



Canada's Cultural Policies



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The Coalition for Cultural Diversity is pleased to present, in the following pages, summaries of Canada's national cultural policies. We have attempted to be as accurate as possible, but we are also aware that policies are in constant evolution. Please feel free to let us know about any inaccuracies or omissions.

The Coalition has always defended the notion that States have the sovereign right to adopt policies and measures to protect their cultures and has strongly advocated for countries to adopt the 2005 UNESCO Convention on the Protection and the Promotion of Cultural Diversity as a means to counterbalance trade agreements. Faced with globalisation and increasing cultural homogenization facilitated by rapidly evolving technology, it is more crucial than ever for the international community to see the benefits to be accrued from implementing the Convention.

I am often asked to explain the Convention to people who want to know more about the policies that the Coalition aims to protect. They are often vaguely familiar with the fact that Canada and the province of Quebec have managed to create a vibrant cultural economy through strong cultural policies, even though the country's domestic market is a tenth of its closest neighbour and largest trading partner, the United States, with whom it shares a common language. To be sure, Canada's world-class cultural industries have allowed many Canadian artists to attain success and reach international audiences (Cirque du Soleil, Céline Dion, Diana Krall, Robert Lepage). Yet what is this Canadian model? What does it include?

The purpose of this document is to present these national cultural policies in a coherent and comprehensive manner. It is my hope that in reading this document, cultural professionals and policymakers will come to realize that culture thrives only when the proper « ecosystem » of complementary policies and measures is in place. The Ministry of Culture does not have the means to be the sole body responsible for culture.

Canada's comprehensive cultural policies certainly provide a unique example. They are also proof that it is possible to develop a comprehensive and effective cultural policy toolkit while pursuing an aggressive trade agenda.

Charles Vallerand
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Canada's Book Publishing Policy

Governance structure

The **Department of Canadian Heritage** is responsible for formulating cultural policies at the national level of government. The Department administers the main support program for book publishing businesses and professional associations, the Canada Book Fund. The Fund finances the following initiatives:

Support for publishers:

- Publishing support.
- Business development support.
- Foreign rights marketing assistance.

Support for organizations:

- Marketing
- Technology projects
- Professional development.
- Strategic planning.
- Internships.
- Promotion of Canadian history titles.

The various programs of the **Canada Council for the Arts**, an arm's length public corporation reporting to Parliament through the Minister of Canadian Heritage, provide grants to professional Canadian writers and publishers for the following activities: creation, translation, publication and promotion of Canadian literature.

Library and Archives Canada, also a public corporation, administers the mandatory legal deposit of all literary works to preserve the country's documentary heritage and to support the development of the library and archival communities by providing access to those literary works, including talking books.

I. Direct measures

Assistance to authors

The **Canada Council for the Arts** supports Canadian authors who wish to dedicate themselves to writing a new literary work through its programs *Grants for Professional Writers: Creative Writing* and *Authors Residencies*. Similar programs are offered to Aboriginal writers and storytellers. The *Spoken Word, Storytelling and Literary Performance* program funds creative, production and performance projects.

The **Canada Council for Arts** also distributes annual payments to Canadian authors through the *Public Lending Right Program* as compensation for the free public access to their books in Canadian public libraries. In 2012-13, total payments of 9.8 million \$ were made to 18,186 authors of 88,300 titles admissible under the Program.



The Association of Canadian Publishers (ACP) represents approximately 135 Canadian-owned and controlled book publishers across the country. The membership is diverse and includes publishers from a variety of genres. Over 80% of Canadian-authored titles are published by the Canadian-owned sector.

The ACP helps its member publishers create an economically sustainable Canadian-owned and controlled publishing industry. The ACP focuses its resources on four distinct areas: government and public relations, communications, research and professional development and marketing.



The **Canada Council for the Arts** awards prizes and fellowships every year to over 200 Canadian artists and scholars for their contributions to the arts, humanities and sciences in Canada. Many of these prizes are privately endowed and are given in perpetuity in memory of the donors. Others, such as the Governor General's Literary Awards are both funded and administered by the Canada Council for the Arts.

Assistance for publishing

The *Support for Publishers* of the Canada Book Fund supports the ongoing production and promotion of Canadian-authored books through financial assistance to over 230 Canadian-owned and -controlled publishers. Publishers can also qualify to receive business development support for internship and business planning projects.

As part of fulfilling its mandate to foster the production and enjoyment of the arts in Canada, the Canada Council for the Arts provides financial assistance to Canadian publishers to offset the costs of publishing Canadian trade books that make a significant contribution to the development of Canadian literature. This assistance is made available through *Emerging Publisher Grants* (for emerging publishers) and *Block Grants* (for established publishers). Publishers participating in these two programmes can also request *Publishing Support for Art Books*. The program *Grants to Aboriginal Peoples* provides support to Aboriginal publishers and collectives.

The *Awards to Scholarly Publications Program* of the **Canadian Federation for the Humanities and Social Sciences** funds the publication and translation of books of advanced scholarship in the humanities and social sciences that make an important contribution to knowledge. Each year, the program offers 180 Publication Grants of \$8,000 and five Translation Grants of \$12,000, contributing 1.5 million dollars to the dissemination of Canadian research.

Assistance for promotion and distribution

The *Support for Organizations* stream of the Canada Book Fund helps organizations and associations in the Canadian book industry with two key objectives in mind: marketing and promoting Canadian-authored books and strengthening the infrastructure and capacity of the industry. Five categories of projects are admissible: Marketing, Technology projects, Professional development, Strategic planning and Internships. The government of Canada has announced (2013) additional funding for the Canada Book Fund for collective projects with a focus on promoting Canadian history titles through the program's *Support for Organizations* stream.

Marketing and promotion initiatives in the domestic market include **BookNet Canada**, a non-profit organization partially financed by the Canada Book Fund with a mandate to improve gathering, management and flow of data throughout the supply chain. It includes the following four components: Bibliographic Data, Electronic Data Interchange (EDI), Sales Data Analysis and International standards. **La Société de gestion de la Banque de titres de langue française** is the francophone equivalent of *BookNet*. Its objective is to create a bibliographic and commercial database for bookstores and libraries' clientele. It is also considered pivotal to implement new technologies in the value chain of Canada's French-language publishing industry.

International market development is delivered by the not-for-profit association **Livres Canada Books**, financed by the Canada Book Fund, which supports the work of Canadian publishers in developing exports, rights sales and international partnerships through a range of services, including financial support, promotion, research, training and a collective presence at major international book fairs.



The **Canada Council for the Arts** manages various programs that support the broader distribution of Canadian works. Its *Literary Arts Promotion* programs provide operating or project grants to Canadian non-profit arts organizations that increase public awareness of and access to Canadian literature. The Council also funds the presence of authors to *Literary Readings*, *Author Promotion Tours* and provides *Travel Grants for Professional Writers*. Canadian professional arts organizations inviting individual professional foreign artists from any country to Canada may benefit from the *Visiting Foreign Artists Program*. Other programs worth mentioning:

- The *Translation Grants* program funds the first translation of literary works written by Canadian authors into French, English or an Aboriginal language for publication in Canada.
- The *International Translation Grants* program assists foreign publishers in translating Canadian literary works for publication abroad into languages other than French or English.

II. Indirect measures

The *Investment Canada Act* requires that foreign investments in the book publishing and distribution sector be compatible with national cultural policies and be of net benefit to Canada and to the Canadian-controlled sector. As part of the measures aimed at strengthening the book publishing and distribution sector, the Government is announcing a revised foreign investment policy for this sector (see insert below).

Copyright policy and legislation ensure the recognition and legal protection of the economic and moral rights of content creators while accommodating the needs of users. The main sources of revenue are book sales and reproduction rights by traditional means such as photocopy and fax as well as by digital means (CD-ROM, databases, intranet, etc.). In Canada, copyright exists, for most works, for the life of the author plus 50 years.

The *Book Importation Regulations* of the Copyright Act offer protection to publishers that have purchased the territorial rights to distribute a given title in Canada. Under the regulations, Canadian publishers are permitted to charge a 10 per cent premium for American titles and a 15 per cent premium for titles outside North America.

Tax measures : writers who are self-employed are entitled to deduct reasonable expenses incurred in connection with earning income from their business, including work space in home expenses, professional membership dues, internet connection, writing courses, stationnaries, writing related conventions (two per year limit for deductibility), etc.

The *Canada Small Business Financing Program* is administered by Industry Canada in partnership with a network of private-sector lenders. Small businesses with gross annual revenues of \$5 million or less can borrow up to \$ 500,000 to purchase, install, renovate and modernize business equipment and other fixed assets. One of the program's objectives is to improve access to loans that would not otherwise be available to small businesses (NOTE: which is often the case in the arts and cultural sector).

Revised Foreign Investment Policy in Book Publishing and Distribution (2013)

- i) Foreign investment in new business enterprises will be limited to Canadian-controlled joint ventures.
- ii) Acquisition of an existing Canadian-controlled business by a non-Canadian will not be permitted. Under extraordinary circumstances, the Government may consider an exception to this guideline. In such a situation, the Government must have credible evidence from the vendor that:
 1. the business is in clear financial distress; and
 2. Canadians have had full and fair opportunity to purchase.If a non-Canadian is the successful bidder, its proposed investment will be subject to the net benefit test set out in (iv) below.
- iii) If a non-Canadian wishes to sell an existing Canadian business independent of any other transaction, the vendor will be expected to ensure that potential Canadian investors have full and fair opportunity to purchase; if a non-Canadian is the successful bidder, its proposed investment will be subject to review under the net benefit test as set out in (iv) below, and credible evidence from the vendor that Canadians had full and fair opportunity to purchase will be required.
- iv) Indirect acquisitions will be reviewed to determine whether they are likely to be of net benefit to Canada and to the Canadian controlled sector and will be assessed on their merits by reference to the factors set out in Section 20 of the Act. More specifically, Investment Canada will typically seek from the foreign investor one or more commitments such as:
 - a. a commitment to the development of Canadian authors, such as undertaking joint-ventures with Canadian-controlled publishers which would introduce the partner's Canadian authors to new markets both domestically and abroad;
 - b. a commitment to support the infrastructure of the book distribution system, e.g.:
 - 1) through distributing imported titles via a Canadian controlled publisher/agent;
 - 2) through maintaining a fully integrated warehousing and order fulfillment operation in Canada for both frontlist and backlist titles;
 - 3) through active participation in industry co-operative ordering/distribution/marketing endeavours;
 - c. accessibility of the company's Canadian marketing and distribution infrastructure (or international network) to interested and compatible Canadian-controlled publishers on a contractual basis;
 - d. a commitment to education and research through financial and professional assistance to institutions offering programs in publishing studies.

These guidelines will be strictly enforced and any undertakings negotiated under the net benefit test will be closely monitored. The Act provides remedies for non-compliance and the Government will apply them when necessary.

Canada's Festival and Performing Arts Policy

Governance Structure

The **Department of Canadian Heritage** is responsible for formulating federal cultural policies and delivering programs at the national level. The Department provides financial assistance to artists, organizations and communities that promote the performing arts:

- The Canada Arts Training Fund.
- The Canada Cultural Investment Fund.
- The Canada Arts Presentation Fund.
- The Building Communities Through Arts and Heritage Program.
- The Canada Cultural Spaces Fund.

The **Canada Council for the Arts** delivers a wide range of programs aimed at supporting artists, artistic companies and service associations in theatre production, dance, music and contemporary circus. The Council provides annual, pluriannual or project-based assistance to cover operational costs. Many programs are specifically designed to address the needs of Aboriginal artists.

The **National Arts Centre (NAC)** is Canada's foremost showcase for the performing arts. The Centre is responsible for developing the performing arts sector in the National Capital Region and assists the Canada Council in developing the performing arts elsewhere in Canada. Since 1992, the Center has presented the Gala of the Governor General's Performing Arts Awards in the categories of theatre, dance, classical music, popular music, film, and broadcasting on an annual basis.

I- Direct Measures

Assistance to creators

The *Canada Arts Training Fund* of the **Department of Canadian Heritage** contributes to the development of Canadian creators and future cultural leaders of the Canadian arts sector by supporting the training of artists with strong potential through institutions that offer training of the highest calibre. The Fund supports established independent, non-profit, Canadian organizations on a multi-year or annual basis for the ongoing operational activities of their professional program. Funding is not for capital infrastructure.

The *Grants to Theatre Artists: Individual Creation, Artists-in-Residency, Playwriting Residency and Professional Development* program of the **Canada Council for the Arts** allows professional artists to devote a specific period of time to the individual creation of new work. There are four components to the program: Individual Creation, Artist-in-Residency, Playwriting Residency, and Professional Development. Similar programs are available to professional artists in dance and music, as well as Aboriginal artists. Other programs of the Council that assist creators include:

The Aboriginal Arts Office ensures that the Canada Council's services and programs best meet the needs of Canada's First Nations, Inuit and Métis arts communities. The Office's current responsibilities are:

- To advocate, both internally and externally, for the development of Aboriginal arts practices in Canada.
- To liaise between the Aboriginal arts community and the Council.
- To engage in community consultation.

- Grants to Aboriginal Dance Professionals
- Elder and Youth Legacy Program
- Artists and Community Collaboration Program
- Musical Instrument Bank
- Commissioning of Canadian Compositions
- Grants to Professional Choirs and Orchestras
- Travel Grants for Aboriginal Collaborative Projects

The **Canada Council for the Arts** awards prizes and fellowships every year to over 200 Canadian artists and scholars for their contributions to the arts, humanities and sciences in Canada. Many of these prizes are privately endowed and are given in perpetuity in memory of the donors. Others, such as the Governor General's Literary Awards are both funded and administered by the Canada Council for the Arts.

Assistance for production

The *Canada Cultural Investment Fund* of the **Department of Canadian Heritage** aims to contribute to the organizational, administrative and financial health of arts and heritage organizations by supporting initiatives that aim to diversify revenue streams. The Fund has three components:

- The Endowment Incentives component encourages private donors to contribute by providing matching funds grants of up to one dollar for every dollar raised.
- The Strategic Initiatives component provides financial assistance for projects involving multiple partners that will help arts and heritage organizations strengthen their management abilities, make strategic use of new technologies and diversify their revenues.
- The Limited Support to Endangered Arts Organizations component provides assistance in those rare instances where a professional arts organization faces the prospect of closure but there is a high degree of support for its continuation and a viable business/restructuring plan.

The **Canada Council for the Arts** programs *Theatre Production Project Grants for Emerging Artists* and *Theatre Production Project Grants for Established Artists* provide assistance to professional non-profit theatre organizations and ad hoc groups of professional theatre artists for the development and/or production of theatre. Similar programs are offered to artists in dance and music, as well as to Aboriginal artists. The other programs of the Council provide annual or multi-year funding for professional artistic companies' operational needs or for a specific project. They include:

- Creation/Production in Dance
- Support Services to the Dance Milieu
- Grants to Professional Choirs and Orchestras
- New Music Program
- Professional Music Organizations Program
- Annual Support to Aboriginal Peoples Dance Companies, Organizations and Collectives
- Aboriginal Peoples Collaborative Exchange
- Capacity Building Program: The Flying Eagle

Assistance for promotion and distribution

The *Canada Arts Presentation Fund* of the Department of Canadian Heritage provides financial assistance to organizations that present arts festivals or performing arts series professionally, as well as to their support organizations. Canadian, non-profit organizations as well as provincial, territorial, municipal or educational institutions are eligible. The Fund delivers its funding through two components:

- The *Programming Component* supports established professional arts festivals and performing arts series presenters and presenter support organizations.
- The *Development Component* supports the emergence of arts presenters and presenter support organizations for underserved communities or artistic practices.

The *Canada Cultural Space Fund* of the **Department of Canadian Heritage** supports the improvement, renovation and construction of arts and heritage facilities, the acquisition of specialized equipment and feasibility studies. Non-profit arts organizations, provincial/territorial, municipal or regional governments and their agencies, and First Nations and Inuit equivalent governments are also eligible.

The *Building Communities Through Arts and Heritage Program* of the **Department of Canadian Heritage** delivers its funding through three separate components:

- The Local Festivals component provides funding to recurring festivals that showcase local artists, artisans, or historical performers.
- The Community Anniversaries component provides funding for non-recurring local events (including capital projects up to \$25,000) that commemorate an anniversary of 100 years or greater in increments of 25 years, to a maximum of \$200,000 per event.
- The Legacy Fund provides funding up to 50 per cent of eligible expenses to a maximum of \$500,000 for community capital projects that commemorate the 100 years or greater in increments of 25 years of a significant local historical event or personality.

The **Canada Council for the Arts** *Theatre International Program* provides financial assistance to projects that reinforce artistic collaboration and exchanges between Canadian and foreign professional theatre companies and enhance the visibility and profile for Canadian companies abroad. The program has five components: Development of Artistic Collaborations, Translation, International Co-production, Touring Outside of Canada and Touring Foreign Productions in Canada. The other programs of the Council in support of promotion and distribution include:

- Travel Grants to Artists
- National and International Touring Grants
- Travel Grants for Theatre Artistic Directors, Administrators and Presenters
- Dance Presentation Program: Support to Presenters and Support to Festivals
- Dance on Screen Production Projects
- Visiting Foreign Artists Program

II- Indirect Measures

Designation as a national arts service organization and as a registered national arts service organization: once a non-profit organization is designated by the Minister of Canadian Heritage, it is permitted to issue official donation receipts with the same benefits as registered charitable organizations, providing the donor with a tax credit in the case of an individual, or reduction of taxable income in the case of a corporate donor.

Tax measures: Performing artists who are self-employed can deduct reasonable business expenses, including the following: insurance premiums on musical instruments and equipment, the cost of repairs to instruments and equipment, legal and accounting fees, union dues and professional membership dues, an agent's commission, publicity expenses, transportation expenses related to an engagement, cost of music, acting or other lessons incurred for a particular role or part or for the purpose of general self-improvement in the individual's artistic field.

Canada's Film and Video Policy

Governance structure

Broadcasting is a matter of federal jurisdiction under the Canadian constitution. The **Department of Canadian Heritage** oversees federal audio-visual policy and program activities that seek to:

- **Reach audiences** by ensuring a healthy supply chain continuum from creator to citizen, so that Canadian content is available and accessible to Canadians;
- **Reflect ourselves** by reflecting Canada's rich linguistic, ethno-cultural, Aboriginal, and regional diversity as our shared citizenship and common values;
- **Invest in excellence** by focusing on cultural excellence and rewarding success;
- **Harness the opportunities of new technologies** by taking a proactive approach to technological change in order to take full advantage of its benefits; and
- **Reach the world** by developing international markets so that we can share Canadian talent and culture with the world.

The cornerstone of Canada's Film and Video Policy is the *Canada Feature Film Fund* (\$97 million for the fiscal year 2010-2011) whose primary objective is to increase Canadian audiences in theatres for Canadian feature films. The program is designed to support productions, in a wide range of genres, with the strongest box office potential. The Fund intervenes at all stages of the value chain, with a view to support established corporations as well as emerging talent, and to develop audiences for Canadian productions, both nationally and internationally.

The following agencies, which report to the Canadian Parliament through the Minister of Canadian Heritage, are the Canadian government's principal instruments for supporting the country's audiovisual industry:

Telefilm Canada administers the Canada Feature Film Fund. Additionally, it recommends the certification of treaty coproductions for film and television to the Minister of Canadian Heritage. It supports the marketing and promotion of Canadian feature films and the audiovisual industry as a whole by participating in industry events such as festivals and markets. In addition to its own programs and initiatives, Telefilm provides services to the Canada Media Fund (CMF) to administer its programs.

The **National Film Board of Canada** is the national public film producer and distributor of social-issue documentaries, auteur animation, alternative drama and digital content that provide the world with a unique Canadian perspective. It works in collaboration with creative filmmakers, digital media creators and co-producers in every region of Canada, with Aboriginal and culturally diverse communities, as well as with partners around the world.

The **Canadian Radio-television and Telecommunications Commission (CRTC)** regulates and supervises the Canadian broadcasting and telecommunications systems, comprised of over 2000 broadcasters, including TV, AM and FM radio.

The **Canadian Audio-Visual Certification Office (CAVCO)** of the Department of Canadian Heritage is responsible for administering the tax credit for international co-productions and for the certification of domestic productions applying for the Canadian film or video production tax credit.

I. Direct measures

Assistance for producers

The programs administered by **Telefilm Canada** under the Canada Feature Film Fund are:

- The *Development Program*, available to production companies, finances the development stage of their feature film projects.
- The *Production Program*, available to Canadian production companies, finances feature film projects in the production and post-production stages.
- The *Micro-Budget Production Program* supports emerging talent for the production and release of a first feature-length film, with an emphasis on digital platforms and its potential for wide distribution and audience involvement.
- The *Theatrical Documentary Program* provides financing for feature-length documentary projects for theatrical exhibition during their production and post-production stages. Telefilm, the Rogers Group of Funds, and the National Film Board of Canada each contribute a third of the Program's \$ 1.5 million annual budget.

The **Canadian Radio-Television and Telecommunications Commission (CRTC)** established the *Canada Media Fund* by requiring licensed Canadian cable and satellite distributors to contribute a percentage of their revenues to the Fund (\$208.5 million in 2012). The Government of Canada also contributes to the Fund (\$134 million in 2012). The CMF is the main source of funding for productions delivered by the Canadian television and digital media industries on multiple platforms. In 2012, cable and satellite broadcasting distribution companies directed \$506.2 million of their combined revenues of \$14.1 billion to the creation of Canadian programming, of which \$62 million to independent funds, \$112 million to the Local Programming Improvement Fund and \$123.7 million to cable community channels and other sources of local expression.

The Government of Canada *Tax Credit* program aims to attract investment and major film productions. It is jointly administered by the Department of Canadian Heritage, through the **Canadian Audio-Visual Certification Office (CAVCO)**, and by the Canada Revenue Agency (CRA). Only companies and productions certified by CAVCO as Canadian under Canadian content requirements are eligible.

- the Canadian Film or Video Production Tax Credit is equal to 25 percent of the qualified labour expenditure of an eligible production, but cannot exceed 15 % of the total production budget. The credit is only available to Canadian film or video production corporations established in Canada.
- the Film or Video Production Services Tax Credit is equal to 16% of qualified labour expenditures of an eligible production. In return for hiring Canadian residents to perform work in Canada, the Canadian or foreign-owned production or services corporation may be entitled to a credit against taxes payable in Canada.

Canada's *Policy on Audiovisual Treaty Coproduction* aims to encourage Canadian and foreign producers to pool their creative, technical, and financial resources and benefit from being granted domestic status in their respective countries. Such coproductions become eligible for domestic funding programs, fiscal incentives, and broadcast quotas. Canada has signed 53 such bilateral international treaties. Over the past



decade, Canadian producers have coproduced close to 700 film and television programs valued at more than \$4.9 billion in total production budgets.

The **National Film Board of Canada (NFB)** may cover up to 100% of production costs or share in the financing of Canadian and international coproductions. It provides technical assistance and mentoring through the *Filmmaker Support Programs* for new and emerging independent filmmakers and through its *English-language and French-language programs* for the creation of films that are particularly innovative in form and content. The French-language program also offers paid internship opportunities to young professionals from cultural minorities already active in animation and documentary production.

The Media Arts Section of the **Canada Council for the Arts** supports independent media artists and organizations, groups and collectives in film, video, new media and audio. Assistance is provided for research, creation, production, professional development and presentation activities. While the Media Arts Section does not have a program that specifically supports international activities, these activities are eligible in the entire slate of programs available:

- Grants to Film and Video Artists.
- Grants to New Media and Audio Artists.
- Grants to Media Arts Organizations: Initiatives.
- New Media Residencies.
- Project Grants to Media Arts Organizations, Groups and Collectives.
- Travel Grants to Media Arts Professionals.
- Visiting Foreign Artists Program.

CBC/Radio-Canada, the national public broadcaster, has a *Regional Programming Development Fund* aimed at developing collaboration between its English-language television network's local stations and independent producers for content relevant to local audiences, with an emphasis on diversity of voices (especially Aboriginal), on points of view and on emerging on-screen talent. The public broadcaster's French-language television service supports the production of Canadian feature films or feature-length documentaries whose original versions are destined for theatrical exhibition and which will later be shown on its Web and TV platforms.

Assistance for promotion and distribution

Programs administered by **Telefilm Canada** under the Canada Film Fund are:

- The *Marketing Program* is available to distribution and production companies to support the marketing and distribution of their feature film projects.
- The *International Marketing and Festival Participation Program* is available to Canadian companies specializing in film production, distribution and sales. Complementary initiatives offered by Telefilm include: pre-selection screenings for major festivals; online directory of major international festivals; market screenings at selected events; Canada pavilions at major international markets.
- Financial support to *Canadian festivals* is provided through two instruments: a competitive component, the "Skills and Screens Program", and a performance-based component, the "Festivals Performance Program". The program will be reviewed during the current fiscal year and new guidelines will be announced by April 2014.
- The *Golden Box Office Award* and its French-language equivalent, *Prix Guichet d'or*, recognize the Canadian director(s) and screenwriter(s) of the Canadian feature film with the highest

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domestic box-office sales in a calendar year. The winning director receives a \$20,000 cash prize and the winning screenwriters share an additional \$20,000 prize.

- The *Promotion Program* targets Canadian organizations active in film, television or digital media. The program offers financial support for events open to the general public and for initiatives held in Canada that are aimed primarily at industry professionals. It also includes Telefilm funding of awards ceremonies as well as of alternative distribution networks.

II. Indirect measures

The **Canadian Radio-television and Telecommunications Commission (CRTC)** contributes to the development of the Canadian film and video industry in many ways:

- 1) Production certification: conventional television, pay TV and specialty TV licensees must broadcast a certain percentage of Canadian Content (CanCon). All programs that are intended for broadcast as Canadian content must be certified as being “Canadian” by the Commission. To monitor compliance, the CRTC requires licensees to maintain program logs for the Canadian programming they broadcast.
- 2) Canadian content requirements: all licenced Canadian television broadcasters are subject by condition of licence to such requirements, which vary according to the nature of the service (conventional, pay, pay-per-view, video-on-demand, specialty, community, etc.). Private conventional television stations are subject to a Canadian content quota of not less than 60% of the broadcast year and not less than 50% of the 6 p.m. to midnight evening broadcast period.
- 3) Expenditure requirements: In some instances, such as applications for new licences and transfers of control or ownership, the CRTC may set expenditure requirements. Large private English-language ownership groups are required to spend 30% of their revenues on Canadian programming expenditures, of which 5% must be spent on programs of national interest . 75% of this programming must come from Canadian independent producers. Pay-TV and specialty services are subject to requirements that vary for each service and are set by conditions of licence.
- 4) Incentives for Canadian Drama Programs: broadcasters can claim a 125% to 150% time credit for Canadian dramas programs when they are aired as part of their priority programming requirements during peak viewing hours (7PM - 11PM).
- 5) Licensing framework: over the year, the CRTC has authorized a range of Canadian television programming to maximize the production and exhibition of new Canadian programming. Movie specialty services Viewer’s Choice and The Movie Network (English) and Super Écran (French) are required to support the development of Canadian dramatic feature films. They have contributed almost \$84 million to support over 3,892 projects since 1986.
- 6) The policy on non-Canadian programming services authorized for distribution in Canada restricts the carriage of foreign specialty services by Canadian cable or satellite undertakings if it determines them to be either partially or totally competitive with Canadian specialty or pay television services. This serves to ensure that the Canadian licensed services are in a position to fulfil their commitments and obligations regarding the airing of Canadian programming, a responsibility that their non-Canadian competitors do not have.
- 7) The policy of genre exclusivity for pay and specialty services applies to a majority of genres, other than general sports and national news. The Commission will only introduce competition in a given genre once it is convinced that a competitive environment would not significantly reduce either the diversity of services available to subscribers or their contribution to the creation of Canadian programming.
- 8) The policy on the mandatory distribution on the basic service by Canadian cable and satellite undertakings ensures that Canadian programming services have access to a reasonably reliable revenue stream, thereby enabling them to meet their Canadian content obligations.

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- 9) The benefits policy: applicants for a transfer of ownership or control of any television undertaking must commit tangible benefits that represent a financial contribution of 10% of the value of the transaction. The CRTC encourages applicants to direct a majority of that contribution to the production of new Canadian programs. It also encourages and accepts the creation of independent production funds that supplement the Canadian Media Fund. Transfer of control benefits directed at the Canadian broadcasting system have exceeded \$540 million since the introduction of the new television policy in 1999.

The *Investment Canada Act* requires that foreign investments in the production, distribution and exhibition sector of the film and video industries be compatible with national cultural policies and be of “net benefit” to Canada and to the Canadian-controlled sector (see insert).

Copyright policy and legislation ensure the recognition and legal protection of the economic and moral rights of content creators while accommodating the needs of users. The main sources of income are the royalties collected for the public performance of audiovisual works in movie theatres, on television and retransmitted by cable as well as the private copying levy collected on analog recording media by the not-for-profit organization Canadian Private Copying Collective. The Copyright Board of Canada is responsible for issuing private copying tariffs. The Copyright Modernization Act (2012) does not impose a levy on digital recording media such as iPod and USB keys. In Canada, copyright exists, for most works, for the life of the author plus 50 years.

The *Canada Small Business Financing Program* is administered by Industry Canada in partnership with a network of private-sector lenders. Small businesses with gross annual revenues of \$5 million or less can borrow up to \$ 500,000 to purchase, install, renovate and modernize business equipment and other fixed assets.

Foreign Investment in the film distribution industry

- Takeovers of Canadian owned and controlled distribution businesses will not be allowed;
- Investments to establish new distribution businesses in Canada will only be allowed to importation and distribution activities related to proprietary products (the importer owns world rights or is a major investor);
- Indirect and direct takeovers of foreign distribution businesses operating in Canada will be allowed only if the investor undertakes to reinvest a portion of its Canadian earnings in accordance with national and cultural policies;
- All applications to Investment Canada made after February 13, 1987 will be subject to the new policy.

Canada's Periodical Publishing Policy

Governing structure

In Canada, public policy for magazine and periodical publishing is designed to support the production, distribution and promotion of:

- Print magazines
- Digital periodicals
- Non-daily Canadian newspapers

The Department of Canadian Heritage administers the main assistance programme to the industry, the Canada Periodical Fund, which has three components:

- Aid to Publishers
- Business Innovation
- Collective Initiatives

1. Direct measures

Assistance for publishing

The *Aid to Publishers* component is considered to be the cornerstone of the Canada Periodical Fund since it represents 95% of the total funding available to Canadian magazine publishers with paid or verified request circulations, including assistance to Canadian publishers of non-daily newspapers with paid distributions. To qualify, at least 5,000 paid copies must have been sold during a 12 month period through subscriptions, and/or single-copy/newsstand sales. Aboriginal, official language minority and ethnocultural magazines must have sold at least 2,500 paid copies during the reference year. Publishers are able to use funding to support the creation of content, production, distribution, online activities, or business development.

The *Foreign Publishers Advertising Services Act* aims to strengthen the competitive position of Canadian magazine publishers by limiting to 18% the amount of advertising that foreign publishers may sell to Canadian advertisers. A foreign publisher will be able to sell more than 18% of advertising aimed at Canada if it invests and creates new businesses, hires Canadians, and produces magazines containing majority Canadian content. New investments that result in ownership and control by a foreign investor will be subject to a review under the *Investment Canada Act* for net benefit to Canada.

Section 19 of the *Income Tax Act* provides an incentive for Canadian advertisers to advertise in Canadian-owned newspapers by allowing deductions for advertising expenses only in periodicals or newspapers with at least 75% Canadian ownership. Advertising expenses are deductible at a rate of:



Magazines Canada is the national trade association representing Canadian-owned and Canadian-content magazine media that produce cultural, consumer and business media periodicals edited in English and French on multiple platforms.

Its operations are financed by membership fees. It produces marketing and in-career skills development initiatives with industry support and contributions from the Canada Periodical Fund and provincial agencies including the Ontario Media Development Corporation and the Ontario Arts Council.

The Coalition for Cultural Diversity sought to be accurate and up-to-date in preparing this broad overview.

Please contact us at coalition@cdc-ccd.org should corrections be necessary.



- 50 % in magazines containing less than 80% original editorial content
- 100 % in magazines containing at least 80% original editorial content

The *Grants to Literary and Arts Magazine* program administered by the Canada Council for the Arts encourages excellence in artistic expression and fosters awareness of the contemporary arts and literature in Canada through support for the publication of literary and art magazines. The program includes a component that supports new magazines devoted to literature and the contemporary arts in Canada. Seed grants of between \$5,000 and \$15,000 are awarded to the new magazines judged most deserving in terms of literary and artistic potential. The program also supports digital magazines and market access initiatives.

The *Aid to Scholarly Journals* of the Social Sciences and Humanities Research Council aims to increase access to, and readership for, original research in the social sciences and humanities in Canadian scholarly journals. Some 125 Canadian journals qualify to receive grants of a maximum value of \$30,000 per annum for three years.

Assistance for promotion and distribution

The Canada Periodical Fund *Business Innovation* component offers eligible small and mid-sized printed magazine and digital periodical publishers support for projects that encourage innovation in adapting to changing market conditions and contributes to the diversity of content sought by Canadian readers. Projects must contribute to the program's objectives:

- Support innovation and the use of new technologies;
- Strengthen the financial viability of Canadian small and mid-sized print magazines and digital periodicals;
- Increase market access for Canadian small and mid-sized circulation print magazines and digital periodicals;
- Encourage the development of the next generation of Canadian periodical publishing professionals;
- Enhance the diversity of titles and Canadian editorial content available to readers and advertisers.

The *Collective initiatives* component funds organizations whose projects are designed to increase the overall sustainability of Canada's magazine and non-daily newspaper industries. Eligible initiatives must contribute to the program's objectives :

- Encourage collective efficiencies in the creation, publication and distribution of Canadian periodicals;
- Explore and test new business models and digital opportunities for the periodical industry;
- Increase the information base available to the periodical industry and policymakers;
- Provide services, training and professional development opportunities to the industry;
- Raise the profile of the periodical industry among advertisers, readers and creators, and as a career opportunity for Canadians.

The *Business Innovation* and *Collective Initiatives* components of the Canada Periodical Fund also provide financial assistance for the production or access to history periodicals and history-related projects aimed at promoting the history of Canada (up to \$ 375,000 per year).

II- Indirect measures

Foreign investments with respect to the publication, distribution and sale of periodicals are subject to review for net benefit to Canada pursuant to Part IV of the *Investment Canada Act*, including the investment's compatibility with Canada's cultural policies (see insert).

Copyright policy and legislation ensure the recognition and legal protection of the economic and moral rights of content creators while accommodating the needs of users. The main sources of revenue for magazines are reproduction rights by traditional means such as photocopy and fax as well as by digital means (CD-ROM, databases, intranet, etc.). In Canada, copyright exists, for most works, for the life of the author plus 50 years.

The *Canada Small Business Financing Program* is administered by Industry Canada in partnership with a network of private-sector lenders. Small businesses with gross annual revenues of \$5 million or less can borrow up to \$ 500,000 to purchase, install, renovate and modernize business equipment and other fixed assets.

Foreign Investment Review Guidelines in the Periodical Publishing Sector

Net benefit will include, inter alia, undertakings by foreign investors that result in a majority of original editorial content for the Canadian market in each issue of each periodical title.

Original editorial content means non-advertising content that is authored by Canadians, including, but not limited to, writers, journalists, illustrators and photographers; or created for the Canadian market and does not appear in any other edition of one or more periodicals published outside Canada.

Net benefit may also include undertakings by the foreign investor such as:

- Creating an employment infrastructure by directly employing an editorial and support staff composed of persons resident in Canada with respect to the investment; or
- Supporting the infrastructure in the publishing sector by having their titles edited, typeset and printed in Canada.

Canada Sound Recording Policy

Governance structure

The **Department of Canadian Heritage** is responsible for formulating cultural policies at the national level of government. The Department delivers programs aimed at supporting sound recording businesses and professional associations.

The management of contributions to creators and producers in the recording industry is delegated to **FACTOR** and **Musicaction** (see insert) while the **Canada Council for the Arts** administers programs aimed at musical expressions deemed more specialized.

The **Canadian Radio-television and Telecommunications Commission** (CRTC), an arm's length agency that reports to Parliament through the Minister of Canadian Heritage, regulates Canadian broadcasters' obligations to air national musical content and contribute a part of their revenue to independent funds supporting musical creation.

Library and Archives Canada, also a Crown Corporation, ensures the preservation of Canadian sound recordings.

I. The Canadian policy *From creators to audiences*

Three main objectives:

1. Enhance Canadians' access to a diverse range of Canadian music choices through existing and emerging media;
2. Increase the opportunities available for Canadian music artists and entrepreneurs to make a significant and lasting contribution to the Canadian cultural expression; and
3. Ensure that Canadian music artists and entrepreneurs have the skills, know-how and tools to succeed in a global and digital environment.

The Canada Music Fund, with an annual budget of \$27,6 million until it is up for renewal in 2014, is the main implementation tool of the sound recording policy through the following programs:

- New Musical Works.
- Music Entrepreneur.
- Collective Initiatives.
- Canadian Music Memories.
- Production Grants in Music.

FACTOR (the Foundation to Assist Canadian Talent On Recordings) is a non-profit organization that finances a wide variety of initiatives in the English-language music industry. FACTOR provides over \$17 million in grants annually, of which \$9 million come from Canadian broadcasters and \$8.5 million from the Department of Canadian Heritage. Its French language equivalent, **Musicaction**, grants over \$7 million annually, of which \$2 million comes from Canadian broadcasters and \$5 million from the Department.

The **Canada Council for the Arts** aims to foster and promote the production, study and enjoyment of works of art. It provides support for individuals, groups, ensembles, orchestras and other professionals working in the Canadian music community. In addition to tours, concert production and festival programming, the Music Section funds a variety of related activities such as residencies and the commissioning of Canadian compositions.

I. Direct measures

Assistance to creators

The *New Musical Works* component of the Canada Music Fund provides Canadian creators and entrepreneurs with opportunities to produce and promote Canadian sound recordings and to develop their craft and expertise. Eligible recipients are Canadian artists, not-for-profit organizations, associations, or corporations, including record labels, music publishers, and those involved in artist management.

The *Production Grants in Music* program managed by the Canada Council for the Arts supports the ongoing production, presentation, dissemination and documentation of specialized music through local public performance and recording. It has two components: Performance Production and Music Recording. Of the 26 grant programs, the following are worth noting:

- Grants to Professional Musicians – Individuals.
- Travel Grants to Professional Musicians – Individuals.
- Career Development Program: Project Grants to Artists.
- Aboriginal Peoples Music Program.
- Professional Choir Program: Annual Funding.
- Arts awards and fellowships to over 200 artists and scholars every year.

Assistance to producers

The *Music Entrepreneur* program managed by Canadian Heritage includes three components:

- *Aid to Canadian Sound Recording Firms* assists Canadian-owned and -controlled firms with a proven track record in the development and marketing of Canadian musical talent and whose principal business is the production and marketing of Canadian content sound recordings.
- *Aid to Canadian Music Publishing Firms* provides funding to assist active music publishing firms develop Canadian songwriters/composers and promote new Canadian musical works in Canada and abroad.
- *Aid to Canadian Music Industry National Service Organizations* provides financial assistance to increase collective promotional activities for Canadian artists and music content, as well as services to the Canadian music industry.

Assistance for promotion and distribution

The *Collective Initiatives* component fosters the increased regional, national and international presence of Canadian companies, record labels, creators and artists. This component provides financial assistance for conferences and award shows, real and virtual showcases, and market development initiatives. Eligible recipients are Canadian non-profit organizations, or associations or corporations owned and controlled by Canadians.

The *Canadian Music Memories* component provides funding to Library and Archives Canada for the preservation of Canadian sound recordings in order to provide Canadians with access to their musical heritage.

Digital market development and *international market development* are two new priorities, administered by FACTOR and MUSICATION, that have inherited the budgets previously allocated to Canadian Musical

Diversity and Support to Sector Association, two components of the Canada Music Fund that were terminated in 2009.

II. Indirect measures

The Canadian Radio-television and Telecommunications Commission (CRTC) contributes to the development of the Canadian musical industry in many ways:

- 1) The *Canadian content rules* and *radio regulations* set minimal Canadian content and musical requirements for broadcasters:
 - English- and French-language stations (commercial, community, campus and native radios) must ensure that at least 35% of the Popular Music they broadcast each week is Canadian content. English language commercial radio stations also have to ensure that at least 35% of the Popular Music broadcast between 6:00 a.m. and 6:00 p.m. Monday to Friday is Canadian content.
 - French language radio stations must devote at least 65% of all popular music aired each week to French-language selections. Commercial radio stations also must ensure that at least 55% of the popular music broadcast between 6:00 a.m. and 6:00 p.m. Monday to Friday consists of French-language selections.
 - *The English-language radio services of the national public broadcaster, CBC/Radio-Canada, must devote a minimum of 50% of selections in popular music to Canadian content. CBC/Radio-Canada is also required to broadcast television programs of national interest in prime time, including music and dance other than music video programs or clips.*
 - *Canadian specialty television networks MuchMusic (English-language), MusiquePlus and MusiMax (French-language) licensed by the CRTC are required to program a minimum of 30% of music videos by Canadian artists. 50 % of music videos aired by MusiquePlus and MusiMax must be in French.*

- 2) Licensed commercial radio stations are required to contribute financially to the *development of Canadian content*. The contribution level is determined by the CRTC when assessing a license request, its renewal or a change of ownership:
 - Contributions by commercial radios are proportional to revenues and equal 0.5% of their revenues annually for those with at least \$1,250,000 of revenues. They must be allocated as follows:
 - 45% to FACTOR or Musicaction.
 - 15% to the Community Radio Fund of Canada.
 - 40% to discretionary projects.

The Canadian Radio-television and Telecommunications Commission (CRTC) is an independent public organization that regulates and supervises the Canadian broadcasting and telecommunications systems.

The CRTC supervises and regulates over 2000 broadcasters, including TV, AM and FM radio. It also regulates telecommunications carriers including major telephone companies. This role involves:

- Issuing, renewing and amending broadcasting licences.
- Making decisions on mergers, acquisitions and changes of ownership in broadcasting.
- Approving tariffs and certain agreements for the telecommunications industry.
- Issuing licences for international telecommunications services, whose networks allow telephone users to make and receive calls outside Canadian borders.
- Encouraging competition in telecommunications markets.
- Responding to requests for information and concerns about broadcasting and telecommunications issues.

- Licensed satellite radio services in Canada are required to commit at least 5% of their annual revenues to eligible third parties associated with the development of Canadian content, including FACTOR et Musicaction.
- Contributions from commercial radio stations licensed to operate an ethnic station or spoken word station would be allocated as follows:
 - 15% to the Community Radio Fund of Canada.
 - 85% to discretionary projects.
- Each radio station involved in a transfer of ownership in Canada must commit 6% of the value of the transaction to supporting Canadian musical content development, of which 1,5% must be given to FACTOR or MUSICATION.

Copyright policy and legislation ensure the recognition and legal protection of the economic and moral rights of creators while accommodating the needs of users. The main sources of revenue are the royalties collected for the public performance of musical works, mechanical reproduction rights (administered by SOCAN) and the private copying levy collected on analog recording media by the not-for-profit organization Canadian Private Copying Collective. The Copyright Board of Canada is responsible for issuing private copying tariffs. The Copyright Modernization Act (2012) does not impose a levy on digital recording media such as iPod and USB keys.

Foreign investment rules foster the Canadian ownership and control of undertakings. The Broadcasting Act states that Canadian radio services shall be effectively operated by Canadian owned undertakings. All other investments in the cultural sector must be compatible with Canadian cultural policy in accordance with the Investment Canada Act. However, foreign undertakings that were active in Canada before the enactment of that Act enjoy a vested right.

The *Canada Arts Training Fund* of the Department of Canadian Heritage supports the training of artists with strong potential through institutions that offer training of the highest calibre. The Fund supports independent, non-profit, incorporated Canadian organizations on a multi-year or annual basis for the ongoing operational activities of the organizations' professional program.

Tax measures: Performing artists who are self-employed can deduct reasonable business expenses, including the following: insurance premiums on musical instruments and equipment, the cost of repairs to instruments and equipment, legal and accounting fees, union dues and professional membership dues, an agent's commission, publicity expenses, transportation expenses related to an engagement, cost of music, professional development courses.

The *Canada Small Business Financing Program* is administered by Industry Canada in partnership with a network of private-sector lenders. Small businesses with gross annual revenues of \$5 million or less can borrow up to \$ 500,000 to purchase, install, renovate and modernize business equipment and other fixed assets. One of the program's objectives is to improve access to loans that would not otherwise be available to small businesses (NOTE: which is often the case in the arts and cultural sector).

