



PASSPORT TO MARKETS ENVELOPE PROGRAM GUIDELINES 2008-09 (March 2009 Application Round)

OBJECTIVE

The Passport to Markets Envelope Program is an initiative designed to enable established British Columbia production or distribution companies or sales agencies with a track record in film and television to advance their development plans and meet business growth objectives.

PROGRAM DESCRIPTION

Eligible Applicants may apply for Passport to Markets Envelope financing of up to \$12,500. This financing can be applied against eligible costs to attend up to six market sites over the coming year. The total amount advanced by British Columbia Film cannot represent more than 50% of total eligible costs.

Proposed events may be selected from those listed on the 2009-10 Passport to Markets Site List, or may, if pre-approved, include other key national or international markets, events or conferences which would meet the same standards and program objectives.

ELIGIBLE APPLICANTS

Applications will be considered from British Columbia based production or distribution companies or sales agents with a proven track record in producing or marketing domestic film and television projects. The projects being marketed must be export ready and the proposed marketing activities must support a targeted company strategy for growth.

The applicant company must also meet the following requirements:

- Based in British Columbia; incorporated in the province or federally; (Application from a non-profit society may also be eligible provided that it is based on BC and the majority of its Board of Directors are residents of BC.)
- Majority owned and controlled by BC residents; (BC residents include Canadian citizens or Permanent Residents who have resided in BC for at least 200 of the 365 days immediately preceding the date of application, and who have filed income tax returns in the last year in BC)

AND, in the case of a film and television production company:

- Have commenced principal photography on not less than \$1.5 million in domestically owned and controlled film or television production over the preceding 36 months;

- Have at least 3 projects in development that are ready to be pitched to national and international broadcasters, distributors, sales agents and potential co-production partners (the “Slate”);
 - Have secured a minimum of \$75,000 in current third party financing and/or marketplace commitments (i.e. development advances, distribution advances, broadcast pre-sales, and/or equity investments) with respect to the projects in the Slate;
- OR, in the case of a BC based distribution company or sales agency:*
- Have secured the U.S. and/or foreign territory distribution or sales agency rights to not fewer than 5 BC owned and controlled film and/or television productions. The BC-based production company who owns the copyright must be at arms length from the applicant distributor or sales agent company.

Participating individual(s) must be specified at the time of application and must meet the following requirements:

- BC resident(s), as per the definition above;
 - Key decision maker(s) at the executive level within the applicant company (President, Vice-President, CEO, CFO, VP-Sales & Distribution)
- AND, in the case of a film and/or television producer:*
- Have at least two recently produced and broadcast/exhibited film or television credits as a producer or executive producer;
- OR, in the case of a BC based distributor or sales agent:*
- Have been operating as such for not less than 3 years;

More than one eligible individual from the applicant company can attend a single market, or the markets can be split up among the individuals. British Columbia Film will also consider, on a case by case basis, overall proposals that include the participation of other mid-level or senior staff who would otherwise not meet the above requirements (e.g. Development Officer, Associate Producer, sales staff), as part of a company strategy to increase capacity, activities and results. Associate Producers or sales staff must be accompanied by a senior executive who does meet the requirements.

Recipients of a Slate Development Fund Envelope are not eligible to access further funding through this Program.

ELIGIBLE COSTS

The following will be considered eligible expenses:

- Per Diem - \$60 per day in Canada; \$80 per day outside Canada;
- Accommodation – up to \$175 per night in Canada; up to \$250 per night outside Canada;
- Registration Fees (if applicable);
- Transportation:
 - return airfare (based on economy fare),
 - ground transportation (rental car, vehicle fuel costs, taxi, shuttle bus);
- Suite or booth rental at market;
- Design and printing of marketing materials, payable to arm’s length third parties (e.g. one sheets, pitch packages, CD-Roms) capped at no more than 20% of the Base Budget; and
- Overhead allowance capped at 10% of the Base Budget (to cover related long distance charges, in-house photocopying, courier costs and general administrative expenses).

APPLICATION PROCESS

Applications will be accepted until 4pm on Thursday, March 12, 2009. Applications must include a clearly targeted strategy for company growth and a proposal for advancing the development or distribution of no fewer than three domestically owned and/or controlled film and television projects (the "Slate"). There is an application fee of \$105 (including GST).

Applications will be reviewed on a competitive basis according to the following criteria:

- Viability of company's proposed strategy for growth and development or sales targets;
- Suitability of proposed activities;
- Export readiness of projects in the company's Slate;
- Company track record, including:

In the case of a BC-based production company:

- recent production volume and previous credits;
- Verifiable financing commitments for the projects in the Slate;

In the case of a BC based distribution company or sales agency:

- recent acquisitions;
- recent sales volumes.

If an applicant is successful and receives a commitment from British Columbia Film during this round of the Passports to Markets Envelope Program and has an existing Passports to Market Envelope with British Columbia Film which has not yet been fully drawdown, the producer must first satisfy all the drawdown conditions of this contract prior to BC Film entering into a further agreement for additional Passports to Markets Envelope financing.

A full list of required documentation is outlined on the Passport to Markets Envelope application form.

SUCCESSFUL APPLICANTS

All applicants will be notified in writing of final decisions. Successful applicant companies and their staff will not be eligible to apply for additional funding through the individual site-based Passport to Markets Program.

PAYMENT SCHEDULE AND REPORTING PROCESS

Payments will be administered as followed:

- 75% upon execution of the agreement; and
- 25% upon delivery and acceptance of a final written report and cost report (due within 30 days of the final market attended).

British Columbia Film's participation cannot exceed 50% of final approved eligible costs across the envelope of activities. British Columbia Film reserves the right to reduce the committed amount following a review of final costs.

In addition, follow up surveys may be conducted 6 and 12 months after the year has concluded to confirm any additional pre-sales, rights acquired, financing secured and/or co-production deals signed. Failure to respond may have an impact on a company's eligibility to receive further support from British Columbia Film.