyond the required minimum of three, to a maximum of 10%; and,
- Up to 5% for projects where there's Yukon ownership.

The maximum rebate is 40% of Yukon spend. Applicants can only receive funding from this fund once per project.

### Eligibility requirements

- Production companies must be incorporated in the Yukon.
- Must be registered to conduct business in the Yukon.
- Must be in good standing with the Government of Yukon Corporate Affairs.
- Must have a Yukon business address.
- Must be a production company primarily in the business of developing and producing professional media content.
- Must be a for-profit company subject to Canada's Income Tax Act.
- Must have the rights to produce and exploit the project.
- Must maintain a financial stake in the project.
- Projects must not fall under the list of ineligible projects, and must be a professional film, television program or digital media project with an economic benefit to the Yukon.
- Must not be (or related to someone) in the business of broadcasting or distributing content, or in default with the Government of Yukon.
- Returning series are eligible and can apply once per year.

In addition to funding, applicants can apply for letters of commitment letters known as "comfort letters." Applicants must show that at least 30% of funding is in place, not including the amount requested from this fund.

## Training Fund

Yukon producers or technicians who wish to develop their skills to create films, television programs and digital content can apply to this fund for training in:

- Developing,
- Producing,
- Post-producing and
- Marketing.

Applicants can receive funding equal to 75% of approved cash expenses, up to a maximum of CA$10,000. No more than 50% of the total budget can be travel costs.

### Yukon non-profit organizations

- A Yukon non-profit organization can apply for funding to offer training programs to Yukoners. The programs must increase opportunities for Yukoners to work in the film, television and digital production industries. An organization can receive 75% of its approved cash expenses, up to a maximum of CA$25,000. No more than 50% of the total budget can be travel costs.

### Eligibility requirements

- Must be a Yukon resident.
- Must be registered Yukon non-profit organizations.
- Applicants can apply as a Yukon resident if they've lived in the Yukon for at least one year before applying.
- Yukon non-profit organizations must be registered and in good standing with the Government of Yukon Corporate Affairs, have a mandate to grow the Yukon's media production industry and have a record of offering training programs to Yukoners.

### Eligible Projects

- Post-secondary coursework
- Training offered by a qualified training provider, including mentorship
- Training in key positions on a media production
- Training with an established production company
- A workplace internship with an established production company
- Short-term training programs for Yukoners involved in media production

### Ineligible Projects

- Attending conferences and annual
- general meetings
- Training typically provided by an employer
- General training that is not specific to the development, production, post-production or marketing of film, television, or digital content, such as first-aid training

# Union and guild-related issues

## SAG-AFTRA's Global Rule One

The "Global Rule One" (GR1) of the Screen Actors Guild - American Federation of Television and Radio Artists (SAG-AFTRA) extends the territoriality of the SAG-AFTRA collective agreement into Canada. As a consequence, many SAG-AFTRA members will not agree to render services in Canada unless they are engaged on SAG-AFTRA terms and minimums.

While the imposition of GR1 initially created many problems for foreign productions shooting in Canada, the introduction of certain exemptions by SAG-AFTRA, the support of the Canadian actors' union (ACTRA) and the establishment of an accepted protocol, have resulted in a fairly streamlined process.

Under the current rules, a foreign producer typically engages SAG-AFTRA members through a SAG-AFTRA signatory company and then lends the services of those SAG-AFTRA members to the local Canadian production company. In situations where the foreign producer is not a SAG-AFTRA signatory, and when the production is not primarily financed by an American company (e.g., a "service production"), the Canadian production services company will become a signatory to ACTRA and sign a memorandum with SAG-AFTRA for SAG-AFTRA members. The SAG-AFTRA members will work under the SAG-AFTRA rules, but their agreement will fall under ACTRA jurisdiction. The Canadian producer will require the SAG-AFTRA member to sign the ACTRA "faceplate" contract and will attach the long form SAG-AFTRA agreement as a rider. In instances where the production is primarily financed by an American company (e.g., a service production) SAG-AFTRA will generally require the Canadian production company to become a signatory to the SAG-AFTRA basic agreement, which will apply solely to SAG-AFTRA members engaged on the production, and ACTRA's jurisdiction will govern for all other performers engaged.

## Director's Guild of Canada

A production company becomes a signatory to the Directors Guild of Canada (DGC) by signing a document called Bargaining Authorization and Voluntary Recognition Agreement. This Agreement is between the production company, parent company and the DGC for the specific production. The parent does not become a signatory for all future productions by signing the Agreement; it only applies to the specific production.

Once the production company becomes a DGC signatory, it must hire DGC members for all job classifications covered by the DGC Basic Agreement (the DGC and DGA cover similar job classifications).

In the event the director on the production is a Directors Guild of America (DGA) member, the DGA and the DGC have a reciprocal agreement that DGA directors may work in a DGC jurisdiction under the DGA Agreement. The DGA application is more extensive than the DGC.



Despite the reciprocal agreement, the producer is still required to obtain prior approval from the DGC. The director needs to become a permittee by completing a work permit application for non-Canadians. The DGC also requires a resume be attached to the permit application. A permit fee of CA$200 per week of engagement during principal photography will be deducted from gross remuneration and remitted by the producer to the DGC. The fringe benefits will be calculated and paid pursuant to the DGA Basic Agreement. The DGC may refuse the permit if it is a first-time or inexperienced director.

## Writers Guild of Canada

Whether the Writers Guild of Canada (WGC) or the Writers Guild of America (WGA) has jurisdiction over a given production is determined by the location of the producer. If a Canadian producer is engaging a WGA member, the agreement will fall under the terms of the WGC Independent Production Agreement (WGC IPA), and the Canadian producer must become signatory to the WGC and sign a side letter with the WGA. The WGA writer then must obtain a Working Rule 8 Waiver from the WGA.

The WGA member's contract shall be subject to all the terms of the WGC IPA, except for the following:

- The minimum compensation payable to a WGA member shall be that under the WGA Basic Agreement, which is generally higher than the WGC.
- The producer will have to pay the WGA fringes (including pension, health and welfare contributions) as such writer would otherwise have received under a straight-WGA agreement, which shall be in lieu of the insurance and retirement contributions to which a writer engaged under a WGC contract would otherwise be entitled.

Please note that under the WGC IPA, the writer does not assign copyright in and to the screenplay, it is only a licence for a specific use.

For more information regarding the interplay between the Canadian and American talent guilds, please read "The Cross-Border Challenge: Navigating American and Canadian Talent Guilds" by Jayme Alter.

# Tax-related issues

## Withholding taxes – general

The Canada Revenue Agency (CRA) is responsible for the enforcement and collection of income taxes levied under the *Income Tax Act* (Canada).

The *Income Tax Act* generally requires any person who pays for services provided by a non-resident in Canada, even a non-resident payer, to withhold and remit taxes from the payment. Payments to employees are subject to withholding at graduated payroll rates. Payments to behind-the-scenes (BTS) independent contractors are subject to 15% withholding tax if the independent contractor is a non-resident. Payments to actors or their loan-out companies are subject to withholding tax at 23%[1]. The actor can elect to file a Canadian tax return and pay tax at ordinary marginal rates on the income, in which case the 23% amount is treated as a prepayment on account of the tax. If an independent contractor (whether BTS or on-camera) is a Canadian resident, no withholding is required.

## Treaty exemptions

### Employee exemption

Non-resident employees may be exempt from Canadian taxes if Canada has a tax treaty allowing this exemption with the country in which the employee is resident. For example, employees who are resident in the United States will not be subject to Canadian tax if they:

- Earn less than CA$10,000 in Canada[2], or
- Were present in Canada for less than 183 days in the calendar year, and the remuneration is not borne by a Canadian resident or non-resident with a fixed base in Canada.

Employees who qualify for this exemption must submit an application to the CRA for a letter of authority to reduce or eliminate withholding taxes.

### BTS waiver

The CRA has developed administrative guidelines whereby it will issue a tax treaty-based "waiver" upon application by a non-resident BTS contractor who is resident in a treaty country[3]. The guidelines are intended to establish that the non-resident is entitled to a tax exemption pursuant to a tax treaty between Canada and the non-resident's country of residence. Where a waiver is obtained, the payer is not required to withhold taxes.

1 Note that the Canada-US treaty reduces the withholding tax rate to 10% on the first CA$5,000 paid to an independent contractor, whether for BTS or on-camera services.

2 This amount is increased to CA$15,000 for US resident actors earning employment income in Canada.

3 US resident actors may qualify for a waiver under these guidelines only if their gross income earned in Canada in the calendar year is less than CA$15,000.

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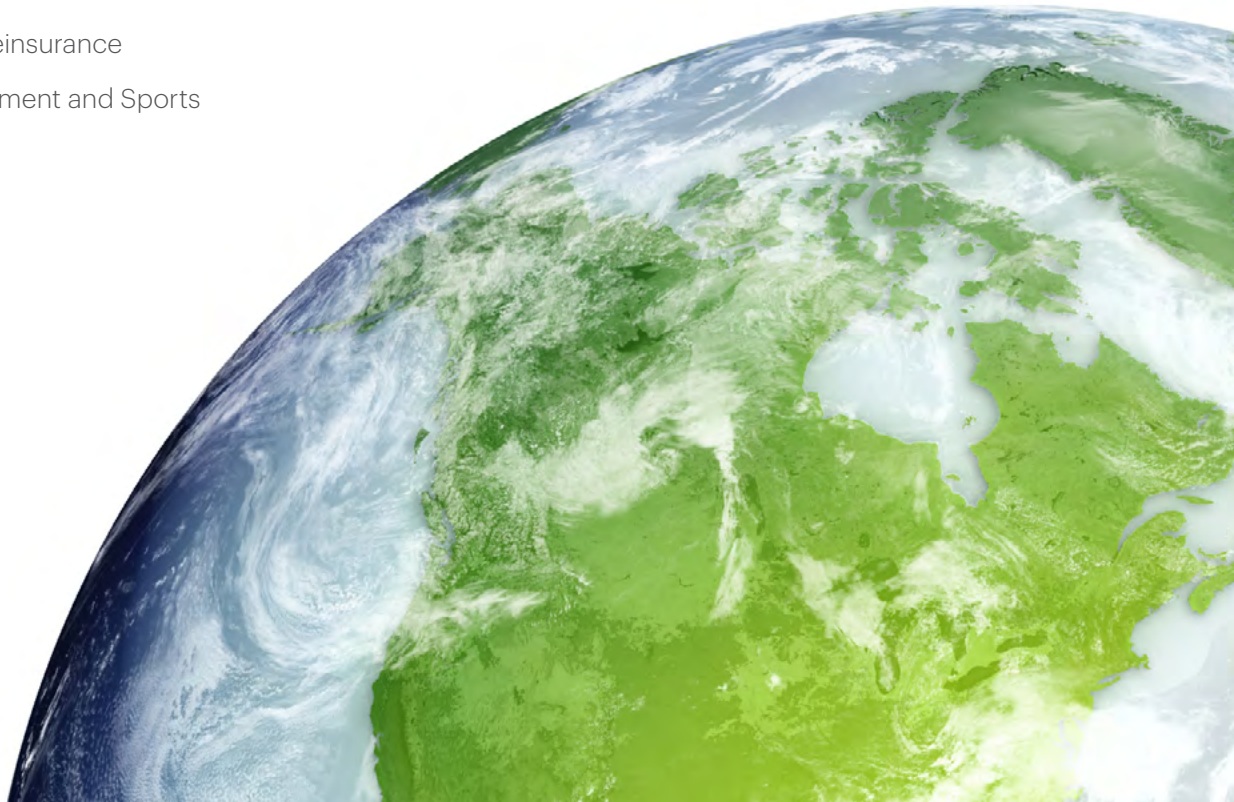
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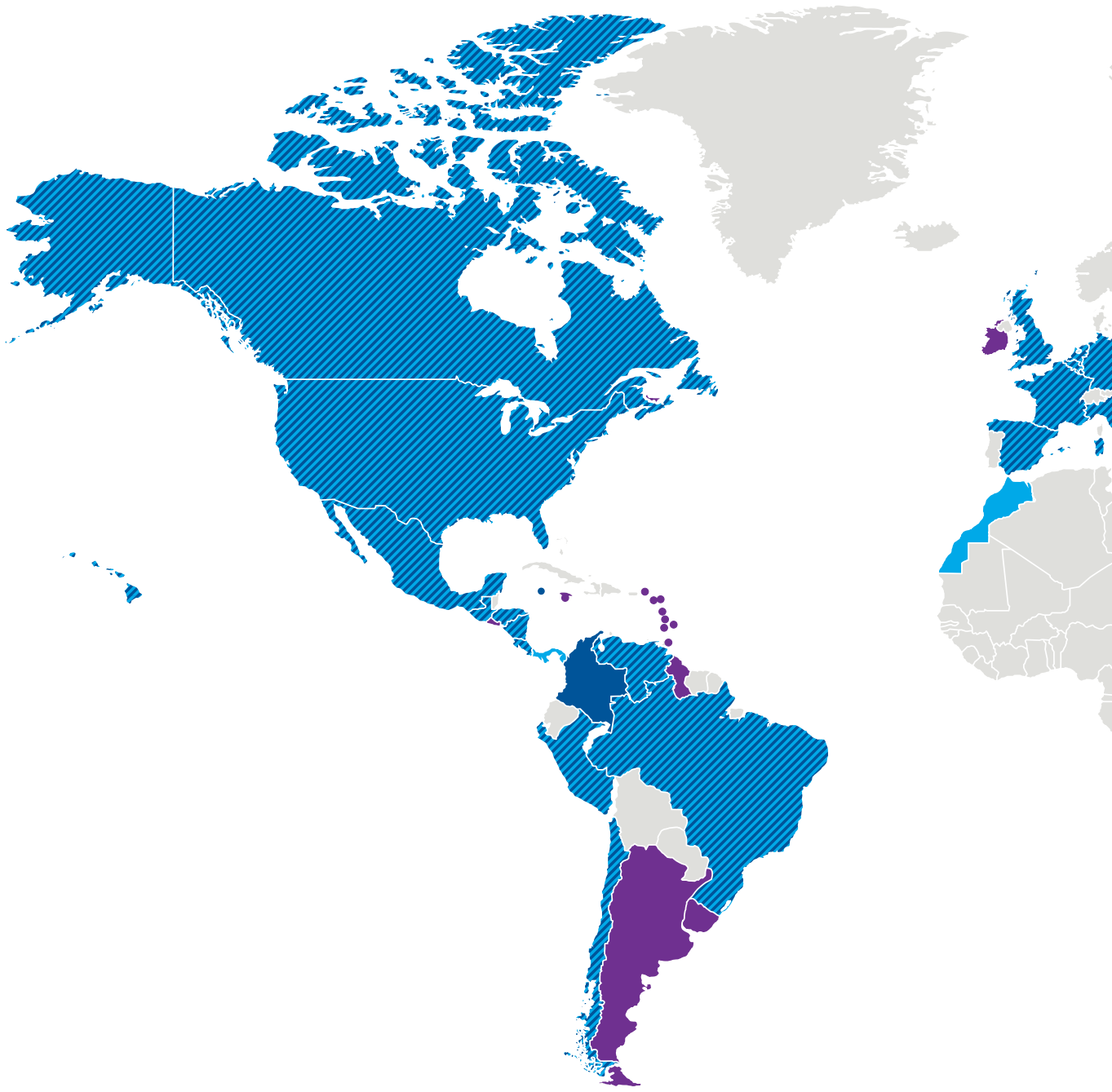
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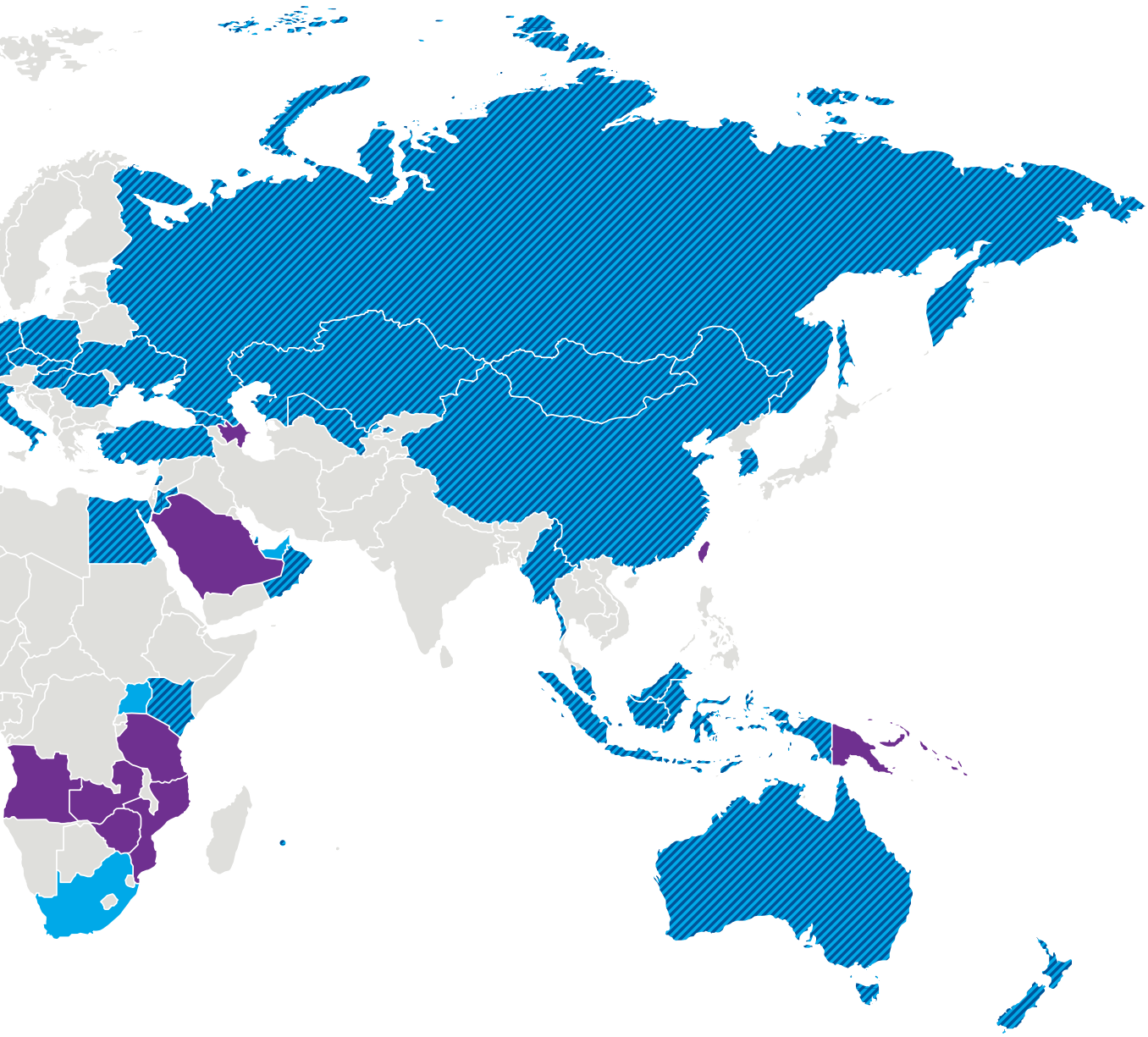
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