

Canadian Film or Video Production Tax Credit

Guidelines - Amendment #2

September 1, 1997

In an effort to simplify the application process, CAVCO has made a number of revisions to parts of our existing application kit documentation, as attached hereto. Noted below are the revised forms as well as other changes in our procedures and requirements. For your convenience, we have attached a full application kit and a full set of forms, including the new revised ones. Please review the following carefully.

REVISED FORMS

CHECKLISTS

In order to assist producers in submitting a complete package of information when they apply for the federal tax credit, CAVCO has prepared revised checklists which cover all stages of the certification process. The attached revisions, dated September 1, 1997, replace any previously issued versions. Please review them carefully, as there are many changes.

APPLICATION FORM

The basic application form remains the same. However, the Section 7 Producer's Declaration was revised substantially and is now in the form of a Production Company Declaration. This declaration was designed to replace the need to obtain a legal opinion with respect to the Canadian status of a particular production company. In addition, the Section 5 calculation of the estimated tax credit was also amended. Although many of you have already received copies of these new sections, we are attaching a complete application form for your files to replace all existing application forms.

COURTESY CREDIT EXEMPTION AFFIDAVITS

Any request for a non-Canadian courtesy credit for persons occupying producer-related functions must be accompanied by an affidavit signed by the non-Canadian individual for whom the credit is being requested as well as other documentation noted in the revised checklist. A new form of affidavit is attached to replace the one contained in previous application kits.

It is recommended that producers submit their requests for exemptions along with the application for a Canadian film or video production certificate (Part A) or, at minimum, before the completion of principal photography, in order to assure themselves of compliance with the requirements of the program before the screen credits are locked.

DECLARATION OF CITIZENSHIP

Attached is a Declaration of Citizenship form to replace the existing Form 3 declaration which was contained in previous application kits. CAVCO does not require that these declarations be submitted until a producer applies for a Certificate of Completion (Part B). It is recommended, however, that these forms be signed during the production and post-production stages since it will obviate the need to track down key creative personnel after a production is completed. Please note that these declarations are required for all those individuals who make-up the elements of the production subject to a "point" determination (i.e. first lead performer, all screenwriters, art director, etc.) in addition to all personnel who receive credits indicating they act in a producer-type function (i.e. line producers, executive producers, production executives, etc.).

OTHER PROCEDURES AND REQUIREMENTS

FEE SCHEDULE

Below is a reiteration of the fee schedule made effective as of December 1, 1996. Please note that CAVCO no longer issues Advance Rulings and this is reflected in the fee schedule.

<i>Stages</i>	<i>fees to be paid</i>
Part A	\$200
Part B	0.12% of the eligible production cost (line D of section 5 attached) (minimum \$200 if no Part A has been requested)

CAVCO SCREEN CREDIT

A screen credit recognizing financial support from the federal government must be included in the tail credits and must also appear in all domestic and international versions of each production as well as in all related advertising, publicity and promotional materials. Productions where the screen credits were already locked by November 18, 1996 (the date on which this requirement was first made known) are exempted from this requirement. The form of the credit may be as follows:

“with the assistance/participation of the Government of Canada
Canadian Film or Video Production Tax Credit program”

or

“with the assistance/participation of the
Canadian Film or Video Production Tax Credit”

CAVCO WEB-SITE

We would also like to announce the launch of our Internet web-site. Our entire application kit can be accessed at the site. The address is:

http://www.pch.gc.ca/culture/cult_ind/cavco_e.htm

We welcome your visits.

Yours sincerely,

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